
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your shares in **Datang Environment Industry Group Co., Ltd.***, you should at once hand this circular together with the accompanying proxy form to the purchaser(s) or the transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

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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)

- (1) REPORT OF THE BOARD FOR 2022;**
- (2) REPORT OF THE SUPERVISORY COMMITTEE FOR 2022;**
- (3) INDEPENDENT AUDITOR'S REPORT AND AUDITED FINANCIAL STATEMENTS FOR 2022;**
- (4) FINAL FINANCIAL ACCOUNTS FOR 2022;**
- (5) FINANCIAL BUDGET REPORT FOR 2023;**
- (6) PROFIT DISTRIBUTION PLAN FOR 2022 AND THE PROPOSED 2022 FINAL DIVIDEND;**
- (7) RE-APPOINTMENT OF INTERNATIONAL AND DOMESTIC AUDITORS FOR 2023;**
- (8) REMUNERATION REPORTS FOR DIRECTORS AND SUPERVISORS FOR 2022;**
- (9) INVESTMENT PLAN FOR 2023;**
- (10) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION;
AND**
- (11) NOTICE OF 2022 ANNUAL GENERAL MEETING**

A letter from the Board is set out on pages 3 to 14 of this circular.

A notice convening the 2022 AGM of the Company to be held at 3:30 p.m. on Thursday, 29 June 2023 at No. 120 Zizhuyuan Road, Haidian District, Beijing, the PRC, is set out on pages 15 to 17 of this circular.

If you intend to appoint a proxy to attend the 2022 AGM, you are required to complete and return the accompanying form of proxy in accordance with the instructions printed thereon. For holders of H Shares, the form of proxy should be returned to the H Share Registrar and for holders of Domestic Shares, the form of proxy should be returned to the Company's board office in the PRC in person or by post not less than 24 hours before the time fixed for holding the 2022 AGM or any adjourned meeting thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the 2022 AGM or at any other adjourned meeting should you so wish.

31 May 2023

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DEFINITIONS

Unless the context otherwise requires, the following expressions shall have the following meanings in this circular:

| | |
|---------------------------|--|
| “2022 AGM” | the 2022 annual general meeting of the Company to be held at 3:30 p.m. on Thursday, 29 June 2023 at No. 120 Zizhuyuan Road, Haidian District, Beijing, the PRC |
| “Articles of Association” | the articles of association of the Company (as amended, altered or otherwise supplemented from time to time) |
| “Board” | the board of Directors of the Company |
| “China” or “PRC” | the People’s Republic of China excluding, for the purpose of this circular, Hong Kong, Macau Special Administrative Region and Taiwan |
| “Company” | 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 PRC with limited liability, the H Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1272) |
| “Director(s)” | director(s) of the Company |
| “Domestic Share(s)” | the ordinary shares in the share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and paid up in RMB and have not been listed on any stock exchanges |
| “H Share(s)” | the overseas listed foreign shares of the Company with a nominal value of RMB1.00 each, which are listed on the Main Board of the Stock Exchange |
| “H Share Registrar” | Computershare Hong Kong Investor Services Limited, the H Share registrar of the Company |
| “Hong Kong” or “HK” | Hong Kong Special Administrative Region of the PRC |
| “IFRS(s)” | International Financial Reporting Standards |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “PBOC” | the People’s Bank of China (中國人民銀行) |
| “RMB” | Renminbi, the lawful currency of the PRC |

DEFINITIONS

| | |
|-------------------------|--|
| “Share(s)” | Domestic Share(s) and/or H Share(s) |
| “Shareholder(s)” | shareholder(s) of the Company |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Supervisor(s)” | supervisor(s) of the Company |
| “Supervisory Committee” | the supervisory committee of the Company |
| “%” | per cent |

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Zhu Liming

Mr. Shen Zhen

Non-executive Directors:

Mr. Wang Junqi

Mr. Wu Daqing

Mr. Chen Kan

Mr. Song Yunpeng

Independent Non-executive Directors:

Mr. Ye Xiang

Mr. Mao Zhuanjian

Mr. Gao Jiexiang

Registered Office and Head Office in the PRC:

