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
CONNECTED TRANSACTION – DISPOSAL OF ASSET

ASSET TRANSFER AGREEMENT

The Board announces that, on 26 June 2026, Water Engineering & Technology, a wholly-owned subsidiary of the Company, entered into the Asset Transfer Agreement as vendor with Jiangsu Lvsigang Power Generation as purchaser. According to the Asset Transfer Agreement, Water Engineering & Technology has conditionally agreed to sell and Jiangsu Lvsigang Power Generation has conditionally agreed to acquire the Target Assets at a consideration of RMB76,528,456.74 (tax inclusive).

LISTING RULES IMPLICATIONS

As China Datang directly held approximately 78.17%, and through its wholly-owned subsidiary, China Datang Group Capital Holding Co., Ltd.* (中國大唐集團資本控股有限公司), held 0.79% of the issued share capital of the Company as at the date of this announcement, it is a controlling shareholder of the Company.

Jiangsu Lvsigang Power Generation is owned as to 55% by Datang International Power, 35% by Datang Jiangsu Power and 10% by Nantong Investment Holding. Datang International Power is in turn owned as to 35.34% by China Datang, and Datang Jiangsu Power is wholly-owned by China Datang. Pursuant to Chapter 14A of the Listing Rules, Jiangsu Lvsigang Power Generation is an associate of China Datang and a connected person of the Company. Accordingly, the Disposal constitutes a connected transaction of the Company under the Listing Rules.

Given that one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) of the Disposal exceed 0.1% but all are less than 5%, the Disposal is subject to reporting and announcement requirements but exempt from the circular (including independent financial advice) and independent Shareholders' approval requirements pursuant to Rule 14A.76(2)(a) of the Listing Rules.

INTRODUCTION

On 26 June 2026, Water Engineering & Technology, as vendor, entered into the Asset Transfer Agreement with Jiangsu Lvsigang Power Generation, as purchaser. According to the Asset Transfer Agreement, Water Engineering & Technology has conditionally agreed to sell and Jiangsu Lvsigang Power Generation has conditionally agreed to acquire the Target Assets at a consideration of RMB76,528,456.74 (tax inclusive).

ASSET TRANSFER AGREEMENT

The principal terms of the Asset Transfer Agreement are summarized as follows:

Date:	26 June 2026 (after trading hours)
Parties:	(1) Water Engineering & Technology (as the vendor); and (2) Jiangsu Lvsigang Power Generation (as the purchaser)
Principal terms:	According to the Asset Transfer Agreement, Water Engineering & Technology agreed to sell and Jiangsu Lvsigang Power Generation agreed to acquire the Target Assets.
Target Assets:	The Target Assets are all assets owned by Water Engineering & Technology under the Lvsi Long-term Contract Energy Management Project (呂四遠期合同能源管理項目) of Jiangsu Lvsigang Power Generation, including fixed assets, buildings, building structures and other ancillary facilities, and machinery equipment. Please refer to the section headed "Information about the Target Assets" in this announcement for further details.

Consideration and basis of determination:	The consideration of the Target Assets is RMB76,528,456.74 (tax inclusive). The tax-exclusive transfer price is RMB67,724,298.00. The aforesaid consideration was determined after arm's length negotiations between Water Engineering & Technology and Jiangsu Lvsigang Power Generation with reference to the appraised market value of the Target Assets of RMB67,724,298.00 (tax exclusive) on the Appraisal Reference Date, which was appraised by the PRC Independent Valuer using the Cost Method (as defined below) in the Asset Valuation Report.
Payment terms:	The consideration of the Target Assets shall be paid by Jiangsu Lvsigang Power Generation to Water Engineering & Technology in two instalments: 1. The first instalment in the amount of 50% of the consideration (being RMB38,264,228.37) shall be paid to the account designated by Water Engineering & Technology within one month from the effective date of the Asset Transfer Agreement; 2. The second instalment in the amount of the remaining 50% of the consideration (being RMB38,264,228.37) shall be paid within five months after the first instalment is paid, and the total payment period shall not exceed six months.

