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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 2018 ANNUAL RESULTS

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 2018

Based on the unaudited management accounts for the year ended 31 December 2018 of the Company, the profit before tax of the Company for the year ended 31 December 2018 is estimated to record a decrease of approximately 12% to 16%, as compared with the same period in 2017, 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 2018 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 2018, the decrease in profit before tax of the Company in 2018 as compared with the same period in 2017 is mainly attributable to (1) the rising price of certain main raw materials that led to the increase in cost of operation and decrease in gross profit margin of the Company; (2) tightening domestic macro-level financial policies that led to the increase in financing expense of the Company.

III. RISK WARNING

The information contained in this announcement is not audited. Specific financial information will be disclosed in detail in the 2018 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, 15 March 2019

As of the date of this announcement, the non-executive Directors are Mr. Jin Yaohua, Mr. Liu Chuandong, Mr. Liu Guangming and Mr. Li Yi; the executive Directors are Mr. Deng Xiandong and Mr. Shen Zhen; and the independent non-executive Directors are Mr. Ye Xiang, Mr. Mao Zhuanjian and Mr. Gao Jiexiang.

* For identification purposes only