No. 120 Zizhuyuan Road,

Haidian District,

Beijing,

the PRC

Principal Place of Business in Hong Kong:

31/F, Tower Two, Times Square,

1 Matheson Street, Causeway Bay,

Hong Kong

31 May 2023

To the Shareholders

Dear Sir or Madam,

* For identification purpose only

LETTER FROM THE BOARD

- (1) REPORT OF THE BOARD FOR 2022;
- (2) REPORT OF THE SUPERVISORY COMMITTEE FOR 2022;
- (3) INDEPENDENT AUDITOR'S REPORT AND AUDITED FINANCIAL STATEMENTS FOR 2022;
- (4) FINAL FINANCIAL ACCOUNTS FOR 2022;
- (5) FINANCIAL BUDGET REPORT FOR 2023;
- (6) PROFIT DISTRIBUTION PLAN FOR 2022 AND THE PROPOSED 2022 FINAL DIVIDEND;
- (7) RE-APPOINTMENT OF INTERNATIONAL AND DOMESTIC AUDITORS FOR 2023;
- (8) REMUNERATION REPORTS FOR DIRECTORS AND SUPERVISORS FOR 2022;
- (9) INVESTMENT PLAN FOR 2023;
- (10) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION;
AND
- (11) NOTICE OF 2022 ANNUAL GENERAL MEETING

I. INTRODUCTION

The purpose of this circular is to provide you with further information regarding the following resolutions to be proposed at the 2022 AGM to enable you to make informed decisions on whether to vote for or against or abstain from voting on such resolutions at the 2022 AGM. Such resolutions and relevant details are set out in this Letter from the Board.

II. MATTERS TO BE RESOLVED AT THE 2022 AGM

Ordinary Resolutions

1. *Report of the Board for 2022*

An ordinary resolution will be proposed at the 2022 AGM to approve the Report of the Board for 2022. The resolution was considered and approved by the Board at the fifteenth meeting of the third session of the Board. The full text of this report is included in the 2022 annual report of the Company published at the Company's website and the HKEXnews website of the Stock Exchange on 26 April 2023.

2. *Report of the Supervisory Committee for 2022*

An ordinary resolution will be proposed at the 2022 AGM to approve the Report of the Supervisory Committee for 2022. The resolution was considered and approved by the Supervisory Committee at the third meeting of the third session of the Supervisory Committee. The full text of this report is included in the 2022 annual report of the Company published at the Company's website and the HKExnews website of the Stock Exchange on 26 April 2023.

LETTER FROM THE BOARD

3. *The Independent Auditor's Report and the Audited Financial Statements for 2022*

An ordinary resolution will be proposed at the 2022 AGM to approve the independent auditor's report for 2022 and the audited financial statements of the Company for the year ended 31 December 2022. The resolution was considered and approved by the Board at the fifteenth meeting of the third session of the Board. The full texts of this independent auditor's report and the audited financial statements are included in the 2022 annual report of the Company published at the Company's website and the HKExnews website of the Stock Exchange on 26 April 2023.

4. *Final Financial Accounts for 2022*

An ordinary resolution will be proposed at the 2022 AGM to approve the final financial accounts for 2022 which were audited in accordance with the IFRSs.

The resolution was considered and approved by the Board at the fifteenth meeting of the third session of the Board. According to the IFRSs, the revenue for 2022 in the Company's consolidated financial statements amounted to RMB5,322.72 million; cost of sales amounted to RMB4,533.30 million; administrative expenses amounted to RMB387.80 million; financial costs amounted to RMB199.34 million; profit before tax amounted to RMB296.80 million; and total comprehensive income amounted to RMB239.64 million (comprehensive income attributable to equity owners amounted to RMB273.37 million).

5. *Financial Budget Report for 2023*

An ordinary resolution will be proposed at the 2022 AGM to approve the financial budget report for 2023. The resolution was considered and approved by the Board at the fifteenth meeting of the third session of the Board. The financial budget report was prepared with reference to the Company's development goals for 2023 and the principle of the maximisation of values.