Terms of performance:	After the Asset Transfer Agreement becomes effective, Water Engineering & Technology shall issue a full invoice to Jiangsu Lvsigang Power Generation. Jiangsu Lvsigang Power Generation shall complete the asset book-entry of the Target Assets within 15 days thereafter, and simultaneously the parties shall complete the handover of the Target Assets, the relevant title proof documents and technical information. Ownership of the Target Assets shall be transferred from the date on which the handover confirmation documents are signed. Jiangsu Lvsigang Power Generation shall complete the registration of certificates in respect of the transfer of ownership of the Target Assets in accordance with relevant PRC requirements, and Water Engineering & Technology shall provide the necessary assistance and cooperation. Taxes and transaction expenses arising from the transfer of the Target Assets shall be borne by the parties respectively in accordance with applicable requirements.
Conditions precedent:	The transfer of the Target Assets is subject to the following conditions: 1. Water Engineering & Technology has, in accordance with the applicable laws, completed relevant procedures including internal approval process and asset evaluation regarding the Target Assets; 2. Jiangsu Lvsigang Power Generation has fully understood the information in relation to the transfer of Target Assets, and agreed with the terms and conditions proposed by Water Engineering & Technology under the Asset Transfer Agreement; and 3. Jiangsu Lvsigang Power Generation agreed to acquire the Target Assets owned by Water Engineering & Technology in accordance with the provisions of the Asset Transfer Agreement.
Method of transfer:	The transaction under the Asset Transfer Agreement shall be conducted by way of non-public agreement.

INFORMATION ABOUT THE TARGET ASSETS

The Target Assets are all assets owned by Water Engineering & Technology under the Lvsi Project, located at the premises of Jiangsu Lvsigang Power Generation in Qintan Village, Lvsigang Town, Qidong City, Jiangsu Province, the PRC. The Target Assets comprise 236 fixed asset items, including 2 buildings (the "**Buildings**"), 8 building structures and other ancillary facilities (the "**Building Structures and Others**"), and 226 items of machinery equipment (the "**Machinery Equipment**"), which includes equipment and pipelines for the heat supply network system, chemical water treatment system, electrical system and thermal instrumentation and control system. For details, please refer to the section headed "Input parameters, calculation process and key assumptions of the Asset Valuation Report" below.

The Target Assets shall be transferred on an as-is basis. Jiangsu Lvsigang Power Generation has acknowledged and accepted the ownership and the current usage status of the Target Assets.

The Target Assets are free from any form of guarantee, mortgage, or any restrictions or obligations that would affect the transfer of the assets, and have not been subject to any compulsory measures such as seizure by any competent authority.

The Target Assets were appraised by Guozhonglian Asset Appraisal Land and Real Estate Appraisal Co., Ltd.* (國眾聯資產評估土地房地產估價有限公司), a qualified independent valuer, which issued the Asset Valuation Report with 30 June 2025 as the Appraisal Reference Date. The appraised market value of the Target Assets was RMB67,724,298.00 (tax exclusive) on the Appraisal Reference Date, which was appraised by the PRC Independent Valuer using the Cost Method.

As at the Appraisal Reference Date, the audited net book value and original book value of the Target Assets were RMB59,488,655.22 and RMB138,848,111.88, respectively.

Information on profit or loss attributable to the Target Assets

The Target Assets are fixed assets used in the Lvsi Project and did not constitute a standalone business or cash-generating unit with separate revenue, cost, administrative expenses, finance costs or taxation records. Accordingly, the net profit/(loss) before and after taxation attributable to the Target Assets for the two years ended 31 December 2024 and 2025 is not available.

