THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Dongjiang Environmental Company Limited*, you should at once hand this circular, together with the enclosed form of proxy to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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DONGJIANG ENVIRONMENTAL COMPANY LIMITED*

東江環保股份有限公司

(a joint stock limited company incorporated in the People's Republic of China)

(Stock code: 00895)

(1) PROPOSED TERMINATION OF PART OF PROCEEDS-FUNDED PROJECTS AND PERMANENT REPLENISHMENT OF WORKING CAPITAL WITH SURPLUS PROCEEDS;
(2) PROPOSED CONCLUSION OF PART OF PROCEEDS-FUNDED PROJECT AND PERMANENT REPLENISHMENT OF WORKING CAPITAL WITH SURPLUS PROCEEDS;
(3) PROPOSED ADOPTION OF THE ESTIMATE ON ROUTINE RELATED PARTY TRANSACTIONS FOR 2026;
AND
(4) NOTICE OF THE FIRST EGM IN 2026

Unless the context otherwise requires, capitalised terms used in this cover page have the same meanings as defined in this circular. letter from the Board is set out on pages 5 to 30 of this circular.

A notice convening the EGM to be held at 11th Floor, Dongjiang Environmental Building, No. 9 Langshan Road, Nanshan District, Shenzhen, the People's Republic of China on Friday, 30 January 2026 at 3:00 p.m. is set out on pages 31 to 32 of this circular. A form of proxy for use at the EGM is also enclosed with this circular. Such form of proxy is also published on the website of the Stock Exchange at www.hkexnews.hk.

Whether or not you are able to attend the EGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's H share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (for holders of H Shares) as soon as possible but in any event, not less than 24 hours before the time appointed for the holding of the EGM (i.e. 3:00 p.m. on Thursday, 29 January 2026. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM should you so wish.

To facilitate the Company in making arrangements for the EGM, you are invited to complete the enclosed reply slip in accordance with the instructions printed thereon and return it to the Company's H share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (for holders of H Shares) as soon as possible, but in any event, before 3:00 p.m. on Thursday, 29 January 2026. However, the completion and return of the reply slip or not will not affect your right to attend and/or vote at the EGM.

* *For identification purposes only*

12 January 2026

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In this circular, unless the context otherwise requires, the following expressions have the following meanings:

"A Share(s)"	A share(s) in the share capital of the Company, with a par value of RMB1.00 each, which are subscribed for and traded in RMB on the Shenzhen Stock Exchange
"Anjiatai"	Guangdong Anjiatai Environmental Protection Technology Co., Ltd.* (廣東安佳泰環保科技有限公司), a company established in PRC with limited liability, the equity interest in which is held as to 70% by Dongjiang Veolia and 30% by Guangdong Donghuan Hazardous Waste Comprehensive Treatment Demonstration Center Co., Ltd.* (廣東東寰危險廢物綜合處理示範中心有限公司)
"Articles of Association"	the articles of association of the Company
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Baowu Environment"	Baowu Group Environmental Resources Technology Co., Ltd.* (寶武集團環境資源科技有限公司), a company established in the PRC with limited liability and a substantial shareholder of the Company as at the Latest Practicable Date, which is controlled by Baowu Group
"Baowu Group"	China Baowu Steel Group Co., Ltd.* (中國寶武鋼鐵集團有限公司), a wholly state-owned company established in the PRC, which is the controlling shareholder of Baowu Environment and is ultimately supervised by the State-owned Assets Supervision and Administration Commission of the State Council of the PRC* (中華人民共和國國務院國有資產監督管理委員會)
"Board"	the board of Directors
"Company"	東江環保股份有限公司 (Dongjiang Environmental Company Limited*), a joint stock limited company incorporated in the PRC, whose H Shares and A Shares are listed on the Stock Exchange and on the Shenzhen Stock Exchange, respectively
"CSRC"	China Securities Regulatory Commission
"Director(s)"	the director(s) of the Company

"Dongjiang Veolia"	Huizhou Dongjiang Veolia Environmental Service Co., Ltd.* (惠州東江威立雅環境服務有限公司), a company established in the PRC with limited liability, the equity interest in which is held as to 50% by each of the Company and Veolia Environmental Services Hong Kong Limited, respectively
"EGM"	the first extraordinary general meeting of the Company in 2026 to be convened and held for Shareholders to consider and, if thought fit, approve, among other things, (i) the proposed termination of part of Proceeds-funded Projects and permanent replenishment of working capital with surplus proceeds; (ii) the proposed conclusion of part of Proceeds-funded Projects and permanent replenishment of working capital with surplus proceeds and (iii) the proposed adoption of the estimate on Routine Related Party Transactions for 2026
"Group"	the Company and its subsidiaries
"Guangdong Rising Holdings Group"	Guangdong Rising Holdings Group Co., Ltd.* (廣東省廣晟控股集團有限公司), a company established in the PRC with limited liability and a substantial shareholder of the Company as at the Latest Practicable Date, which is ultimately controlled by the State-owned Assets Supervision and Administration Commission of the People's Government of Guangdong Province* (廣東省人民政府國有資產監督管理委員會)
"H Share(s)"	the overseas listed foreign share(s) in the share capital of the Company, with a par value of RMB1.00 each, which are subscribed for and traded in HK$ on the Stock Exchange
"High Hope Group"	Jiangsu High Hope International Group Co., Ltd.* (江蘇匯鴻國際集團股份有限公司), a joint stock limited company established in the PRC, which is a substantial shareholder of the Company as at the Latest Practicable Date and is controlled by SOHO Holdings Group
"HK$"	Hong Kong dollar, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Jieyang ALBA"	ALBA Rising Green Fuel (Jieyang) Ltd.* (歐晟綠色燃料(揭陽)有限公司), a company established in the PRC with limited liability

"Latest Practicable Date"	8 January 2026, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Non-public Issuance of A Shares"	the non-public issuance of A Shares completed by the Company in 2023, issuing an aggregate of 225,988,700 A shares with a total proceeds amount of approximately RMB1.2 billion
"PRC"	the People's Republic of China
"Proceeds-funded Projects"	projects developed with the proceeds from the Non-Public Issuance of A Shares, including development of the Green Recycling Centre (Phase 1) located in Petrochemical Industrial Area, Dananhai, Jieyang* (揭陽大南海石化工業區), expansion of the sewage treatment facilities (phase 2) located in Jiangling County, Jingzhou, Hubei Province* (湖北省荊州市江陵縣), smart digitalization development project, and modification and upgrade of hazardous waste treatment project
"Related Party Transaction(s)"	the transaction(s) between the Company and its controlling subsidiary(ies) and the Related Person(s) or Related Party(ies) under the SZSE Listing Rules
"Related Person(s)" or "Related Party(ies)"	has the meaning ascribed to it under the SZSE Listing Rules
"RMB"	Renminbi, the lawful currency of the PRC
"Routine Related Party Transactions"	the estimated routine Related Party Transactions of the Group for the year ending 31 December 2026 proposed to be approved at the EGM in accordance with the SZSE Listing Rules
"SFO"	Securities and Futures Ordinance (Cap 571 of the laws of Hong Kong)
"Share(s)"	the share(s) of the Company, unless specified otherwise, including A Shares and H Shares
"Shareholder(s)"	the holder(s) of Share(s)

"Shenzhen Stock Exchange"	the Shenzhen Stock Exchange
"SOHO Holdings Group"	Jiangsu SOHO Holdings Group Co., Ltd.* (江蘇省蘇豪控股集團有限公司), a company established in the PRC with limited liability, which is the controlling shareholder of High Hope Group and is ultimately supervised by the State-owned Assets Supervision and Administration Commission of the People's Government of Jiangsu Province* (江蘇省政府國有資產監督管理委員會)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"substantial shareholder"	has the meaning ascribed to it under the Listing Rules
"SZSE Listing Rules"	the Rules Governing the Listing of Shares on the Shenzhen Stock Exchange
"WUYIGE"	WUYIGE Certified Public Accountants LLP
"%"	per cent

Words importing the singular shall, where applicable, include the plural and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall, where applicable, include corporations.

