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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)

**CONTINUING CONNECTED TRANSACTION
TRANSPORTATION AND DISTRIBUTION SERVICE
CONTRACT**

TRANSPORTATION AND DISTRIBUTION SERVICE CONTRACT

Reference is made to the Company's announcement dated 26 June 2026 in relation to the participation of Elephant Logistics, a non-wholly-owned subsidiary of the Company, in the Public Tender in respect of the Transportation Services for Construction Materials and Boards.

Following the conclusion of the tender period, Elephant Logistics has been notified that it is the successful bidder for the Transportation Services for Construction Materials and Boards. Accordingly, on 9 July 2026, Elephant Logistics and Ouye Logistics entered into the Transportation and Distribution Service Contract, pursuant to which Elephant Logistics shall provide the Transportation Services for Construction Materials and Boards to Ouye Logistics.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Ouye Logistics is a fellow subsidiary of Baowu Environment, a substantial shareholder of the Company. Accordingly, Ouye Logistics is an associate of Baowu Environment and a connected person of the Company. Therefore, the Transportation and Distribution Service Contract and the transactions contemplated thereunder constitute a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the annual caps for the Transportation Services for Construction Materials and Boards exceed 0.1% but all are less than 5%, the Transportation and Distribution Service Contract and the transactions contemplated thereunder are subject to reporting, announcement and annual review requirements, but are exempt from circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As Mr. Liu Xiaoxuan, a non-executive Director, serves as senior management at Baowu Environment; he is considered to be materially interested in and has abstained from voting on the relevant Board resolution approving the Transportation and Distribution Service Contract and the transactions contemplated thereunder.

Reference is made to the Company's announcement dated 26 June 2026 in relation to the participation of Elephant Logistics, a non-wholly-owned subsidiary of the Company, in the Public Tender in respect of the Transportation Services for Construction Materials and Boards.

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Elephant Logistics was unsuccessful in the public tender in respect of the delivery and distribution project for finished steel products of Zhongnan Co., Ltd.* (中南股份) by cargo transportation as disclosed in the Company's announcement dated 10 June 2026.

TRANSPORTATION AND DISTRIBUTION SERVICE CONTRACT

The principal terms of the Transportation and Distribution Service Contract are set out as follows:

Date

9 July 2026

Parties

1. Shanghai Ouye Logistics Co., Ltd.* (上海歐冶物流股份有限公司); and
2. Guangdong Elephant Logistics Technology Co., Ltd.* (廣東大象物流科技有限公司).

Subject matter

Elephant Logistics shall provide Ouye Logistics with transportation and distribution services for finished steel products of Zhongnan Co., Ltd.* (中南股份) in accordance with the request of Ouye Logistics.

Term

From the date of the Transportation and Distribution Service Contract (i.e. 9 July 2026) to 30 June 2027.

Payment

The service fees under the Transportation and Distribution Service Contract shall be paid by Ouye Logistics to Elephant Logistics on a monthly basis by way of bank transfer.

Pricing Principles

Pursuant to the Transportation and Distribution Service Contract, the service fees payable by Ouye Logistics to Elephant Logistics for the Transportation Services for Construction Materials and Boards shall be determined by the following formula:

Fees per shipment = awarded tender price (ton/km) of RMB 0.2222 x weight x transportation distance

The above awarded tender price under the Transportation and Distribution Service Contract was negotiated on an arm's length basis and was determined by the Public Tender with reference to the prevailing market prices in respect of the Transportation Services for Construction Materials and Boards (including the cost of Elephant Logistics plus a reasonable profit margin).

Based on the currently estimated total weight of goods and transportation distance, the estimated total service fees under the Transportation and Distribution Service Contract is RMB18,491,263.84 (inclusive of tax). The actual services fees payable by Ouye Logistics shall be subject to the actual weight of goods and transportation distance in respect of the Transportation Services for Construction Materials and Boards.

Annual Caps

The maximum transaction amounts (annual caps) for the Transportation Services for Construction Materials and Boards shall be (i) RMB15 million for the period from 9 July 2026 to 31 December 2026 and (ii) RMB15 million for the period from 1 January 2027 to 30 June 2027.

The annual caps were determined with reference to (i) the awarded tender price (ton/km); (ii) the estimated weight of goods to be transported; (iii) the estimated transportation distance; and (iv) a reasonable buffer (including to provide flexibility to cater for the uncertainties associated with the actual timing of occurrence of the Transportation Services for Construction Materials and Boards during the term of the Transportation and Distribution Service Contract).

There was no historical transaction for providing transportation services by the Group to Ouye Logistics.

REASONS FOR AND BENEFITS OF ENTERING INTO THE TRANSPORTATION AND DISTRIBUTION SERVICE CONTRACT

The entering into of the Transportation and Distribution Service Contract will be conducive to the Company's exploration of new sources of revenue and profit growth, and will continuously create value for the Company and its Shareholders. In addition, the Transportation Services for Construction Materials and Boards, being a green logistics business, is in alignment with the Company's strategic positioning – to expedite its development into an outstanding comprehensive environmental service provider and a leading enterprise in the resource recycling industry in China.

