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 2019 INTERIM RESULTS

This announcement is made by Datang Environment Industry Group Co., Ltd. (the "**Company**" and, together with its subsidiaries, the "**Group**") 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 SIX MONTHS ENDED 30 JUNE 2019

Based on the unaudited management accounts for the six months ended 30 June 2019 of the Company, the profit before tax of the Group for the six months ended 30 June 2019 is estimated to record a decrease of approximately 65% to 75%, as compared with the same period in 2018, while the actual situation is subject to the confirmation upon the review of the financial results of the Group for the six months ended 30 June 2019 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 six months ended 30 June 2019, the decrease in profit before tax of the Company for the six months ended 30 June 2019 as compared with the same period in 2018 is mainly attributable to:

(1) the year-on-year decrease in volume of power generation of thermal plants serviced by environmental protection facility concession operation business, leading to decrease in income and, at the same time, the price rise of the major raw materials for the limestone business and others;

(2) the provision for impairment losses on retired assets due to the discontinued use of certain existing equipment after completion of the technical transformation such as from liquid ammonia to urea for certain environmental protection facility concession operation projects; and

(3) the delay in the commencement of certain engineering projects and the restriction of the profit of the project due to an increase in steel price.

III. RISK WARNING

The Company is still in the process of finalising its interim results for the six months ended 30 June 2019. The information contained in this announcement is only based on the information available to the board (the "**Board**") of directors (the "**Directors**") of the Company for the time being, which has yet to be reviewed by the auditor of the Company. Specific financial information will be disclosed in detail in the 2019 interim results of the Group 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, the PRC, 1 August 2019

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

* *For identification purposes only*