Any reference in this circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Listing Rules, the SFO or any modification thereof and used in this circular shall, where applicable, have the meaning assigned to it under the Listing Rules, the SFO or any modification thereof, as the case may be.

In this circular, the English names of the PRC entities are translation of their Chinese names, and are included herein for identification purpose only.

DONGJIANG ENVIRONMENTAL COMPANY LIMITED*
東江環保股份有限公司

(a joint stock limited company incorporated in the People's Republic of China)

(Stock code: 00895)

Executive Directors:
Mr. Wang Bi'an *(Chairman)*
Mr. Li Xiangli *(Chief Executive Officer)*
Mr. Zhu Lintao

Non-executive Directors:
Mr. Wang Shi
Mr. Liu Xiaoxuan
Mr. Jia Guorong

Independent non-executive Directors:
Mr. Lee Kwok Tung Louis
Mr. Li Jinhui
Ms. Xiang Ling

Registered Office:
1st Floor, 3rd Floor, North of 8th Floor
9th-12th Floor
Dongjiang Environmental Building
No. 9 Langshan Road
North Zone of Hi-tech Industrial Park
Nanshan District, Shenzhen
the People's Republic of China

Principal place of business in Hong Kong:
Suite 4201, 42/F
Tower 1, Lippo Centre
89 Queensway
Admiralty
Hong Kong

12 January 2026

To the Shareholders

Dear Sir or Madam,

(1) PROPOSED TERMINATION OF PART OF PROCEEDS-FUNDED PROJECTS AND PERMANENT REPLENISHMENT OF WORKING CAPITAL WITH SURPLUS PROCEEDS; (2) PROPOSED CONCLUSION OF PART OF PROCEEDS-FUNDED PROJECT AND PERMANENT REPLENISHMENT OF WORKING CAPITAL WITH SURPLUS PROCEEDS; (3) PROPOSED ADOPTION OF THE ESTIMATE ON ROUTINE RELATED PARTY TRANSACTIONS FOR 2026; AND (4) NOTICE OF THE FIRST EGM IN 2026

1. INTRODUCTION

The purpose of this circular is to provide you with, among other matters, information regarding (i) the proposed termination of part of Proceeds-funded Projects and permanent replenishment of working capital with surplus proceeds; (ii) the proposed conclusion of part of Proceeds-funded Projects and permanent replenishment of working capital with surplus proceeds; (iii) the proposed adoption of the estimate on Routine Related Party Transactions for 2026; and (iv) the notice convening the EGM.

* *For identification purposes only*

2. PROPOSED TERMINATION OF PART OF PROCEEDS-FUNDED PROJECTS AND PERMANENT REPLENISHMENT OF WORKING CAPITAL WITH SURPLUS PROCEEDS

References are made to the (i) the announcement of the Company dated 27 May 2022; (ii) the circular of the Company dated 23 June 2022 (the "**Circular**"); (iii) the poll results announcement in relation to the third extraordinary general meeting in 2022, the first A Shares class meeting in 2022 and the first H Shares class meeting in 2022 of the Company dated 12 July 2022; (iv) the announcements of the Company dated 16 August 2022, 6 September 2022, 28 September 2022, 9 January 2023 and 1 February 2023; and (v) the completion announcement of the Company dated 15 May 2023 in relation to, among others, the Non-public Issuance of A Shares.

Reference is further made to the Company's announcement dated 22 December 2025 in relation to the proposed termination/conclusion of part of the Proceeds-funded Projects and permanent replenishment of working capital with surplus proceeds.

At the eleventh meeting of the eighth session of the Board held by the Company on 22 December 2025, the "Resolution on terminating part of the proceeds-funded projects and using the surplus proceeds for permanent replenishment of working capital" was considered and approved. In order to improve the effectiveness of the use of funds, and taking into account the actual situation of the projects, the Company intends to terminate the "Green Recycling Centre (Phase 1) located in Petrochemical Industrial Area, Dananhai, Jieyang* (揭陽大南海石化工業區)" and the "Smart digitalization development project" among the Proceeds-funded Projects, and use the surplus proceeds of approximately RMB446.61 million (including interests, the final amount shall be subject to the actual sum settled by the bank on the date of fund transfer) for permanent replenishment of working capital.

I. Basic Information on Proceeds

Pursuant to the "Approval of the CSCR on approving the Non-Public of A Shares by Dongjiang Environmental Co., Ltd. (CSRC License No. [2023] 155)" (《關於核准東江環保股份有限公司非公開發行股票的批覆》(證監許可[2023]155號)), the Company issued an aggregate of 225,988,700 A Shares at an issue price of RMB5.31 per share, with total proceeds of approximately RMB1.20 billion. After deducting the issue-related expenses, excluding tax, of approximately RMB5.69 million, the net proceeds was approximately RMB1,194.31 million (the "**Net Proceeds**"). The proceeds from the Non-public Issuance of A Shares were verified by WUYIGE on 25 April 2023, which issued a capital verification report (Report No. ZhongHuan Yan Zi (2023) 0500018).

In accordance with relevant regulatory provisions, the Company has implemented designated account management for the Net Proceeds, and entered into a "Tripartite Supervision Agreement on Proceeds" with the sponsor institution and the bank where the proceeds are deposited. The deposit, management and utilization of the proceeds are all in compliance with the provisions and requirements of the Company's "Measures for Management of Proceeds" as well as the relevant securities regulatory laws and regulations.

Details of the use of the Net Proceeds as at 30 November 2025 and the revised allocation of the unutilized Net Proceeds are set out below:

Name of Proceed-funded Projects	Estimated amount of proceeds to be invested *(RMB' million)*	Original allocation of Net Proceeds *(RMB' million)*	Utilised Net Proceeds as at 30 November 2025 *(RMB' million)*	Unutilised Net Proceeds as at 30 November 2025 *(RMB' million)*	Investment progress *%*	Revised allocation of the Unutilized Net Proceeds *(RMB' million)*	Expected timeline for use of the Unutilized Net Proceeds
Green Recycling Centre (Phase 1) located in Petrochemical Industrial Area, Dananhai, Jieyang* (揭陽大南海石化工業區)	410.00	410.00	145.75	264.25	35.55	–	–
Sewage treatment facilities (phase 2) located in Jiangling County, Jingzhou, Hubei Province* (湖北省荊州市江陵縣)	165.00	165.00	71.01	93.99	43.03	10.00	By December 2028
Smart digitalization development project	190.00	184.31	24.61	159.70	13.35	–	–
Modification and upgrade of hazardous waste treatment project	95.00	95.00	32.54	62.46	34.25	62.46	By December 2028
Replenishment of working capital	340.00	340.00	340.00	–	100.00	507.94 *(Note)*	By December 2028
Total	**1,200.00**	**1,194.31**	**613.91**	**580.40**	**51.40**	**580.40**	

Note: Set out below is the breakdown of the unutilized Net Proceeds proposed to be reallocated for replenishment of working capital:

