

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



DONGJIANG ENVIRONMENTAL COMPANY LIMITED*

(a joint stock company limited by shares)
(Stock code: 00895)

INSIDE INFORMATION SUMMARY OF 2022 THIRD QUARTERLY REPORT

This announcement is made pursuant to Rules 13.09 and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions 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 by Dongjiang Environmental Company
Company 30 October 2022 **Announcement** 2 Third
 Quarterly Report for the nine months ended 30 September 2022 **Reporting Period** of the Company. Set out
 below is a summary of the key information as set out in the said quarterly report:

Unless otherwise specified, financial information of the Company is presented in Renminbi **RMB**

FINANCIAL STATEMENT

1. CONSOLIDATED BALANCE SHEET

Unit: RMB

Item	As at 30 September 2022 (unaudited)	As at 31 December 2021 (audited)
Current assets:		
Monetary fund	1,019,340,092.93	550,421,369.21
Settlement Deposits		
Placements with banks and other financial institutions		
Held-for-trading financial assets		
Derivative financial assets		
Notes receivable		1,500,000.00

Accounts receivable	1,089,489,354.08	1,022,764,012.55
Receivables financing	58,613,663.41	86,330,421.85
Prepayments	175,932,381.89	113,307,876.94
Premium receivable		
Reinsurance accounts receivable		
Provision for reinsurance contract receivable		
Other accounts receivable	187,704,960.57	168,707,562.78
Including: Interest receivable		
Dividend receivable		
Purchase and resale of financial assets		
Inventories	681,452,914.97	550,901,693.78
Granted loans and advances	63,994,000.00	103,576,200.00
Contractual assets	137,207,205.21	127,148,894.80
Assets held-for-sale		
Non-current asset due within one year	43,111,546.82	40,111,182.93
Other current assets	115,269,825.96	212,559,751.93
Total current assets	3,572,115,945.84	2,977,328,966.77
Non-current assets:		
Granted loans and advances		
Debt investments		
Other debt investments		
Long-term accounts receivable		
Long-term equity investment	297,351,147.73	298,221,878.81
Investment in other equity instruments	4,242,896.51	4,242,896.51
Other non-current financial assets		
Investment properties	456,662,610.00	456,662,610.00
Fixed assets	4,134,973,997.14	4,266,697,793.60
Construction in progress	1,287,074,950.39	1,015,213,235.36
Productive biological assets		
Oil and gas assets		
Right-of-use assets	4,646,101.52	8,580,060.13
Intangible assets	1,238,960,441.09	1,290,566,730.06

Development expenditure	22,109,796.35	15,710,768.93
Goodwill	1,173,774,873.18	1,182,401,838.46
Long-term unamortized expenses	91,139,207.17	100,920,782.31
Deferred income tax assets	49,185,200.47	50,388,872.85
Other non-current assets	160,147,068.18	146,274,229.94
Total non-current assets	8,920,268,289.73	8,835,881,696.96
Total assets	12,492,384,235.57	11,813,210,663.73
Current liabilities:		
Short-term borrowings	1,057,050,000.00	1,944,231,778.18
Borrowings from central bank		
Loans from other banks		
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable		132,980.00
Accounts payable	649,087,945.17	839,842,787.72
Receipts in advance		504,708.85
Contractual liabilities	181,668,854.66	138,257,088.91
Proceeds from disposal of financial assets under agreements to repurchase		
Receipt of deposits and deposits from other banks		
Funds received as agent of stock exchange		
Funds received as stock underwriter		
Employee benefits payables	33,471,377.89	55,140,121.59
Tax payable	42,322,408.96	38,054,722.48
Other accounts payable	463,904,951.51	520,788,759.83
Including: Interest payable		
Dividend payable		
Handling fees and commission payable		
Reinsurance accounts payable		
Liabilities held-for-sale		
Non-current liabilities due within one year	621,400,863.57	261,696,149.50
Other current liabilities	1,018,221,260.43	6,872,518.98

Total current liabilities	4,067,127,662.19	3,805,521,616.04
Non-current liabilities:		
Provision for insurance contracts		
Long-term borrowings	2,296,963,876.55	1,173,417,545.51
Bonds payable	499,738,936.40	1,099,386,720.95
Including: Preferred shares		
Perpetual bond		
Lease liabilities	2,362,308.39	3,524,534.88
Long-term accounts payables		

2. CONSOLIDATED INCOME STATEMENT FOR THE REPORTING PERIOD

Unit: RMB

Item	For the nine months ended 30 September 2022 (unaudited)	For the nine months ended 30 September 2021 (unaudited)
I. Total operating revenue	2,848,333,653.36	2,642,161,075.64
Including: Operating revenue	2,848,333,653.36	2,642,161,075.64
Interest income		
Premium income		
Handling charges and commission income		
II. Total operating cost	3,017,023,540.43	2,486,101,801.05
Including: Cost of operation	2,368,313,667.09	1,890,838,184.46
Interest expenses		
Handling charges and commission expenses		
Surrenders		
Net claims expenses		
Net provisions for insurance contracts reserve		
Insurance policy dividend paid		
Reinsurance costs		
Tax and levies	31,856,437.31	30,038,626.45
Selling expenses	76,391,731.12	87,007,124.74
Administrative expenses	306,198,526.40	291,036,032.77
Research and development expenses	114,638,442.49	99,592,897.45
Finance costs	119,624,736.02	87,588,935.18
Including: Interest expense	126,189,965.20	92,552,557.96
Interest income	6,444,958.47	5,426,471.90
Add: Other gains	46,174,503.46	46,666,023.32
Gain from investment (Loss represented in - signs)	6,434,489.30	11,436,637.09