In view of the above, the Directors (including the independent non-executive Directors) are of the view that the terms of the Transportation and Distribution Service Contract are on normal commercial terms and are entered into in the ordinary and usual course of business of the Group, and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE PARTIES

Information of the Company and the Group

The Company is a joint stock limited company incorporated in the PRC. The Group is primarily engaged in (i) disposal and treatment of waste; (ii) production and sales of recycled products and renewable energy; (iii) construction and provision of environmental systems and services; (iv) renewable energy utilization; and (v) trading of chemical products and others.

Information of Elephant Logistics

Elephant Logistics is a limited liability company established in the PRC and a non-wholly-owned subsidiary of the Company. It is principally engaged in road cargo transportation. The equity interests in Elephant Logistics are held as to 40%, 30% and 30% by the Company, Kuang Linyi (匡林一) and Guangdong Qianyou Kuncheng Trading Co., Ltd.* (廣東乾佑坤成貿易有限公司)(which is ultimately controlled by Chen Jianwen (陳建文)), respectively.

Information of Ouye Logistics

Ouye Logistics is a limited liability company established in the PRC, and is principally engaged in road, barge and waterway cargo transportation. As at the date of this announcement, the equity interests in Ouye Logistics are held by Ouye Yunshang Co., Ltd.*(歐冶雲商股份有限公司), Shanghai Baosteel International Economic & Trade Co., Ltd.* (上海寶鋼國際經濟貿易有限公司), Shanghai Transport Group Co., Ltd.* (上海交通集團股份有限公司) and Jiangsu Huayi Logistics Co., Ltd.* (江蘇華溢物流有限公司) as to 65.79%, 30.91%, 2.99% and 0.31%, respectively. Both Ouye Yunshang Co., Ltd.*(歐冶雲商股份有限公司) and Shanghai Baosteel International Economic & Trade Co., Ltd.* (上海寶鋼國際經濟貿易有限公司) are indirectly controlled by Baowu Group. Baowu Group is principally engaged in the steel manufacturing industry, the green resources sector, the intelligent services industry, the advanced materials sector, and the industrial real estate and finance sectors; and is ultimately controlled by the State-owned Assets Supervision and Administration Commission of the State Council* (國務院國有資產監督管理委員會).

INTERNAL CONTROL MEASURES

The Group will at all times comply with Rule 14A.34 and Rule 14A.51 to 14A.59 of the Listing Rules. In addition, in order to safeguard the overall interests of the Company and the Shareholders, the Company has adopted the following guidelines and principles in regulating transactions between Elephant Logistics and Ouye Logistics:

1. the Group will report to the independent non-executive Directors, as appropriate, on the transactions under the Transportation and Distribution Service Contract during each audit and risk management committee meeting.
2. the transactions under the Transportation and Distribution Service Contract will be reviewed annually by the auditors of the Group and the independent non-executive Directors, and reported in the annual report of the Company; so as to ensure that such transactions are conducted in accordance with the Transportation and Distribution Service Contract and on normal commercial terms.

3. the Group will regularly review the transactions with Ouye Logistics to identify any transactions that may be at risk of exceeding the annual caps and any measures to be introduced in response to such transactions. The Group has formulated a series of internal measures and policies to ensure that the transactions will be carried out in accordance with the terms of the Transportation and Distribution Service Contract and within the annual caps.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Ouye Logistics is a fellow subsidiary of Baowu Environment, a substantial shareholder of the Company. Accordingly, Ouye Logistics is an associate of Baowu Environment and a connected person of the Company. Therefore, the Transportation and Distribution Service Contract and the transactions contemplated thereunder constitute a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the annual caps for the Transportation Services for Construction Materials and Boards exceed 0.1% but all are less than 5%, the Transportation and Distribution Service Contract and the transactions contemplated thereunder are subject to reporting, announcement and annual review requirements, but are exempt from circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As Mr. Liu Xiaoxuan, a non-executive Director, serves as senior management at Baowu Environment; he is considered to be materially interested in and has abstained from voting on the relevant Board resolution approving the Transportation and Distribution Service Contract and the transactions contemplated thereunder.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“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

“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 date of this announcement, 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, and 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 established in the PRC, the H Shares and A Shares of which are listed on the Stock Exchange and on the Shenzhen Stock Exchange, respectively
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Elephant Logistics”	Guangdong Elephant Logistics Technology Co., Ltd.* (廣東大象物流科技有限公司), a company established in the PRC with limited liability and a non-wholly-owned subsidiary of the Company as at the date of this announcement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Ouye Logistics”	Shanghai Ouye Logistics Co., Ltd.* (上海歐冶物流股份有限公司), a company established in the PRC with limited liability
“PRC”	the People’s Republic of China
“Public Tender”	the public tender held by Ouye Logistics in respect of the Transportation Services for Construction Materials and Boards
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	the share(s) of the Company, unless specified otherwise, including A Shares and H Shares
“Shareholder(s)”	the holders of Share(s)
“Shenzhen Stock Exchange”	the Shenzhen Stock Exchange
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Transportation and Distribution Service Contract”	the transportation and distribution service contract entered into between Elephant Logistics and Ouye Logistics on 9 July 2026 in respect of the Transportation Services for Construction Materials and Boards
“Transportation Services for Construction Materials and Boards”	the transportation services for finished steel products of Zhongnan Co., Ltd.* (中南股份) to be provided by Elephant Logistics to Ouye Logistics under the Transportation and Distribution Service Contract
“%”	per cent

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

Shenzhen, the PRC
9 July 2026

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

** For identification purposes only*