	Unitized Net Proceeds proposed to be reallocated for replenishment of working capital						
	Proceeds-funded Project proposed to be terminated				**Proceeds-funded Project proposed to be concluded**		**Total**
	Green Recycling Centre (Phase 1) located in Petrochemical Industrial Area, Dananhai, Jieyang* (揭陽大南海石化工業區)		**Smart digitalization development Project**		**Sewage treatment facilities (phase 2) located in Jiangling County, Jingzhou, Hubei Province* (湖北省荊州市江陵縣)**		
	(RMB' million)	*Proportion*	*(RMB' million)*	*Proportion*	*(RMB' million)*	*Proportion*	*(RMB' million)*
Purchase of raw materials	132.13	50%	79.85	50%	41.99	50%	253.97
Payment of labour costs	52.85	20%	31.94	20%	16.80	20%	101.59
Payment of research, development and other costs	79.27	30%	47.91	30%	25.20	30%	152.38
Total	**264.25**	**100%**	**159.70**	**100%**	**83.99**	**100%**	**507.94**

For details of the reallocation of the unutilized Net Proceeds, please refer to the sub-section headed "2. Proposed Termination of Part of Proceeds-funded Projects and Permanent Replenishment of Working Capital with Surplus Proceeds – II. Proposed Termination of Part of Proceeds-funded Projects and Use of Surplus Proceeds for Permanent Replenishment of Working Capital" and the section headed "3. Proposed Conclusion of Part of Proceeds-funded Project and Permanent Replenishment of Working Capital with Surplus Proceeds".

II. Proposed Termination of Part of Proceeds-funded Projects and Use of Surplus Proceeds for Permanent Replenishment of Working Capital

(I) Details of the Proposed Terminated Proceeds-funded Projects

The Proceeds-funded Projects proposed for termination are the Green Recycling Centre (Phase 1) located in Petrochemical Industrial Area, Dananhai, Jieyang* (揭陽大南海石化工業區) and the Smart digitalization development project. As of 30 November 2025, the specific implementation status of the relevant projects is as follows:

No.	Name of Proceed-funded Projects	Original allocation of Net Proceeds *(RMB' million)*	Utilised Net Proceeds as at 30 November 2025 *(RMB' million)*	Investment progress	Unutilised Net Proceeds as at 30 November 2025 *(RMB' million)*	Unutilised Net Proceeds as at 30 November 2025 *(including interests, RMB' million)*
1	Green Recycling Centre (Phase 1) located in Petrochemical Industrial Area, Dananhai, Jieyang* (揭陽大南海石化工業區)	410.00	145.75	35.55%	264.25	279.20
2	Smart digitalization development project	184.31	24.61	13.35%	159.70	167.41

(II) Planned and Actual Investment Status of the Proceeds-funded Projects

1. Green Recycling Centre (Phase 1) located in Petrochemical Industrial Area, Dananhai, Jieyang (揭陽大南海石化工業區)*

This project is implemented by Jieyang Dongjiang Guoye Environmental Protection Technology Co., Ltd. (揭陽東江國業環保科技有限公司), a holding subsidiary of the Company, and is located in Petrochemical Industrial Area, Dananhai, Jieyang* (揭陽大南海石化工業區). It was planned for the project to construct a landfill with a total capacity of approximately 139,300 cubic meters in Phase I, comprising Area A (56,600 cubic meters) and Area B (82,700 cubic meters). The total investment of the project is approximately RMB428.63 million, among which RMB410.00 million is proposed to be funded by the proceeds. The expected date for the project to reach its usable condition was 31 December 2025.

Area A of the landfill in Phase 1 of the Green Recycling Centre located in Petrochemical Industrial Area, Dananhai, Jieyang* (揭陽大南海石化工業區) project was completed in March 2023 and a hazardous waste operation license was obtained in April 2023, with an approved landfill capacity of 47,000 tons/year. As of 30 November 2025, the cumulative investment of proceeds in the project amounts to approximately RMB145.75 million, representing an investment progress of 35.55%; the surplus proceeds was approximately RMB279.20 million (including interest), all of which are deposited in the Company's designated account for proceeds.

2. Smart digitalization development project

The smart digitalization development project is implemented by the Company as the principal entity, with Shenzhen Huateng Environmental Information Technology Co., Ltd.* (深圳市華藤環境信息科技有限公司), a wholly-owned subsidiary of the Company, acting as the supporting implementation unit. The project comprises five sub-modules, including the Smart Hazardous Waste Management Project, Dongjiang Environmental Smart Cloud Platform Project, the Smart Hazardous Waste Factory Project, the Digital Collaborative Office Project, and the Cloud Data Center Project. The plan was to purchase/lease various types of hardware and software equipment as well as system modules, and independently develop an integrated operation management system tailored to the Company's own operational needs.

The project's sub-modules, namely the Smart Hazardous Waste Management Project, the Smart Hazardous Waste Factory Project, and the Digital Collaborative Office Project, have been partially completed. The Smart Cloud Platform Project and the Cloud Data Center Project have also been launched with partial functionalities. As of 30 November 2025, the cumulative amount of proceeds invested in the project totaled approximately RMB24.61 million, representing an investment progress of 13.35%. The surplus proceeds amount to approximately RMB167.41 million (including interest), all of which are deposited in the Company's designated account for proceeds.

(III) Reasons and Benefits for Terminating Certain Proceeds-funded Projects

1. Green Recycling Centre (Phase 1) located in Petrochemical Industrial Area, Dananhai, Jieyang (揭陽大南海石化工業區)*

Pursuant to the Company's relevant documents, including the 2022 Non-Public Issuance of Shares Prospectus, the Reply Report on the Feedback Opinions on the Application Documents for the Non-Public Offering of Shares, and the Reply Report on the Letter Regarding Preparation for the Meeting of the Issuance Examination Committee for the Non-Public Offering of Shares of Dongjiang Environmental Co., Ltd., the landfill area of the Green Recycling Centre (Phase 1) located in Petrochemical Industrial Area, Dananhai, Jieyang* (揭陽大南海石化工業區) shall be constructed in phases (Zone A and Zone B), and the construction of Zone B shall not commence until Zone A reaches full production capacity. Given that the annual waste production of industrial projects which are operational in the industrial park area of the project is far lower than the planned capacity, the utilization rate of capacity of Area A in the landfill has been at a low level. Furthermore, due to market competition, the unit price for landfill collection and transportation has also decreased significantly, putting continuous pressure on the project company's operating results. As a result, to date, no construction work has commenced on Area B in the landfill. Taking into account the fact that the prevailing environment is unlikely to support a significant improvement in the utilization rate of capacity of Area A in the short term, and in order to further improve the efficiency of the use of the proceeds, the Company intends to terminate such project and use the unutilized Net Proceeds originally allocated to such project to replenish general working capital.

The allocation of the Net Proceeds set out in the Circular was determined based on the Company's financial and business conditions, the trend of the environmental protection industry, and the overall circumstances at the time. The Company's strategic consideration at the time was to consolidate its core hazardous waste treatment business and accelerate business transformation and upgrading. Therefore, as part of the Company's development strategy, the Company planned to invest the proceeds from the Non-public Issuance of A Shares in developing hazardous waste projects (including the "Green Recycling Centre (Phase 1) project located in Petrochemical Industrial Area, Dananhai, Jieyang* (揭陽大南海石化工業區)") to further expand its hazardous waste treatment capacity and enhance its overall competitiveness.

However, in recent years, the supply and demand relationship in the hazardous waste treatment industry has shifted away from a structural balance, and industry competition has become increasingly fierce. The operations of Jieyang Dongjiang Guoye Environmental Protection Technology Co., Ltd. ("**Dongjiang Guoye**", 揭陽東江國業環保科技有限公司), a subsidiary of the Company carrying out the "Green Recycling Centre (Phase 1) project located in Petrochemical Industrial Area, Dananhai, Jieyang* (揭陽大南海石化工業區)", are under extreme pressure due to high financial expenses, the impact of depreciation and amortization, and the continuous decline in unit prices of hazardous waste treatment.