Including: Investment revenue in associates and joint ventures	-680,518.29	11,760,007.12
Gain on derecognition of financial asset measured at the amortized cost		
Exchange gain (Loss represented in - signs)		
Gain from net exposure hedges (Loss represented in - signs)		
Gain on fair value changes (Loss represented in - signs)		
Credit impairment loss (Loss represented in - signs)	-5,593,130.54	-11,361,141.51
Asset impairment loss (Loss represented in - signs)	-8,817,178.07	
Gain on disposal of assets (Loss represented in - signs)	449,651.43	3,771,349.91
III. Operating profit (Loss represented in - signs)	-130,041,551.49	206,572,143.40
Add: Non-operating income	15,483,820.47	4,376,960.35
Less: Non-operating expenses	3,245,423.97	12,400,560.70
IV. Total profit (Total loss represented in - signs)	-117,803,154.99	198,548,543.05
Less: Income tax expenses	11,966,279.26	26,790,680.81
V. Net profit (Net loss represented in - signs)	-129,769,434.25	171,757,862.24
(1) Classified on a going concern basis		
1. Net profit from continuing operations (Net loss represented in - signs)	-129,769,434.25	171,757,862.24
2. Net profit from discontinued operations (Net loss represented in - signs)	0.00	0.00
(2) Classified according to the ownership		
1. Net profit attributable to owners of the parent company (Net loss represented in - signs)	-90,247,031.86	162,398,728.22

2. Profit and loss
attributable to minority

3. CONSOLIDATED CASH FLOW STATEMENT FOR THE REPORTING PERIOD

Unit: RMB

Item	For the nine months ended 30 September 2022 (unaudited)	For the nine months ended 30 September 2021 (unaudited)
I. Cash flows from operating activities:		
Cash received from		

Cash paid for compensation under original insurance contract		
Net increase in placements with banks and other financial institutions		
Cash paid for interests, handling charges and commissions		
Cash paid for dividend		
Cash paid to and on behalf of employees	554,351,193.16	512,406,936.68
Payments of taxes and levies	112,018,463.11	133,086,004.06
Other cash payments relating to operating activities	118,095,780.75	119,059,604.32
Sub-total of cash outflows from operating activities	3,133,413,217.39	2,468,727,665.19
Net cash flows from operating activities	184,219,857.17	256,341,301.95
II. Cash flows from investing activities:		
Cash received from investments		
Cash received from returns on investments		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	5,341,510.01	5,047,721.60
Net cash received from disposal of subsidiaries and other operating units	11,105,261.00	
Other cash receipts relating to investing activities		
Sub-total of cash inflows from investing activities	16,446,771.01	5,047,721.60
Cash paid to acquire fixed assets, intangible assets and other long-term assets	444,128,897.89	687,197,370.48
Cash paid on investments	24,515,104.00	14,715,671.23
Net increase in pledged loans		
Net cash paid on acquisition		

Sub-total of cash outflows from investing activities	485,314,970.39	1,097,424,530.91
Net cash flows from investing activities	-468,868,199.38	-1,092,376,809.31
III. Cash flows from financing activities:		
Cash received from financing		9,000,000.00
Including: Cash received by subsidiaries from investment from minority shareholders		9,000,000.00
Cash received from borrowings	3,293,352,692.08	2,917,981,257.12
Cash received from other financing activities		
Sub-total of cash inflows from financing activities	3,293,352,692.08	2,926,981,257.12
Cash payments for settlement of borrowings	2,285,768,927.81	1,956,022,654.64
Cash payments for distribution of dividend, profit or interest expenses	226,713,345.67	251,827,926.60
Including: Cash payments for distribution of dividends and profit by subsidiaries to minority shareholders	41,600,000.00	38,500,000.00
Other cash payments relating to financing activities		

Affected by various unfavorable factors such as the repeated outbreak of waves of COVID-19 pandemic and the complex and difficult external business environment, the current domestic economic growth has slowed down. Upstream companies are operating under a reduced scale and the overall waste amount in the market has reduced. At the same time, the number of industry participants continued to increase, and the approved scale of hazardous waste qualification is higher than the amount of hazardous waste generated, resulting in increasingly fierce competition in the market. In the third quarter, both the volume of harmless collection and transportation and the price of disposal dropped significantly. Meanwhile, the recycling business was affected by the decline in commodity metal prices and the increase in the discount rate of collection and transportation, the gross profit margin dropped significantly, therefore the Company is facing a serious decline in profits.

Facing the difficult industry and market situation, the Company will proactively formulate strategies to resolve the situation. Firstly, to tap into the market, expand the collection and transportation volume, adopt proactive and flexible market strategies, and focus in the collection and transportation services for major customers on the premises of ensuring operational cash flow, and at the same time, to make