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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 INTERIM RESULTS ESTIMATE OF 2022

This announcement is made by Dongjiang Environmental Company Limited* (the “**Company**”) pursuant to Rule 13.09 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 in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Company expects that the net profit attributable to shareholders of listed company for the six months from 1 January 2022 to 30 June 2022 (the “**Reporting Period**”) is between approximately RMB19,000,000 to RMB25,000,000 (corresponding period of last year: approximately RMB111,639,800), representing a year-on-year decrease of 82.98% to 77.61%; the net loss after non-recurring gains and losses attributable to shareholders of listed company is between approximately RMB3,000,000 and RMB5,000,000 (corresponding period of last year: earnings approximately RMB108,607,700), representing a year-on-year decrease of approximately 102.76% to 104.60%; basic earnings per share is between approximately RMB0.02 and RMB0.03 (corresponding period of last year: approximately RMB0.13).

Affected by the intensified competition in the industrial waste treatment market, and at the same time due to the suspensions and restrictions of production in some areas as a result of the COVID-19 pandemic, the industrial waste treatment industry is facing steep challenges. During the Reporting Period, the Company enhanced market expansion efforts, improved the volume of collection, transportation and disposal of hazardous waste, and ensured the growth in operating income as compared to last year. Nevertheless, the gross profit margins of hazardous waste treatment and disposal and recycling businesses dropped significantly as compared to last year due to the trend of declining prices of hazardous waste treatment and the trend of increasing production costs of recycling products during the Reporting Period.

Faced with the challenging situation caused by intensified competition in the industrial hazardous waste market, the Company will leverage its core competitive advantages and implement multiple measures to improve its operating results. Firstly, the Company will use its

advantages in planning and channeling, adopting the market strategies of "exchanging price for volume, seizing the market" and "concentrating efforts to develop core customers", strengthen market expansion continuously, with a view to ensuring a new high in the annual volume of collection and transportation. Secondly, the Company will also explore deeply into customer needs, providing diversified, high-quality and all-in-one value-added services, so as to ensure the steady growth of the number of high-quality customers, and simultaneously promoting a number of specific tasks such as "slimming and fitness", "Cost Reduction and Efficiency Enhancement" and "Digital Transformation" etc., enhancing details-oriented management, making all efforts to improve the overall profitability of the Company.

The Company has pre-communicated with the accounting firm in respect of this results estimate, but it has not been pre-audited by certified public accountants. It is only a preliminary estimation made by the finance department of the Company. The actual financial information is subject to the interim results of 2022 to be disclosed by the Company before the end of August 2022.

Shareholders and 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*
Tan Kan
Chairman

Shenzhen, the PRC
14 July 2022

As at the date of this announcement, the Board of Directors of the Company comprises three executive Directors, being Mr. Tan Kan, Mr. Yu Zhongmin and Mr. Lin Peifeng; three non-executive Directors, Mr. Tang Yi, Ms. Shan Xiaomin and Mr. Jin Yongfu; and three independent non-executive Directors, being Mr. Li Jinhui, Mr. Siu Chi Hung and Ms. Guo Suyi.

** For identification purpose only*