Since the completion of the first phase of the "Green Recycling Centre (Phase 1) project located in Petrochemical Industrial Area, Dananhai, Jieyang* (揭陽大南海石化工業區)" in 2023, the landfill area A therein has experienced consistently low utilization rate of capacity due to a significant shortfall in waste generation as compared to the planned volume. Taking into account the significant decrease in landfill collection and transportation prices, Dongjiang Guoye has been suffering from continuous losses. The utilization rate of capacity has been low, and there is no anticipated new demand for capacity in the short term.

Given the above reasons, the current conditions (including but not limited to market conditions and the overall environment) are materially different from those at the time of the issue of the Circular. The Company considers that the continuous development of the "Green Recycling Centre (Phase 1) project located in Petrochemical Industrial Area, Dananhai, Jieyang* (揭陽大南海石化工業區)" will bring no benefit to the Company's operations and performance in the short term. Therefore, the Company proposes to terminate the "Green Recycling Centre (Phase 1) project located in Petrochemical Industrial Area, Dananhai, Jieyang* (揭陽大南海石化工業區)" to alleviate Dongjiang Guoye's operational pressure.

As at the Latest Practicable Date, the Company believed that the termination of the "Green Recycling Centre (Phase 1) project located in Petrochemical Industrial Area, Dananhai, Jieyang* (揭陽大南海石化工業區)" will help optimize efficiency in utilization of funds and will not have any material adverse impact on the Company's operations. The Company would be able to continue with the "Green Recycling Centre (Phase 1) project located in Petrochemical Industrial Area, Dananhai, Jieyang* (揭陽大南海石化工業區)" as and when appropriate in the future.

2. Smart digitalization development project

The Company originally planned to use the Net Proceeds for its digital transformation project to improve operational efficiency, accelerate service response and reduce operating costs. However, in recent years, market competition in the hazardous waste industry has intensified, while at the same time the Company has faced increasing pressure on its results due to factors such as declining collection and transportation prices for harmless disposal, rising collection and transportation rates for resource recovery, and substantial depreciation and amortization from new capacity for construction. Continuing with the digital transformation project would inevitably drive the Company's production and operating costs up, occupy valuable cash flow, and would be unlikely to bring direct economic benefits in the short term, potentially leading to even larger losses. To change the current unfavourable situation as soon as possible and to concentrate resources on transformation and turnaround from loss, the Company plans to reduce further investment in projects with low economic returns and therefore intends to terminate the smart digitalization development project and use the remaining unutilized Net Proceeds originally allocated to such project to replenish general working capital.

The allocation of Net Proceeds as stated in the Circular was determined based on the Company's financial and business conditions at the time, the trend of the environmental protection industry, and the overall circumstances. The Company's direction at that time was to develop information technology projects to improve operational capabilities and efficiency, reduce operating costs, and further enhance the Company's overall competitiveness.

However, the current conditions (including but not limited to market conditions and the overall environment) are materially different from that at the time the Circular was issued. Given the current continuing downturn in the hazardous waste disposal industry, the "Smart digitalization development project" is unlikely to substantially improve the Company's operations in the short term; instead, it may increase operating costs and even lead to greater losses. Therefore, the Company intends to terminate the "Smart digitalization development project".

As at the Latest Practicable Date, the Company believed that the termination of the "Smart digitalization development project" will help optimize efficiency in utilization of funds in the short term and will not have any material adverse impact on the Company's operations. The Company would be able to continue with the "Smart digitalization development project" as and when appropriate in the future.

(IV) Status of Surplus Proceeds and Utilization Plan

After the termination of the aforementioned part of the Proceeds-funded Projects, in order to improve the utilization efficiency of the remaining proceeds, adhere to the principle of maximizing shareholder interests, and in light of the Company's actual situation, the Company intends to use the total surplus proceeds of approximately RMB423.95 million (excluding interest; the final amount shall be subject to the actual sum settled by the bank on the date of fund transfer) for permanent replenishment of working capital, in relation to which (i) approximately 50% will be used for the purchase of raw materials, (ii) approximately 20% will be used for the payment of labour costs, and (iii) approximately 30% will be used for payment of research, development and other costs. Upon completion of the transfer of the aforementioned surplus proceeds, the Company will proceed with the cancellation of the relevant designated accounts for proceeds based on actual circumstances, and the corresponding Tripartite Supervision Agreement on Proceeds will be terminated accordingly.

III. Impact on the Company

The proposed termination of part of the Proceeds-funded Projects and the use of surplus proceeds for permanent replenishment of working capital is a prudent decision made by the Company based on business development needs and the actual conditions of the projects. This will help improve the Company's capital utilization efficiency, optimize resource allocation, and provide financial support for the Company's daily production and operation as well as other business development. It will not have an adverse impact on the Company's normal operations, will not harm the interests of the Company and all the Shareholders, and is conducive to the Company's long-term development.

IV. Opinion of the Sponsor Institution

The sponsor institution has issued review and verification opinions on the aforementioned matters. It was opined that the Company has fulfilled the necessary approval procedures, complied with the provisions of relevant laws, regulations and normative documents, and there was no objection to the aforementioned matters.

3. PROPOSED CONCLUSION OF PART OF PROCEEDS-FUNDED PROJECT AND PERMANENT REPLENISHMENT OF WORKING CAPITAL WITH SURPLUS PROCEEDS

At the eleventh meeting of the eighth session of the Board held by the Company on 22 December 2025, the "Resolution on the conclusion of part of the proceeds-funded projects and using the surplus proceeds for permanent replenishment of working capital" was considered and approved. Based on the actual situation of the Company and the project, the Company intends to proceed with conclusion of its Proceeds-funded Project, namely the "sewage treatment facilities (phase 2) located in Jiangling County, Jingzhou, Hubei Province* (湖北省荊州市江陵縣)", and use the total surplus proceeds of approximately RMB87.66 million (including interest; the final amount shall be subject to the actual sum settled by the bank after deducting the reserved funds on the date of fund transfer) for permanent replenishment of working capital.

The basic information on the proceeds is set out in the sub-section entitled "2. Proposed Termination of Part of Proceeds-funded Projects and Permanent Replenishment of Working Capital with Surplus Proceeds – I. Basic Information on Proceeds" in this circular.

I. Proposed Conclusion of Part of Proceeds-funded Projects and Use of Surplus Proceeds for Permanent Replenishment of Working Capital

(I) Details of the Conclusion of the Proceeds-funded Project

The Proceeds-funded Project proposed for conclusion is the sewage treatment facilities (phase 2) located in Jiangling County, Jingzhou, Hubei Province* (湖北省荊州市江陵縣). As of 30 November 2025, the specific implementation status of the relevant project is as follows:

Name of Proceed-funded Project	**Original allocation of Net Proceeds** *(RMB' million)*	**Utilised Net Proceeds as at 30 November 2025** *(RMB' million)*	**Investment progress** *%*	**Unutilised Net Proceeds as at 30 November 2025** *(RMB' million)*	**Unutilised Net Proceeds as at 30 November 2025** *(including interests, RMB' million)*
the sewage treatment facilities (phase 2) located in Jiangling County, Jingzhou, Hubei Province* (湖北省荊州市江陵縣)	165.00	71.01	43.03%	93.99	97.66

Note: The Company intends to reserve approximately RMB10.00 million to pay the outstanding survey and design fees and quality guarantee deposits payable for the above project. The unutilized Net Proceeds originally allocated to the project will be used for the replenishment of working capital.

