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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)

INSIDE INFORMATION
UPDATE ANNOUNCEMENT IN RELATION TO LITIGATION INVOLVING GUARANTEE

This announcement is made by Dongjiang Environmental Company Limited* (the "**Company**") pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the overseas regulatory announcement issued on 9 July 2020 and the announcements issued on 20 September 2024, 14 March 2025, 20 June 2025, 19 September 2025, 18 December 2025, 16 March 2026, 16 June 2026 and 18 September 2026 (the "**Announcements**") by the Company in relation to the Company's provision of a joint liability guarantee in favour of Mianyang Dongjiang Environmental Technology Co., Ltd.* (綿陽東江環保科技有限公司, "**Mianyang Dongjiang**"), a controlling subsidiary, for its application to the Postal Savings Bank for a loan facility of RMB260 million and its performance of guarantee subrogation obligations. Unless the context otherwise requires, capitalised terms used in this announcement shall have the same meaning as those defined in the Announcements.

Pursuant to the relevant provisions of the Guarantee Agreement, the Company has fulfilled its guarantee subrogation obligations to Postal Savings Bank in respect of the loan to Mianyang Dongjiang. In accordance with the Counter-Guarantee Agreement, Diwosi and Xinkeyuan has pledged their equity interests in Mianyang Dongjiang as counter-securities for the benefit of the Company, and at the same time assumed guarantee obligations. The Company has completed the registration procedures in respect of the pledge of equity interests in Mianyang Dongjiang held by Diwosi and Xinkeyuan, and has obtained the "Notice of Registration of Creation of Equity Pledge" issued by the Administrative Approval Bureau of Fucheng District, Mianyang City* (綿陽市涪城區行政審批局).

As stated in the Announcements, the Company has filed a lawsuit against Diwosi and Xinkeyuan with the People's Court of Mianyang High-tech Industrial Development Zone (綿陽高新技術產業開發區人民法院, the "**High-tech Zone Court**"), seeking to hold them liable, including but not limited to exercising its security rights etc..

A. BASIC INFORMATION OF THE LITIGATION

To safeguard the interests of the Company, the Company instigated legal proceedings against Xinkeyuan and Diwosi before High-tech Zone Court respectively, seeking an order for the auction and sale of the equity interests in Mianyang Dongjiang held by the defendants and preferential repayment to the Company out of the proceeds of such auction and sale. Both cases were accepted in May 2026, with case numbers (2026) Chuan 0792 Min Chu No. 2182 (the "**Xinkeyuan Case**") and (2026) Chuan 0792 Min Chu No. 2189 (the "**Diwosi Case**"), respectively (collectively, the "**Cases**"). In September 2026, the Cases were heard by the High-tech Zone Court, a summary of which is set out below:

(1) The Xinkeyuan Case

Parties to the Litigation

Plaintiff:	Dongjiang Environmental Company Limited* (the Company)
Defendant:	Mianyang Xinkeyuan Environmental Protection Technology Co., Ltd. * (綿陽市鑫科源環保科技有限公司) (Xinkeyuan)
Third Party:	Mianyang Dongjiang Environmental Technology Co., Ltd.* (綿陽東江環保科技有限公司) (Mianyang Dongjiang) (joined)

Remedies sought in the Litigation

1. An order for the auction or sale of the 19.5% equity interest in Mianyang Dongjiang held by the Defendant (Xinkeyuan); and the Plaintiff (the Company) shall have priority in respect of the payment out of the proceeds of such auction or sale to the extent of RMB16,318,300.00 (being the aggregate principal amount and interest of RMB83,683,723.06 repaid by the Plaintiff (the Company) as at the date of acceptance of the Xinkeyuan Case multiplied by the proportion of shareholding of the Defendant (Xinkeyuan)); and

2. An order that the litigation costs and legal fees of the Xinkeyuan case shall be borne by the Defendant (Xinkeyuan).

(2) The Diwosi Case

Parties to the Litigation

Plaintiff:	Dongjiang Environmental Company Limited* (the Company)
Defendant:	Sichuan Diwosi Environmental Protection Technology Co., Ltd.* (四川迪沃斯環保科技有限公司) (Diwosi)
Third Party:	Mianyang Dongjiang Environmental Technology Co., Ltd.* (綿陽東江環保科技有限公司) (Mianyang Dongjiang) (joined)

Remedies sought in the Litigation

1. An order for the auction or sale of the 29.5% equity interest in Mianyang Dongjiang held by the Defendant (Diwosi), and the Plaintiff (the Company) shall have priority in respect of the payment out of the proceeds of such auction or sale to the extent of RMB24,686,700.00 (being the aggregate principal amount and interest of RMB83,683,723.06 repaid by the Plaintiff (the Company) as at the date of acceptance of the Diwosi Case multiplied by the proportion of shareholding of the Defendant (Diwosi)); and

2. An order that the litigation costs and legal fees of the Diwosi Case shall be borne by the Defendant (Diwosi).

B. JUDGMENT IN RESPECT OF THE CASES

The Company has recently received the first-instance judgments in respect of the Cases. All of the Company's claims were dismissed, and the Company shall bear the acceptance fees for the Cases, being RMB119,710 and RMB165,234, respectively (the "**Judgments**").

If aggrieved by the Judgments, the Company may, within 15 days from the date of service of the Judgments, file a statement of appeal with the High-tech Zone Court appealing to the Intermediate People's Court of Mianyang City, Sichuan Province* (四川省綿陽市中級人民法院).

C. POSSIBLE IMPACT AND RISK WARNING

The Company is expected to file an appeal within the prescribed time limit, the final outcome of the Case remains uncertain. But the Judgments will not have a material impact on the profit for the current period.

The Company will continue to monitor the progress of the Cases, take active measures to safeguard its legitimate rights and interests, and timely fulfil its information disclosure obligations.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

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

Shenzhen, the PRC
27 November 2026

As at the date of this announcement, the board of directors of the Company 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*