6. *Profit Distribution Plan for 2022 and the Proposed 2022 Final Dividend*

(1) *Proposed distribution of the Proposed 2022 Final Dividend*

An ordinary resolution will be proposed at the 2022 AGM to approve the profit distribution plan for 2022. The resolution was considered and approved by the Board at the sixteenth meeting of the third session of the Board.

The Board has proposed to distribute final dividends of the Company for the year ended 31 December 2022 (the "**Proposed 2022 Final Dividend**") at RMB0.05 (tax inclusive) per Share in cash to Shareholders. The Proposed 2022 Final Dividend shall be denominated and declared in RMB. The Proposed 2022 Final Dividend shall be paid by the Company to the holders of Domestic Shares in RMB and shall be denominated in RMB but paid to the holders of H Shares in Hong Kong dollar. The exchange rate of

LETTER FROM THE BOARD

RMB into Hong Kong dollar shall be the average exchange rates as announced by the PBOC for five working days prior to the date of 2022 AGM. The Proposed 2022 Final Dividend is subject to the approval of Shareholders at the 2022 AGM on 29 June 2023.

If the proposed profit distribution plan is approved by the Shareholders at the 2022 AGM, the Proposed 2022 Final Dividend is expected to be distributed on or before Wednesday, 20 September 2023 to the Shareholders whose names appear on the register of members of the Company on Tuesday, 11 July 2023 (the “**Record Date**”).

Meanwhile, a resolution will be proposed at the 2022 AGM to grant authority to the Board to execute the above distribution plan.

(2) *Closure of register of members of H Shares for the proposed distribution of the Proposed 2022 Final Dividend*

The Proposed 2022 Final Dividend is expected to be distributed on or before Wednesday, 20 September 2023 to the Shareholders whose names appear on the register of members of the Company on Tuesday, 11 July 2023. In order to ascertain the entitlements of the Shareholders to receive the Proposed 2022 Final Dividend, the register of members of the Company will be closed from Thursday, 6 July 2023 to Tuesday, 11 July 2023 (both days inclusive), during which period no transfer of Shares will be effected. To be eligible to receive the Proposed 2022 Final Dividend, all transfer documents must be lodged with the H Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong (for holders of H Shares), or the Company’s board office in the PRC at No. 120 Zizhuyuan Road, Haidian District, Beijing, the PRC, 100097 (for holders of Domestic Shares), no later than 4:30 p.m. on Wednesday, 5 July 2023.

(3) *Tax*

According to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) and its implementation regulations (the “**EIT Law**”), the tax rate of the enterprise income tax applicable to the income of a non-resident enterprise deriving from the PRC is 10%. For this purpose, any H Shares registered in the name of non-individual enterprises, including HKSCC Nominees Limited, other agents or trustees, or other organisations or groups, shall be deemed as shares held by non-resident enterprise Shareholders (as defined under the EIT Law). When the Company distributes dividends to non-resident enterprise Shareholders, it is liable to withhold enterprise income tax on their behalf at an interest rate of 10%. If H Shareholders need to change their Shareholder’s status, they shall consult with the agents or trustees on the procedures. In strict compliance with laws and requirements of relevant government authorities, the Company will withhold the enterprise income tax according to the register of members of the H Shares of the Company as at the Record Date.

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Any resident enterprise (as defined under the EIT Law) which has been legally incorporated in the PRC or which was established pursuant to the laws of foreign countries (regions) but has established effective administrative entities in the PRC, and whose name appears on the register of members of H Share(s) should deliver a legal opinion ascertaining its status as a resident enterprise furnished by a qualified PRC lawyer (with the official chop of the law firm issuing the opinion affixed thereon) and relevant documents to the H Share Registrar, Computershare Hong Kong Investor Services Limited, if they do not wish to have the 10% enterprise income tax withheld and paid on their behalf by the Company.

Pursuant to the Notice on the Issues on Levy and Administration of Individual Income Tax after the Abolishment of Guo Shui Fa [1993] No. 045 Document (《關於國稅發(1993)045號文件廢止後有關個人所得稅徵管問題的通知》) issued by the State Administration of Tax on 28 June 2011, the dividend to be distributed by the PRC non-foreign invested enterprises which have issued shares in Hong Kong to the overseas resident individual shareholders, is subject to the individual income tax with a tax rate of 10% in general.