II. Planned and Actual Investment Status of the Proceeds-funded Project

The expansion of the sewage treatment facilities (phase 2) located in Jiangling County, Jingzhou, Hubei Province* (湖北省荊州市江陵縣) is implemented by Jingzhou Dongjiang Environmental Protection Technology Co., Ltd.* (荊州東江環保科技有限公司), a wholly-owned subsidiary of the Company. The project is located in the Riverside Industrial Park of Jiangling Economic and Technological Development Zone, Jingzhou City, Hubei Province. Its construction contents include a regulating tank, grille, hydrolytic acidification tank, AO tank, AAO tank, high-efficiency sedimentation tank, adsorption tank, sludge tank, ultraviolet disinfection channel, and tail water discharge pump house, etc. Upon completion, the project will increase the sewage treatment capacity by 50,000 tons per day.

Completion inspection of the project was completed in September 2024 and the Construction Project Completion Acceptance Report jointly issued by the construction unit, design unit, and construction company was obtained; in July 2025, the project passed the joint acceptance organized by functional departments such as urban planning, fire protection, and archives management, and obtained the Joint Acceptance Qualification Opinion issued by the Jiangling County Bureau of Housing and Urban-Rural Development* (江陵縣住房和城鄉建設局); in September 2025, the project completed project settlement review and obtained the Project Settlement Re-review Report jointly issued by the entrusting unit and construction unit, with the verified construction cost of RMB130.4172 million. As affected by other lawsuits brought against the Company, the designated account for the funds raised for the project was frozen (see the Company's announcement dated 20 August 2024 for details). To ensure the smooth progress of the project, the Company has paid for project expenses in the total amount of approximately RMB52.18 million using its own funds.

As of 30 November 2025, the cumulative investment of proceeds in the project amounts to approximately RMB71.01 million, representing an investment progress of 43.03%; the surplus proceeds was approximately RMB97.66 million (including interest), all of which are deposited in the Company's designated account for proceeds.

The "Sewage treatment facilities (phase 2) located in Jiangling County, Jingzhou, Hubei Province* (湖北省荊州市江陵縣)" has been completed, and the project settlement audit has been completed. As the actual funds used for the project was approximately RMB83.99 million less than the Net Proceeds originally allocated to such project, the Company intends to use the excess unutilized Net Proceeds for the replenishment of its working capital. The Company believes that this will not have any material adverse impact on the Company's operations.

III. Status of Surplus Proceeds and Utilization Plan

Given that the project has been completed and the relevant completion acceptance and settlement review reports have been obtained, the Company intends to proceed with conclusion of the expansion of the sewage treatment facilities (phase 2) located in Jiangling County, Jingzhou, Hubei Province* (湖北省荊州市江陵縣) project. Except for reserving approximately RMB10.00 million in the designated account for proceeds to be used for the payment of survey and design fees and quality assurance deposits, the Company will use the surplus proceeds of approximately RMB83.99 million (excluding interest; the final amount shall be subject to the actual sum settled by the bank after deducting the reserved funds on the date of fund transfer) for permanent replenishment of working capital, in relation to which (i) approximately 50% will be used for the purchase of raw materials, (ii) approximately 20% will be used for the payment of labour costs, and (iii) approximately 30% will be used for payment of research, development and other costs. Upon the full payment or transfer of the aforementioned proceeds, the Company will proceed with the cancellation of the relevant designated accounts for proceeds based on actual circumstances, and the corresponding Tripartite Supervision Agreement on Proceeds will be terminated accordingly.

II. Impact on the Company

The proposed conclusion of part of the Proceeds-funded Projects and the use of surplus proceeds for permanent replenishment of working capital is a prudent decision made by the Company based on business development needs and the actual conditions of the projects. This will help improve the Company's capital utilization efficiency, optimize resource allocation, and provide financial support for the Company's daily production and operation as well as other business development. It will not have an adverse impact on the Company's normal operations, will not harm the interests of the Company and all the Shareholders, and is conducive to the Company's long-term development.

III. Opinion of the Sponsor Institution

The sponsor institution has issued review and verification opinions on the aforementioned matters. It was opined that the Company has fulfilled the necessary approval procedures, complied with the provisions of relevant laws, regulations and normative documents, and there was no objection to the aforementioned matters.

4. PROPOSED ADOPTION OF THE ESTIMATE ON ROUTINE RELATED PARTY TRANSACTIONS FOR 2026

I. Basic information of the Routine Related Party Transactions

(i) Overview of the Related Party Transactions

In accordance with the needs in daily production and operation, the Company and its controlling subsidiaries expect to conduct Routine Related Party Transactions, such as purchase and sale of products as well as providing and receiving labour services, with Related Parties, including Guangdong Rising Holdings Group and its subsidiaries, Baowu Group and its subsidiaries, SOHO Holdings Group and its subsidiaries and Jieyang ALBA, Dongjiang Veolia, with the expected total amount not exceeding RMB271 million (exclusive of tax) in 2026.

On 22 December 2025, at the eleventh meeting of the Eighth Session of the Board, the "Resolution on the Estimate on Routine Related Party Transactions in 2026" was approved. Related Directors Mr. Wang Shi, Mr. Liu Xiaoxuan and Mr. Jia Guorong abstained from voting on the resolution, and all the other non-related Directors approved the resolution unanimously.

The estimated maximum amount of the Routine Related Party Transactions in 2026 is RMB271 million (exclusive of tax). According to the requirements of the Shenzhen Listing Rules and the Articles of Association, the Routine Related Party Transactions are subject to consideration and approval at a general meeting of the Company. The related Shareholders Guangdong Rising Holdings Group, Baowu Group, SOHO Holdings Group and their associates will abstain from voting on the resolution at the EGM.

(ii) Estimated Type and Amount of the Routine Related Party Transactions in 2026

Type of Related Party Transactions	**Related Party**	**Details of Related Party Transactions**	**Pricing principle of Related Party Transactions**	**Estimated amount in 2026** *(RMB0'000)*	**Actual amount incurred in 2025** (unaudited) *(RMB0'000)*
Sale of products or goods to Related Parties	Guangdong Rising Holdings Group	Sale of recycled products		4,000.00	47.03
	Baowu Group	Sale of recycled products		1,000.00	11.24
	Subtotal	–		5,000.00	58.27
Labour services rendered to Related Parties	Guangdong Rising Holdings Group	Providing industrial waste treatment, transportation, engineering and technical consulting services	Please refer to the section headed "Summary of Details, Pricing Principle and Transaction Price of the Related Party Transactions"	1,000.00	211.75
	Dongjiang Veolia	Providing industrial waste treatment services		1,500.00	649.51
	Baowu Group	Providing industrial waste treatment, transportation, engineering and technical consulting services		1,000.00	65.68
	Jieyang ALBA	Providing industrial waste treatment services		500.00	7.45
	Subtotal	–		4,000.00	934.39

Type of Related Party Transactions	**Related Party**	**Details of Related Party Transactions**	**Pricing principle of Related Party Transactions**	**Estimated amount in 2026** *(RMB0'000)*	**Actual amount incurred in 2025** (unaudited) *(RMB0'000)*
Labour services and goods purchased or received from Related Parties	Guangdong Rising Holdings Group	Receiving labour services and purchasing goods	Please refer to the section headed "Summary of Details, Pricing Principle and Transaction Price of the Related Party Transactions"	10,000.00	115.76
	Baowu Group	Receiving industrial processing services, purchase raw materials, commodities, etc.		5,000.00	313.32
	Dongjiang Veolia	Receiving industrial waste treatment services		1,500.00	515.75
	Jieyang ALBA	Receiving industrial waste treatment services		300.00	5.81
	SOHO Holdings Group	Rental, property management fee and renovation fee, etc.		300.00	12.40
	Subtotal	–		17,100.00	1,023.05
Other transfers of resources or	Dongjiang Veolia	Providing branding services		1,000.00	242.86
	Subtotal	–		1,000.00	242.86
Total	–	–	–	27,100.00	2,258.57

