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Datang Environment Industry Group Co., Ltd.*

大唐環境產業集團股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1272)

ANNOUNCEMENT

NEGATIVE PROFIT ALERT FOR 2017 ANNUAL RESULTS

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Based on the unaudited management accounts for the year ended 31 December 2017 of the Company, the net profit of the Company for the year ended 31 December 2017 is estimated to record a decrease of 15%–17%, as compared with the same period in 2016, while the actual situation is subject to the confirmation upon the audit of the financial results of the Company for the year ended 31 December 2017 by the external auditor of the Company.

This announcement is made only based on the unaudited management accounts for the year ended 31 December 2017 of the Company, which are still subject to the audit by the Company's external auditor, and may differ from the audited information set out in the financial statements in the 2017 annual report of the Company. Potential investors and shareholders of the Company are advised to exercise caution when dealing in the securities of the Company.

This announcement is made by Datang Environment Industry Group Co., Ltd. (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 under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

I. ESTIMATED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2017

Based on the unaudited management accounts for the year ended 31 December 2017 of the Company, the net profit of the Company for the year ended 31 December 2017 is estimated to record a decrease of 15%–17%, as compared with the same period in 2016, while the actual situation is subject to the confirmation upon the audit of the financial results of the Company for the year ended 31 December 2017 by the external auditor of the Company.

II. REASONS FOR CHANGES IN RESULTS

On preliminary estimation made by the Company based on the unaudited management accounts for the year ended 31 December 2017, the decrease in net profit of the Company in 2017 as compared with the same period in 2016 is mainly attributable to the increase in price of major raw materials of denitrification catalysts business and environmental protection facilities engineering business, as well as the net exchange loss of the Company due to the depreciation of HKD, in which the Company's unused proceeds from the initial public offering are deposited, against RMB.

III. RISK WARNING

The information contained in this announcement is not audited. Specific financial information will be disclosed in detail in the 2017 annual report of the Company that to be published later. Potential investors and shareholders of the Company are advised to exercise caution when dealing in the securities of the Company.

By order of the Board
Datang Environment Industry Group Co., Ltd.*
Jin Yaohua
Chairman

Beijing, 5 March 2018

As of the date of this announcement, the non-executive directors of the Company are Mr. Jin Yaohua, Mr. Liu Chuandong, Mr. Liu Guangming and Mr. Liang Yongpan; the executive directors are Mr. Deng Xiandong and Mr. Lu Shengli; and the independent non-executive directors are Mr. Ye Xiang, Mr. Mao Zhuanjian and Mr. Gao Jiexiang.

* For identification purposes only