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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)**

**INSIDE INFORMATION**  
**THE ENTERING INTO OF A SETTLEMENT PLAN AND THE**  
**EXECUTION OF THE MINUTES IN RELATION TO THE**  
**CUDDALORE PROJECT**

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 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 announcement in relation to the Cuddalore Project of the Company dated 30 December 2021 (the “**Announcement**”). Unless the context required otherwise, terms shall have the same meanings as ascribed to them in the Announcement.

**OVERVIEW**

The Cuddalore Project was jointly undertaken by Technologies & Engineering Company and Datang Technologies & Engineering India Private Limited (“**Technologies & Engineering India**”), a wholly-owned subsidiary of Technologies & Engineering Company, which were awarded the project in May 2013 with a contract sum of approximately RMB632 million (consisting of USD60.8 million and INR2.26 billion). The proprietor of the Cuddalore Project is IL&FS Tamil Nadu Power Company Limited (“**ITPCL**”).

On account of ITPCL being part of Infrastructure Leasing & Financial Services Limited together with its other group companies (“**IL&FS Group**”) and the debts owed by IL&FS Group along with those owed by other group companies, ITPCL was required to undergo restructuring. Any payments could only be made with the approval by the National Company Law Tribunal, Mumbai (“**NCLT**”) following the relevant resolution framework approved by the National Company Law Appellate Tribunal (“**NCLAT**”).

As advised by the auditor appointed by NCLAT, the amount payable to Technologies & Engineering Company and Technologies & Engineering India amounts to INR2,216,500,000 (equivalent to approximately RMB185,029,652 as at the date of this announcement) (the “**Contract Sum**”).

Pursuant to the order by NCLAT dated 4 July 2022, ITPCL, as required, negotiated a supplementary restructuring plan with its debtors including Technologies & Engineering Company and Technologies & Engineering India (the “**Settlement Plan**”) on 31 March 2023. ITPCL, Technologies & Engineering Company and Technologies & Engineering India agreed and concluded by signing a minute of meeting on 31 March 2023 (the “**Minutes**”). The summary of the principal terms of the Settlement Plan as shown in the Minutes are as follows.

## **SUMMARY OF PRINCIPAL TERMS OF THE MINUTES**

Principal terms of the Minutes are set out as follows:

Date : 31 March 2023

Parties : Technologies & Engineering Company;  
Technologies & Engineering India; and  
ITPCL

1. ITPCL shall pay Technologies & Engineering Company and Technologies & Engineering India the sum of INR735,000,000 (the “**Repayment Sum**”), being 33.16% (the “**Repayment Ratio**”) of the Contract Sum over a period of five years. The Repayment Sum shall be full and final. ITPCL shall not be liable to pay any other interest or charges.
2. The Minutes shall supersede all preceding agreements or contracts among ITPCL, Technologies & Engineering Company and Technologies & Engineering India.
3. In the event of ITPCL, the repayment ratio to any other similar debtors being higher than the Repayment Ratio (the “**Higher Repayment Ratio**”), ITPCL shall procure the revision of the Settlement Plan and the Minutes in order to apply the Higher Repayment Ratio in the revised Settlement Plan, subject to the approval by NCLT.
4. The parties agree that the settlement terms as exhibited in the Minutes shall be recorded by way of a settlement agreement within 30 days of the signing of the Minutes by the board of directors of ITPCL and the board of directors of Technologies & Engineering Company (on behalf of Technologies & Engineering Company and Technologies & Engineering India) and the first installment shall be paid within 90 days upon receipt of approval from NCLT on the Settlement Plan.

5. Additionally, ITPCL agrees and undertakes to release the performance guarantees furnished by Technologies & Engineering Company within 15 days from the date of the signing of the Minutes and receipt of acceptance by the board of directors of Technologies & Engineering Company of the proposed settlement terms under the Settlement Plan.

We will further enter into a settlement agreement with ITPCL incorporating the settlement terms as disclosed above (the “**Settlement Agreement**”). The Settlement Agreement will be submitted to NCLT for approval as an appendix to ITPCL’s Settlement Plan. The Settlement Plan will be implemented after being approved by NCLT.

## **REASONS FOR AND BENEFITS OF THE ENTERING INTO OF THE SETTLEMENT PLAN**

The directors of the Company (the “**Directors**”) are of the view that under the Settlement Plan, (1) the contracts under the Cuddalore Project can be terminated, and the obligations under the performance guarantees can be discharged; (2) the Company’s liquidity can be improved and the litigation risk can be relieved; and (3) the settlement conditions in terms of Repayment Ratio and repayment timetable are more favourable than other restructuring precedents in India and the repayment plan proposed by other unsecured financial creditors in this project.

In view of the above, the Directors consider that the settlement terms of the Minutes are fair and reasonable and in the interests of the Company and the shareholders as a whole.

## **IMPACTS OF THE ABOVE MATTERS ON THE COMPANY’S FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 DECEMBER 2023**

Without taking into consideration the impact of exchange rate fluctuations, upon entering the Settlement Plan and executing the Minutes, it is estimated that there will be an increase of approximately RMB32.8 million in the profits before income tax of the Company in 2023.

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

By order of the Board  
**Datang Environment Industry Group Co., Ltd.\***  
**Zhu Liming**  
*Chairman*

Beijing, the PRC, 31 March 2023

*As of the date of this announcement, the executive Directors are Mr. Zhu Liming and Mr. Shen Zhen; the non-executive Directors are Mr. Wang Junqi, Mr. Wu Daqing, Mr. Chen Kan and Mr. Song Yunpeng; and the independent non-executive Directors are Mr. Ye Xiang, Mr. Mao Zhuanjian and Mr. Gao Jiaxiang.*

\* *For identification purpose only*