(iii) Actual Routine Related Party Transactions in 2025

Type of Related Party Transactions	Related Party	Details of Related Party Transaction	Actual amount occurred from January to November 2025 (unaudited) *(RMB0'000)*	Estimated amount *(RMB0'000)*	Percentage of actual amount occurred to the same business	Difference between actual amount occurred and estimated amount
Sale of products or goods to Related Parties	Guangdong Rising Holdings Group	Sale of recycled products	47.03	2,500.00	0.04%	-98.12%
	Baowu Group	Sale of recycled products	11.24	1,000.00	0.01%	-98.88%
	Subtotal	–	58.27	3,500.00	0.04%	-98.34%
Labour services rendered to Related Parties	Guangdong Rising Holdings Group	Providing industrial waste treatment, transportation, engineering and technical consulting services	211.75	3,000.00	0.27%	-92.94%
	Dongjiang Veolia	Providing industrial waste treatment services	649.51	3,000.00	0.87%	-78.35%
	Baowu Group	Providing industrial waste treatment services, transportation, engineering and technical consulting services	65.68	1,000.00	0.08%	-93.43%
	Jieyang ALBA	Providing industrial waste treatment services	7.45	1,000.00	0.01%	-99.26%
	Subtotal	–	934.39	8,000.00	1.23%	-88.32%

Type of Related Party Transactions	Related Party	Details of Related Party Transaction	Actual amount occurred from January to November 2025 (unaudited) *(RMB0'000)*	Estimated amount *(RMB0'000)*	Percentage of actual amount occurred to the same business	Difference between actual amount occurred and estimated amount
Labour services and goods received or purchased from Related Parties	Guangdong Rising Holdings Group	Receiving Labour services and purchasing goods	115.76	3,000.00	0.06%	-96.14%
	Baowu Group	Receiving industrial processing services, purchase raw materials, commodities, etc.	313.32	10,000.00	0.16%	-96.87%
	Dongjiang Veolia	Receiving industrial waste treatment services	575.75	2,000.00	0.73%	-71.21%
	Anjiatai	Receiving industrial waste treatment services	0.00	300.00	0.00%	-100.00%
	SOHO Holdings Group	Rental, property management fee and renovation fee	12.40	300.00	0.46%	-95.87%
	Subtotal	–	1,017.24	15,600.00	1.40%	-93.48%
Other transfers of resources or obligations that may occur through agreements	Dongjiang Veolia	Providing brand services	242.86	2,500.00	6.06%	-90.29%
	Subtotal	–	242.86	2,500.00	6.06%	-90.29%
Total	–	–	2,252.76	29,600.00	–	-92.39%

Explanation of the Board on the substantial differences between the actual occurrence of Routine Related Party Transactions and the estimates	For the whole year of 2025, due to the changes in the industrial hazardous waste treatment market and the industry in which Related Parties' operate, and business adjustments, etc., the amount of Related Party Transactions between the Company and Related Parties were different from those expected at the beginning of the year. The reason for the differences is mainly due to external factors. The difference compared to the estimates at the beginning of the year is normal and will not have a material impact on the Company's daily operations and performance.
The independent Directors' explanation on the substantial difference between the actual occurrence of Routine Related Party Transactions and the estimates	The actual total amount of the Company's Related Party Transactions in 2025 is lower than the estimated amount which was, mainly due to external factors such as changes in the industrial hazardous waste treatment market, changes in the industries in which Related Parties operate, and business adjustments. The Company adjusted sales and handling arrangements in a timely manner according to market demand and its own conditions to meet the actual needs of the Company's production and operation. The Routine Related Party Transactions of the Company strictly follow the transaction principle of "openness, fairness and just", and there is no prejudice to the interests of the Company and its Shareholders.

II. Information of Related Parties and the related relationship

(i) Basic information of Related Parties

1. Guangdong Rising Holdings Group

Company name:	Guangdong Rising Holdings Group Co., Ltd.
Legal representative:	Lv Yongzhong
Registered capital:	RMB10 billion
Registered address:	Floor 50-58, The Pinnacle, No.17 Zhujiang West Road, Tianhe District, Guangzhou, Guangdong Province
Scope of operation:	Corporate headquarters management; Investment activities with own funds; Asset management services for investments with own funds; Residential leasing; Non-residential real estate leasing; Information technology consulting services; Information system integration services; Software development; Professional training (excluding training that requires permits such as academic training and vocational skills training); Procurement agency services.

As at 31 December 2024, Guangdong Rising Holdings Group recorded audited total assets of RMB178.695 billion and net assets of RMB57.373 billion. From January to December 2024, the total audited operating income of Guangdong Rising Holdings Group was RMB102.745 billion and the net profit was RMB2.978 billion.

As at 30 September 2025, Guangdong Rising Holdings Group recorded unaudited total assets of RMB183.485 billion and unaudited net assets of RMB58.638 billion. From January to September 2025, the total unaudited operating income of Guangdong Rising Holdings Group was RMB80.390 billion and the unaudited net profit was RMB2.440 billion.

As at the Latest Practicable Date, according to the relevant verification results, Guangdong Rising Holdings Group is not a dishonest person subject to enforcement.

As it is expected that there will be many Related Parties involved in the Routine Related Party Transactions between the subsidiaries of Guangdong Rising Holdings Group and the Company and its controlling subsidiaries, it is impracticable to disclose the information of all Related Parties. Therefore, the information of Related Parties with estimated transaction amount of less than RMB3 million or 0.5% of the audited net assets of the Company for 2024 are presented under the heads of common controlling shareholders on a combined basis.

2. Baowu Group

Company name:	China Baowu Steel Group Corporation Ltd.
Legal representative:	Hu Wangming
Registered capital:	RMB52,897,121,000
Registered address:	No. 1859 Shibo Avenue, China (Shanghai) Pilot Free Trade Zone
Business scope:	Licensed Items: publication retail; publication wholesale. General Items: investment activities with own funds; investment management; asset management services for investments with own funds; corporate headquarters management; land use right leasing; non-residential real estate leasing; human resources services (excluding vocational intermediary activities and labor dispatch services); corporate management consulting.

As at 31 December 2024, Baowu Group recorded audited total assets of RMB1,336.627 billion and audited net assets of RMB570.125 billion. From January to December 2024, the total audited operating income of Baowu Group was RMB900.204 billion and the audited net profit was RMB13.567 billion.

As at 30 September 2025, Baowu Group recorded unaudited total assets of RMB1,354.89 billion and unaudited net assets of RMB608.691 billion. From January to September 2025, the total unaudited operating income of Baowu Group was RMB565.686 billion and the unaudited net profit was RMB13.840 billion.

As at the Latest Practicable Date, according to the relevant verification results, Baowu Group is not a dishonest person subject to enforcement.

As it is expected that there will be many Related Parties involved in the Routine Related Party Transactions between the subsidiaries of Baowu Group and the Company and its controlling subsidiaries, it is impracticable to disclose the information of all Related Parties. Therefore, the information of Related Parties with estimated transaction amount of less than RMB3 million or 0.5% of the audited net assets of the Company for 2024 are presented under the heads of common controlling shareholders on a combined basis.

3. SOHO Holdings Group

Company name:	Jiangsu SOHO Holdings Group Co., Ltd.
Legal representative:	Zhou Yong
Registered capital:	RMB2,000,000,000
Registered address:	No. 48 Software Avenue, Nanjing
Business scope:	financial and industrial investment, operation and management of state-owned assets within the scope of authorization; international trade; housing rental; natural silk, textile and clothing production, research and development and sales.