If the individual H Shareholders are residents of Hong Kong or Macau or those countries which have entered into a tax treaty with the PRC stipulating a dividend tax rate of 10%, the Company will finally withhold and pay individual income tax at the rate of 10% on behalf of these Shareholders. If the individual H Shareholders are residents of those countries which have entered into a tax treaty with the PRC stipulating a dividend tax rate of less than 10%, the Company will make applications on their behalf to seek entitlement of the relevant agreed preferential treatments pursuant to the relevant tax treaty. Under the above circumstances, if the relevant individual H Shareholders want a refund of the extra amount withheld (the “**Extra Amount**”) due to the application of 10% tax rate, the Company can apply for the relevant agreed preferential tax treatment provided that the relevant Shareholders submit the evidence required by the notice of the tax treaty to the H Share Registrar. The Company will assist with the tax refund after receiving approval of the competent tax authority. Should the individual H Shareholders be residents of the countries which have an agreed tax rate of over 10% but less than 20% with the PRC under the tax treaty, the Company will withhold and pay the individual income tax at the agreed actual rate in accordance with the relevant tax treaty. In the case that the individual H Shareholders are residents of the countries which have an agreed tax rate of 20% with the PRC, or which have not entered into any tax treaty with the PRC, or otherwise, the Company will withhold and pay the individual income tax at a rate of 20%.

The Company will strictly comply with the laws and requirements of the relevant government authorities and withhold and pay enterprise and individual income tax on behalf of the Shareholders based on the register of members of the H Shares on the Record Date. The Company assumes no liability whatsoever in respect of and will not entertain any claims arising from any delay in, or inaccurate determination of, the status of the Shareholders or any disputes over the mechanism of withholding of enterprise

LETTER FROM THE BOARD

income tax. The Company assumes no liability whatsoever in respect of any claims arising from any delay in, or inaccurate determination of the status of the Shareholders or any disputes over the mechanism of withholding.

7. ***Re-appointment of International and Domestic Auditors for 2023***

An ordinary resolution will be proposed at the 2022 AGM to approve the re-appointment of Moore Stephens CPA Limited and Da Hua CPAs (Special General Partnership) as the international and domestic auditors of the Company for 2023, respectively, with terms of engagement ended upon the conclusion of the 2023 annual general meeting of the Company, and the grant of authority to the Board, which further grants such authority to the senior management of the Company, to determine their remunerations based on the actual auditing works performed by the auditors.

8. ***Remuneration Reports for Directors and Supervisors for 2022***

An ordinary resolution will be proposed at the 2022 AGM to approve the remuneration reports for Directors and Supervisors for 2022. The Board considered that the current remuneration policy for Directors and Supervisors is reasonable and proposed to continue to implement the current remuneration policy.

The above remuneration reports have been considered by the remuneration and evaluation committee under the Board (the “**Remuneration Committee**”) and passed at the fifteenth meeting of the third session of the Board. When the Remuneration Committee and the Board took a vote on the above remuneration reports after consideration, the relevant Directors abstained from voting on matters which conflicted with their interests.

9. ***Investment Plan for 2023***

An ordinary resolution will be proposed at the 2022 AGM to approve the investment plan for 2023. It is estimated that the total investment plan of the Company for 2023 will amount to RMB534 million (the “**2023 total investment budget**”), covering investments for large-to-medium-scale infrastructure projects, technology improvements, science and technology projects and digital projects and upfront expenses for projects.

It is proposed to grant authority to the Board to decide on (i) reduction in investment; (ii) increase in investment of no more than 5% of the 2023 total investment budget; and (iii) increase in investment within the range of 5% to 10% of the 2023 total investment budget.

Once the above resolution is approved at the 2022 AGM, the Board proposes to delegate the authorization to the operation management to decide on (i) reduction in investment; and (ii) increase in investment of no more than 5% of the 2023 total investment budget.

