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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 2021 ANNUAL RESULTS**

This announcement is made by Datang Environment Industry Group Co., Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) 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).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company and potential investors that, based on the preliminary assessment by the Board of the latest available unaudited consolidated management accounts of the Group for the year ended 31 December 2021 and the latest information available to the Board, the Group is expected to record a net loss (before tax) ranging from RMB280 million to RMB380 million as compared to a net profit before tax of approximately RMB323 million for the year ended 31 December 2020.

The estimated loss is primarily attributable to:

- i) the significant increase in coal price and overall loss of the thermal power industry which resulted in a decrease in profits from the Group’s environmental protection facility concession operation business;
- ii) factors including the sharp increase in raw material price which led to a significant loss in the Group’s engineering business; and
- iii) the provisions for bad debts and estimated liabilities for overseas projects which resulted in a decrease in the Group’s profit. For details, please refer to the announcement of the Company dated 30 December 2021.

The Company is still in the process of finalizing the Group's consolidated annual results for the year ended 31 December 2021. The information contained in this announcement is only a preliminary assessment by the Board based on the latest unaudited consolidated management accounts of the Group for the year ended 31 December 2021, which have not been audited or reviewed by the auditor or the audit committee of the Company and maybe subject to adjustments. The detailed audited financial information of the Group shall be disclosed in the annual results announcement of the Company for the year ended 31 December 2021 to be released in due course in accordance with the Listing Rules.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

By order of the Board
Datang Environment Industry Group Co., Ltd.*
Wang Yanwen
Chairman

Beijing, the PRC, 21 January 2022

As of the date of this announcement, the executive directors of the Company are Mr. Wang Yanwen and Mr. Tian Dan; the non-executive directors of the Company are Mr. Wang Junqi, Mr. Wu Daqing, Mr. Chen Kan and Mr. Song Yunpeng; and the independent non-executive directors of the Company are Mr. Ye Xiang, Mr. Mao Zhuanjian and Mr. Gao Jiexiang.

* *For identification purposes only*