As at 31 December 2024, SOHO Holdings Group recorded audited total assets of RMB94.475 billion and audited net assets of RMB31.059 billion. From January to December 2024, the total audited operating income of SOHO Holdings Group was RMB130.118 billion and the audited net profit was RMB1.191 billion.

As at 30 September 2025, SOHO Holdings Group recorded unaudited total assets of RMB114.471 billion and unaudited net assets of RMB35.594 billion. From January to September 2025, the total unaudited operating income of SOHO Holdings Group was RMB98.715 billion and the unaudited net profit was RMB0.994 billion.

As at the Latest Practicable Date, according to the relevant verification results, SOHO Holdings Group is not a dishonest person subject to enforcement.

As it is expected that there will be many Related Parties involved in the Routine Related Party Transactions between the subsidiaries of SOHO Holdings Group and the Company and its controlling subsidiaries, it is impracticable to disclose the information of all Related Parties. Therefore, the information of Related Parties with estimated transaction amount of less than RMB3 million or 0.5% of the audited net assets of the Company for 2024 are presented under the heads of common controlling shareholders on a combined basis.

4. Jieyang ALAB

Company name:	ALBA Rising Green Fuel (Jieyang) Ltd.
Legal representative:	Cheng Xin
Registered capital:	RMB218 million
Registered address:	No. 27, Building 1, Sino-German Metal Eco-city, Qiaotou Village, Yujiao Town, Jiedong District, Jieyang City
Scope of operation:	Responsible for the design, construction, operation, maintenance and handover of Jieyang Luyuan Waste Comprehensive Treatment and Resource Utilization Plan within the franchise period and franchise area; the collection, transfer and transportation of domestic waste, kitchen organic waste and municipal solid waste with terminal processing, etc.

As at 31 December 2024, Jieyang ALAB recorded audited total assets of RMB671.2355 million and net assets of RMB162.1245 million. From January to December 2024, the total audited operating income of Jieyang ALAB was RMB89.4093 million and the net profit was RMB2.6086 million.

As at 30 September 2025, Jieyang ALAB had unaudited total assets of RMB672.3576 million and net assets of RMB163.3708 million. From January to September 2025, the total unaudited operating income of Jieyang ALAB was RMB63.8580 million and the net profit was RMB1.2464 million.

As at the Latest Practicable Date, according to the relevant verification results, Jieyang ALAB is not a dishonest person subject to enforcement.

5. Dongjiang Veolia

Company name:	Huizhou Dongjiang Veolia Environmental Service Co., Ltd.
Legal representative:	Zeng Yu
Registered capital:	RMB60 million
Registered address:	Shiwuliao Nankeng, Lianghua Town, Huidong County, Guangdong Province

Scope of operation:	Investment and construction in Shiwuliao Nankeng, Lianghua Town, Huidong County, operation and management of dangerous waste safety landfill, dangerous waste incineration and treatment, waste battery recycling and treatment, and treatment and utilisation of hyper-toxic chemical wastes. Development, design, construction and related services of industrial solid waste treatment and disposal projects; operation services of environmental pollution control facilities; environmental protection technology development, consultation, exchange, and management services; technical services for hazardous waste treatment and disposal. Provide customers with: cleaning and maintenance of industrial facilities, desilting of various pools and water bodies, sludge separation treatment and waste gas treatment; Cleaning of various petrochemical tanks, tanks and tank cars and related environmental protection services.

As at 31 December 2024, Dongjiang Veolia recorded audited total assets of RMB409.0175 million and net assets of RMB247.9441 million. From January to December 2024, the total audited operating income of Dongjiang Veolia was RMB101.4257 million and the net profit was RMB1.5838 million.

As at 30 September 2025, Dongjiang Veolia has unaudited total assets of RMB441.5296 million and net assets of RMB256.2571 million. From January to September 2025, the total unaudited operating income of Dongjiang Veolia was RMB78.8556 million and the net profit was RMB10.0105 million.

As at the Latest Practicable Date, according to the relevant verification results, Dongjiang Veolia is not a dishonest person subject to enforcement.

(ii) Related relationship with the Company

As at the Latest Practicable Date, Guangdong Rising Holdings Group, together with its subsidiaries, held a total of 291,458,228 Shares, representing 26.37% of the total share capital of the Company, and is a controlling shareholder of the Company (under the SZSE Listing Rules). According to relevant requirements of the SZSE Listing Rules, Guangdong Rising Group and its subsidiaries are related legal persons of the Company.

As at the Latest Practicable Date, Baowu Environment, a controlling subsidiary of Baowu Group, together with its subsidiaries, held a total of 124,293,784 Shares, representing 11.25% of the total share capital of the Company, and is the second largest Shareholder of the Company. According to relevant requirements of the SZSE Listing Rules, Baowu Group and its subsidiaries are related legal persons of the Company.

As at the Latest Practicable Date, High Hope Group, a controlling subsidiary of SOHO Holdings Group, together with its subsidiaries, held a total of 94,287,507 Shares, representing 8.53% of the total share capital of the Company, and is the third largest Shareholder of the Company. According to relevant requirements of the SZSE Listing Rules, SOHO Holdings Group and its subsidiaries are related legal persons of the Company.

Jieyang ALAB is a controlling subsidiary of ALBA Rising Green Fuel (Hong Kong) Ltd., an indirect associate of Guangdong Rising Holdings Group, the controlling Shareholder of the Company. According to relevant requirements of Listing Rules, Jieyang ALAB is a related legal person of the Company.

As Dongjiang Veolia is not consolidated into the financial statements of the Company, it is a commonly controlled entity of the Company. Mr. Qiao Yiwei, a senior management officer of the Company, assumes the office of director in Dongjiang Veolia. According to relevant requirements of the SZSE Listing Rules, Dongjiang Veolia is a related legal person of the Company.

(iii) Analysis on Performance Capacity

The aforesaid Related Parties have maintained sound performance of contractual duties, normal operation and stable financial condition, and currently, there is no possibility of forming bad debts in relation to the amount payable to the Company nor possibility of non-performance of contractual duties.

III. Summary of Details, Pricing Principle and Transaction Price of the Related Party Transactions

All the Related Party Transactions between the Group and the Related Parties were determined by both parties through negotiation based on the principle of fairness and reasonableness, on normal commercial terms, and with reference to the prevailing market price or cost plus a reasonable profit margin. There are no actions which prejudice the interests of the Company and its Shareholders.

The Group will enter into the relevant contracts with these Related Parties and carry out the transactions according to the actual conditions of the routine production and operation as well as the principle of openness, equality, fairness and justice.

IV. Purpose of the Related Party Transactions and their Effect on the Company

(i) Purpose of the Related Party Transactions

The Routine Related Party Transactions between the Company together with its controlling subsidiaries and the Related Parties mainly include purchase and sales of the products and acceptance of the labour services. Such transactions may reduce the related selling expenses of the Company while enlarging the sales of the products of the Company, as well as effectively promote sustainable and stable development of the production and operation of the Company.

(ii) Effect on the Company

The Related Party Transactions between the Company together with its controlling subsidiaries and the Related Parties are within the ordinary operational businesses conducted by the Company together with its controlling subsidiaries in combination with the actual conditions of their routine production and operation based on the principle of openness, impartiality, fairness and justice without circumstances which prejudice the interests of the Company and its Shareholders. Neither would they have any negative effect on the current and future financial situations as well as operating results of the Company, nor affect the independence of the Company.