The above investment plan excludes any investments that are subject to the Shareholders’ approval in accordance with the Listing Rules and other applicable laws and regulations as amended from time to time.

LETTER FROM THE BOARD

Special Resolution

10. *Proposed Amendments to the Articles of Association*

On 1 January 2022, the Listing Rules were amended whereby, among others, a uniform set of 14 core standards for shareholder protections for issuer regardless of their place of incorporation set out in Appendix 3 to the Listing Rules was adopted (“**Appendix 3 Amendment**”). In accordance with the requirements of the Appendix 3 Amendment, the Company proposes to make amendments to the Articles of Association. Details are set out as follows:

| Number | Original Article | Amended Article |
|--------|--|---|
| 1. | <p>Article 42 The Company may, in accordance with the mutual understanding and agreements made between the securities regulatory authority of the State Council and other competent authorities and overseas securities regulatory authorities, maintain its original register of holders of overseas-listed foreign-invested shares outside China and appoint overseas agent(s) to manage such register. The original copy of register of holders of overseas-listed foreign-invested shares listed in Hong Kong shall be maintained in Hong Kong.</p> <p>.....</p> | <p>Article 42 The Company may, in accordance with the mutual understanding and agreements made between the securities regulatory authority of the State Council and other competent authorities and overseas securities regulatory authorities, maintain its original register of holders of overseas-listed foreign-invested shares outside China and appoint overseas agent(s) to manage such register. The original copy of register of holders of overseas-listed foreign-invested shares listed in Hong Kong shall be maintained in Hong Kong. The branch register of members in Hong Kong (i.e. the register of holders of overseas-listed foreign-invested shares listed in Hong Kong) shall be open for inspection by members, but the Company may be permitted to close the register on terms equivalent to section 632 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).</p> <p>.....</p> |
| 2. | <p>Article 54 Holders of ordinary shares of the Company shall have the following rights:</p> <p>.....</p> <p>(2) the right to attend or appoint a proxy to attend shareholders’ general meetings and to exercise the corresponding voting right thereat;</p> <p>.....</p> | <p>Article 54 Holders of ordinary shares of the Company shall have the following rights:</p> <p>.....</p> <p>(2) the right to attend or appoint a proxy to attend shareholders’ general meetings and to exercise the corresponding voting right and speaking right thereat;</p> <p>.....</p> |

LETTER FROM THE BOARD

| Number | Original Article | Amended Article |
|--------|---|--|
| 3. | <p>Article 62 The powers exercisable by the general meeting are as follows:</p> <p>.....</p> <p>(15) to consider and approve the share incentive plan;</p> <p>.....</p> | <p>Article 62 The powers exercisable by the general meeting are as follows:</p> <p>.....</p> <p>(15) to consider and approve the share incentive scheme;</p> <p>.....</p> |
| 4. | <p>Article 72 Any shareholder who is entitled to attend and vote at a shareholders' general meeting shall be entitled to appoint one or more persons (whether a shareholder or not) as his proxy to attend and vote on his behalf. A proxy so appointed shall exercise the following rights pursuant to such authorization:</p> <p>.....</p> <p>Where that shareholder is a Recognized Clearing House (or its nominees), it may authorise one or more persons as it thinks fit to act as its proxies at any shareholders' general meeting or any class meetings; However, if one or more persons are so authorised, the power of attorney shall specify the number and class of shares in respect of which each such person is so authorised. The person(s) so authorized will be entitled to exercise the same power on behalf of the Recognized Clearing House (or its nominees) as if it was an individual shareholder of the Company.</p> | <p>Article 72 Any shareholder (including Recognized Clearing House) who is entitled to attend and vote at a shareholders' general meeting shall be entitled to appoint one or more persons (whether a shareholder or not) as his proxy to attend and vote on his behalf. Where a corporate shareholder appointed a representative to attend any meeting of the Company, it shall be treated as being present at any meeting in person. A proxy so appointed shall exercise the following rights pursuant to such authorization:</p> <p>.....</p> <p>Where that shareholder is a Recognized Clearing House (or its nominees), it may authorise one or more persons as it thinks fit to act as its proxies at any shareholders' general meeting or any class meetings or creditors' meeting and those proxies must enjoy rights equivalent to the rights of other shareholders, including the right to speak and vote; However, if one or more persons are so authorised, the power of attorney shall specify the number and class of shares in respect of which each such person is so authorised. The person(s) so authorized will be entitled to exercise the same power on behalf of the Recognized Clearing House (or its nominees) as if it was an individual shareholder of the Company.</p> |

LETTER FROM THE BOARD

| Number | Original Article | Amended Article |
|--------|--|--|
| 5. | <p>Article 88 The following procedures shall be followed by shareholders or the Board of Supervisors requesting for convening of extraordinary general meetings or class meetings:</p> <p>(1) two or more than two shareholders jointly holding not less than 10% of voting shares at such proposed meeting or the Board of Supervisors may request the Board to convene an extraordinary general meeting or class meeting by signing and submitting one or several written requests with the same format and contents and specifying the agenda of the meeting. An extraordinary general meeting or class meeting shall be convened by the Board as soon as practicable upon receipt of the aforesaid written request. The aforesaid proportion of shareholding shall be calculated on the date on which the relevant shareholders submit the written request.</p> <p>.....</p> | <p>Article 88 The minority shareholders who satisfied the requirements under the section (1) of this Article 88 can add resolutions to meeting agenda of the extraordinary general meeting.</p> <p>The following procedures shall be followed by shareholders or the Board of Supervisors requesting for convening of extraordinary general meetings or class meetings:</p> <p>(1) two or more than two shareholders jointly holding not less than 10% of voting shares at such proposed meeting or the Board of Supervisors may request the Board to convene an extraordinary general meeting or class meeting by signing and submitting one or several written requests with the same format and contents and specifying the agenda of the meeting. An extraordinary general meeting or class meeting shall be convened by the Board as soon as practicable upon receipt of the aforesaid written request. The aforesaid proportion of shareholding shall be calculated on the date on which the relevant shareholders submit the written request.</p> <p>.....</p> |
| 6. | <p>Article 105</p> <p>.....</p> <p>In case that the number of directors falls short of the quorum of the Board as a result of a director’s resignation, the resignation report of the said director shall not become effective until the vacancy resulting from his resignation is filled up by succeeding director. The remaining directors shall convene an extraordinary general meeting as early as possible to elect director and fill up the vacancy resulting from the said resignation.</p> | <p>Article 105</p> <p>.....</p> <p>In case that the number of directors falls short of the quorum of the Board as a result of a director’s resignation, the resignation report of the said director shall not become effective until the vacancy resulting from his resignation is filled up by succeeding director. The remaining directors shall convene an extraordinary general meeting as early as possible to elect director and fill up the vacancy resulting from the said resignation.</p> |

LETTER FROM THE BOARD

| Number | Original Article | Amended Article |
|--------|---|--|
| | Other than the circumstances referred to in the preceding paragraph, the resignation of a director becomes effective upon submission of his resignation report to the Board. | <p>In compliance with PRC laws, administrative regulations, and the Articles of Association, any person appointed by the directors to fill a casual vacancy on or as an addition to the Board shall hold office only until the first annual general meeting of the Company after his appointment, and shall then be eligible for re-election.</p> <p>Other than the circumstances referred to in the preceding paragraph, the resignation of a director becomes effective upon submission of his resignation report to the Board.</p> |
| 7. | <p>Article 188 The Company shall appoint an independent accounting firm which is qualified under the relevant regulations of the State to audit the Company’s annual financial reports and review the Company’s other financial reports.</p> <p>.....</p> | <p>Article 188 The Company shall, through passing ordinary resolution, appoint an independent accounting firm which is qualified under the relevant regulations of the State to audit the Company’s annual financial reports and review the Company’s other financial reports. Except for filling casual vacancy in the office of the accounting firm pursuant to Article 191, the Board shall not appoint accounting firm before obtaining approval by the majority of the shareholders at general meeting.</p> <p>.....</p> |

Save for the proposed amendments set out above, the other chapters and articles of the Articles of Association will remain unchanged. The proposed amendments shall be effective upon approval at the 2022 AGM.