V. Verification Opinions from Independent Directors

The independent Directors of the Company held a special meeting to consider the estimate on the Routine Related Party Transactions and issued the following audit opinion and prior approval:

The Routine Related Party Transactions proposed to be conducted by the Company with the Related Parties in 2026 are based on the actual needs of production and operation of each party, and follow the principles of openness, equality and fairness, and are conducted voluntarily and equally, which will not affect the independence of operations of the Company. The aforesaid Related Party Transactions can fully utilize the resources and advantages of each party, which is conducive to the sustainable development of the Company and is in line with the interests of the Company as a whole, without any prejudice to the interests of the Company and its Shareholders.

The proposal has been approved and reviewed in advance at a special meeting of independent Directors before being submitted to the Board for consideration, and is in compliance with relevant regulatory requirements, and independent Directors agree with the estimate on the Related Party Transactions of the Company and agree to submit the proposal to the Board for consideration. The related Directors shall abstain from voting.

An ordinary resolution will be proposed at the EGM for Shareholders to consider and, if thought fit, approve the estimate on Routine Related Party Transactions for 2026.

The Company will comply with the requirements under the Listing Rules in respect of all the Routine Related Party Transactions as and when appropriate.

EGM

The EGM will be convened and held at 11th Floor, Dongjiang Environmental Building, No. 9 Langshan Road, Nanshan District, Shenzhen, the PRC on Friday, 30 January 2026 at 3:00 p.m. for Shareholders to consider and, if thought fit, approve resolutions relating to (i) the proposed termination of part of Proceeds-funded Projects and permanent replenishment of working capital with surplus proceeds; (ii) the proposed conclusion of part of Proceeds-funded Projects and permanent replenishment of working capital with surplus proceeds and (iii) the proposed adoption of the estimate on Routine Related Party Transactions for 2026. A notice convening the EGM is set out on pages 31 to 32 of this circular. The form of proxy for use at the EGM is also enclosed with this circular.

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's H Share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (for holders of H Shares) as soon as possible but in any event, not less than 24 hours before the time appointed for the holding of the EGM. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM at any other adjourned meeting(s) should you so wish.

As Guangdong Rising Holdings Group and its associates (holding an aggregate of 266,279,028 A Shares and 25,179,200 H Shares, representing approximately 26.37% of the total issued share capital of the Company as at the Latest Practicable Date), Baowu Environment and its associates (holding an aggregate of 124,293,784 A Shares, representing approximately 11.25% of the total issued share capital of the Company as at the Latest Practicable Date), High Hope Group and its associates (holding an aggregate of 76,082,707 A Shares and 18,204,800 H Shares, representing approximately 8.53% of the total issued share capital of the Company as at the Latest Practicable Date) are materially interested in the Routine Related Party Transactions for 2026, all of them will be required to abstain from voting on the resolution to be proposed at the EGM in relation to the estimate on Routine Related Party Transactions for 2026 under the requirements of the SZSE Listing Rules.

Save as aforementioned, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no other Shareholder is required to abstain from voting at the EGM in that regard.

CLOSURE OF REGISTER OF MEMBERS OF H SHARES

The register of members of H Shares will be closed from Tuesday, 27 January 2026 to Friday, 30 January 2026 (both days inclusive), during which no transfer of H Shares will be registered, for the identification of Shareholders qualified to attend and vote at the EGM. The record date for determining the eligibility of the Shareholders to attend and vote at the EGM will be 30 January 2026. In order to be entitled to attend and vote at the EGM, share transfer documents accompanied by relevant H Share certificates should be lodged with the Company's H Share registrar (for holders of H Shares), Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as practicable and in any event not later than 4:30 p.m. on Monday, 26 January 2026. Shareholders whose names appear on the register of members of the H Shares at 4:30 p.m. on Monday, 26 January 2026 are entitled to attend and vote at the EGM.

VOTING BY POLL

According to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. Accordingly, the proposed resolutions at the EGM will be voted on by way of poll.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

RECOMMENDATION

Having considered the above, the Directors consider that the above matters are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the resolutions to be proposed at the EGM.

Yours faithfully,
For and on behalf of the Board of
Dongjiang Environmental Company Limited*
Wang Bi'an
Chairman

DONGJIANG ENVIRONMENTAL COMPANY LIMITED*
東江環保股份有限公司

(a joint stock limited company incorporated in the People's Republic of China)

(Stock code: 00895)

NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING IN 2026

NOTICE IS HEREBY GIVEN that the first extraordinary general meeting (the "**EGM**") of Dongjiang Environmental Company Limited* (the "**Company**") in 2026 will be held at 11th Floor, Dongjiang Environmental Building, No. 9 Langshan Road, Nanshan District, Shenzhen, the People's Republic of China on Friday, 30 January 2026 at 3:00 p.m. for the purpose of considering and, if thought fit, passing the following resolutions.

ORDINARY RESOLUTIONS

1. Resolution on termination of part of proceeds-funded projects and permanent replenishment of working capital with surplus proceeds

2. Resolution on conclusion of part of proceeds-funded project and permanent replenishment of working capital with surplus proceeds

3. Resolution on the estimate on routine related party transactions for 2026

By order of the Board
Dongjiang Environmental Company Limited*
Wang Bi'an
Chairman

Shenzhen, the PRC
12 January 2026

* *For identification purpose only*

Notes:

1. For the purpose of identification of Shareholders who are qualified to attend and vote at the EGM, the register of members of H Shares of the Company will be closed from Tuesday, 27 January 2026 to Friday, 30 January 2026 (both days inclusive) during which period no transfer of H Shares can be effected. The record date for determining the eligibility of the Shareholders to attend and vote at the EGM will be 30 January 2026. In order to be entitled to attend and vote at the EGM, all transfer document accompanied by the relevant share certificates must be lodged with the Company's H Share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (for holders of H Shares) not later than 4:30 p.m. on Monday, 26 January 2026.

2. Holders of H Shares whose names appear on the register of members of H shares of the Company at 4:30 p.m. on Monday, 26 January 2026 are entitled to attend and vote at the EGM.

3. Holders of Shares may appoint one or more proxies to attend and, in the event of a poll, vote on their behalves at the EGM. A proxy needs not be a member of the Company.

4. A form of proxy for use at the EGM is enclosed herewith. In the case of a joint holding, the form of proxy may be signed by any joint holder, but if more than one joint holder is present at the meeting, whether in person or by proxy, that one of the joint holders whose name stands first on the registers of members of the Company in respect of the relevant joint holding shall alone be entitled to vote in respect thereof.

5. In order to be valid, the form of proxy must be deposited by hand or post to the Company's H Share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (for holders of H Shares) not less than 24 hours before the time for holding the EGM (i.e. 3:00 p.m. on Thursday, 29 January 2026). If the proxy form is signed by a person under a power of attorney or other authority, a notarially certified copy of that power of attorney or authority shall be deposited at the same time as mentioned in the proxy form.

6. Shareholders and their proxies should submit identity proof when attending the EGM.

7. The EGM is not expected to last for more than half a day. Shareholders and their proxies shall be responsible for their own travelling and accommodation expenses for attending the meeting.

8. Pursuant to Rule 13.39(4) of the Listing Rules, the resolution(s) as set out in this notice will be voted on by poll at the EGM. Where the chairman in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted, such resolution may be decided by a show of hands.

As at the date of this notice, the Board comprises three executive Directors, being Mr. Wang Bi'an, Mr. Li Xiangli and Mr. Zhu Lintao; three non-executive Directors, being Mr. Wang Shi, Mr. Liu Xiaoxuan and Mr. Jia Guorong; and three independent non-executive Directors, being Mr. Lee Kwok Tung Louis, Mr. Li Jinhui and Ms. Xiang Ling.