III. 2022 AGM AND ITS METHOD OF VOTING

The 2022 AGM is proposed to be held at 3:30 p.m. on Thursday, 29 June 2023 at No. 120 Zizhuyuan Road, Haidian District, Beijing, the PRC by the Company to consider and, if thought fit, to pass the matters set out in the notice of the 2022 AGM. The notice of the 2022 AGM and a proxy form have been dispatched to the Shareholders in accordance with the Listing Rules on 31 May 2023.

Whether or not you intend to attend and/or vote at the 2022 AGM, you are requested to complete and return the proxy form in accordance with the instruction printed thereon.

LETTER FROM THE BOARD

If you intend to appoint a proxy to attend the 2022 AGM, you are required to complete and return the accompanying proxy form in accordance with the instructions printed thereon. For the holder of H Shares, the proxy form should be returned to the H Share Registrar, Computershare Hong Kong Investor Services Limited, and for the holder of Domestic Shares, the proxy form should be returned to the Company's board office in the PRC in person or by post not less than 24 hours before the time appointed for holding the 2022 AGM or any adjourned meeting thereof.

Completion and return of the form(s) of proxy will not preclude you from attending and voting in person at the 2022 AGM should you so wish.

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of the Shareholders at the general meetings must be taken by poll. The chairman of the meeting will therefore demand a poll for every resolution put to the vote of the 2022 AGM pursuant to Article 81 of the Articles of Association.

On a poll, every Shareholder present in person or by proxy (or being a corporation by its duly authorised representative) shall have one vote for each Share registered in his/her name in the register of members of the Company. A Shareholder entitled to more than one vote needs not use all his/her votes or cast all the votes he/she has in the same manner.

IV. CLOSURE OF REGISTER OF MEMBERS

In order to ascertain the entitlements of the Shareholders to attend and vote at the 2022 AGM, the register of members of the Company shall be closed from Monday, 26 June 2023 to Thursday, 29 June 2023 (both days inclusive), during which period no transfer of Shares will be effected. To be eligible to attend and vote at the 2022 AGM, all transfer documents must be lodged with the H Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for the holders of H Shares), or the Company's board office in the PRC at No. 120 Zizhuyuan Road, Haidian District, Beijing, the PRC, 100097 (for the holders of Domestic Shares) no later than 4:30 p.m. on Friday, 23 June 2023.

LETTER FROM THE BOARD

V. RECOMMENDATION

The Board (excluding the Directors who are required to abstain, but including independent non-executive Directors) considers that each resolution to be proposed at the 2022 AGM is in the interests of the Company and the Shareholders as a whole, and accordingly, recommends the Shareholders to vote in favour of all the resolutions to be proposed at the 2022 AGM.

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

* *For identification purpose only*

NOTICE OF 2022 ANNUAL GENERAL MEETING



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)

NOTICE OF 2022 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of Datang Environment Industry Group Co., Ltd.* (the “**Company**”) for the year of 2022 (the “**2022 AGM**”) will be convened at 3:30 p.m. on Thursday, 29 June 2023 at No. 120 Zizhuyuan Road, Haidian District, Beijing, the PRC, for the purpose of considering and, if thought fit, passing the following matters (whether amended or not). Terms used in this notice shall have the same meanings as those defined in the circular of the Company dated 31 May 2023 (the “**Circular**”) unless otherwise specified.

Ordinary Resolutions

- (1) To consider and approve the Report of the Board for 2022;
- (2) To consider and approve the Report of the Supervisory Committee for 2022;
- (3) To consider and approve the Independent Auditor’s Report and the Audited Financial Statements for 2022;
- (4) To consider and approve the Final Financial Accounts for 2022;
- (5) To consider and approve the Financial Budget Report for 2023;
- (6) To consider and approve the Profit Distribution Plan for 2022 and the Proposed 2022 Final Dividend;
- (7) To consider and approve the re-appointment of Moore Stephens CPA Limited and Da Hua CPAs (Special General Partnership) as international and domestic auditors of the Company for 2023, respectively, with terms of engagement ended upon the conclusion of the 2023 annual general meeting of the Company, and the grant of authority to the Board, which further grants such authority to the senior management of the Company to determine remunerations of the auditors;
- (8) To consider and approve the Remuneration Reports for Directors and Supervisors for 2022; and
- (9) To consider and approve the Investment Plan for 2023.

* *For identification purpose only*

NOTICE OF 2022 ANNUAL GENERAL MEETING

Special Resolution

- (10) To consider and approve the Proposed Amendments to the Articles of Association.

The main texts of resolutions at the 2022 AGM are set forth in the Circular, which will be available on the website of the Stock Exchange (www.hkex.com.hk) and on the website of the Company (www.dteg.com.cn).

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

Beijing, the PRC, 31 May 2023

As of the date of this notice, 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 Jiexiang.

Notes:

- i. In order to ascertain the entitlements of the Shareholders to attend and vote at the 2022 AGM, the register of members of the Company will be closed from Monday, 26 June 2023 to Thursday, 29 June 2023 (both days inclusive). Shareholders whose names appear on the register of members of the Company upon the end of business hours on Thursday, 29 June 2023 are entitled to attend and vote at the 2022 AGM.

To be eligible to attend and vote at the 2022 AGM, all transfer documents must be lodged with the H Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H Shares), or the Company's board office in the PRC at No. 120 Zizhuyuan Road, Haidian District, Beijing, the PRC, 100097 (for holders of Domestic Shares), no later than 4:30 p.m. on Friday, 23 June 2023.

- ii. Each Shareholder entitled to attend and vote at the 2022 AGM may, by completing the form of proxy of the Company, appoint one or more proxies to attend and vote at the 2022 AGM on its behalf. A proxy need not be a Shareholder. With respect to any Shareholder who has appointed more than one proxy, the proxy holders may only vote on a poll.
- iii. The instrument to appoint a proxy shall be signed by the appointer or his attorney duly authorised in writing or, in the case of a legal person, must be either executed under its common seal or under the hand of its directors or attorney duly authorised.
- iv. To be valid, the form of proxy must be lodged with the H Share Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H Shares) or the Company's board office in the PRC (for holders of Domestic Shares) within 24 hours prior to the holding of the 2022 AGM. If such instrument is signed by another person under a power of attorney or other authorisation documents given by the appointer, such power of attorney or other authorisation documents shall be notarised. The notarised power of attorney or other authorisation documents shall, together with the instrument appointing the proxy, be deposited at the specified place at the time set out in such instrument. Completion and return of the proxy form will not preclude Shareholders from attending and voting in person at the 2022 AGM or any adjourned meetings should you so wish.

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- v. Shareholders shall produce their identity documents and supporting documents in respect of Shares held when attending the 2022 AGM. If corporate Shareholders appoint authorised representative to attend the 2022 AGM, the authorised representative shall produce his/her identity documents and a notarised certified copy of the relevant authorised documents signed by the Board or other authorised parties of the Shareholders or other notarised certified documents allowed by the Company. Proxies shall produce their identity documents and the proxy forms signed by the Shareholders or their attorney when attending the 2022 AGM.
- vi. The Company has the rights to request a proxy who attends the 2022 AGM on behalf of a Shareholder to provide proof of identity.
- vii. The 2022 AGM is expected to be held for less than half a day. Shareholders who intend to attend the 2022 AGM shall bear their own transportation and accommodation expenses.
- viii. In case of joint Shareholders, the vote of the most senior one (in person or by proxy) will be accepted to the exclusion of the votes of other joint Shareholders, and for this purpose, the seniority shall be determined by the order in which the names of such joint Shareholders stand in the register of members of the Company.
- ix. H Share Registrar, Computershare Hong Kong Investor Services Limited, is situated at Shops 1712– 1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, and with the fax number: +852 2865 0990.
- x. The contact details of the Company’s board office in the PRC are as follows:
Address: No. 120 Zizhuyuan Road, Haidian District, Beijing, the PRC, 100097
Fax number: +86 10 5838 9860