As for the net profit/(loss) before taxation, administrative expenses, finance costs and other indirect expenses were centrally managed and borne by Water Engineering & Technology without allocation to individual projects, it is unable to determine such expenses attributable to the Lvsi Project and the net profit/(loss) before taxation cannot be derived. Accordingly, the net profit/(loss) before and after taxation attributable to the Lvsi Project for the two years ended 31 December 2024 and 2025 is not available.

For Shareholders' reference only, based on the unaudited internal records of the Lvsi Project, the unaudited gross profit/(loss) of the Lvsi Project for the two years ended 31 December 2024 and 2025 was a gross loss of approximately RMB5,151,400 and a gross loss of approximately RMB13,513,400, respectively.

Input parameters, calculation process and key assumptions of the Asset Valuation Report

The Target Assets are fixed assets owned by Water Engineering & Technology under the Lvsi Project, located at the premises of Jiangsu Datang International Lvsigang Power Generation in Qintan Village, Lvsigang Town, Qidong City, Jiangsu Province, the PRC. The Target Assets comprise 236 fixed asset items, including 2 Buildings, 8 Building Structures and Others, and 226 items of Machinery Equipment, which includes equipment and pipelines for the heat supply network system, chemical water treatment system, electrical system and thermal instrumentation and control system.

As at the Appraisal Reference Date, the audited net book value and original book value of the Target Assets were RMB59,488,655.22 and RMB138,848,111.88, respectively. According to the Asset Valuation Report, the Target Assets were owned by Water Engineering & Technology and there were no mortgages, guarantees, financial commitments or other contingencies over the Target Assets.

The PRC Independent Valuer adopted market value as the value type and the cost method (the "**Cost Method**") as the valuation method. The PRC Independent Valuer considered that the market approach was not appropriate because the Target Assets are specific industrial buildings, structures, equipment and ancillary facilities, and comparable market transactions were difficult to obtain. The income approach was not appropriate because the Target Assets were constructed and used under a contract energy management model, their returns depend on the relevant service contract, the parties to that service contract had differences regarding settlement conditions as at the Appraisal Reference Date, settlement terms for future years had not been determined, and annual energy-saving revenue was lower than operating costs. Accordingly, revenue, expected future cash flows and other financial data could not be accurately forecasted. The Cost Method was considered appropriate because construction, engineering, purchase, cost and market quotation information was available, and the replacement cost and relevant depreciation or obsolescence adjustments could be reasonably estimated.

For the purpose of applying the Cost Method, the PRC Independent Valuer valued the Target Assets on an item-by-item basis, having regard to the nature, specification, physical condition, actual use, operating environment, technical status and maintenance status of each asset. The appraised value of each asset item was generally calculated by multiplying its full replacement cost or replacement cost by the applicable newness rate. The appraised values of individual asset items were then aggregated by asset class to arrive at the appraised market value of the Target Assets.

As at the Appraisal Reference Date, the appraised market value of the Target Assets was RMB67,724,298.00 (tax exclusive) and RMB76,528,456.74 (tax inclusive, with VAT at 13%). The parties agreed that the consideration under the Asset Transfer Agreement is RMB76,528,456.74 (tax inclusive), or a tax-exclusive transfer price of RMB67,724,298.00. The minor difference from the rounded appraised tax-inclusive figure is due to rounding.

A summary of the principal quantitative inputs adopted by the PRC Independent Valuer and the valuation results by asset class is set out below:

Asset class	No. of items	Audited net book value as at Appraisal Reference Date	Full replacement cost/valuation base (tax-exclusive)	Appraised value
Buildings	2	Approx. RMB2.74 million	Approx. RMB6.10 million	Approx. RMB5.04 million (tax-exclusive) Approx. RMB5.70 million (tax-inclusive)
Building Structures and Others	8	Approx. RMB13.83 million	Approx. RMB30.78 million	Approx. RMB22.17 million (tax-exclusive) Approx. RMB25.05 million (tax-inclusive)
Machinery Equipment	226	Approx. RMB42.91 million	Approx. RMB86.51 million	Approx. RMB40.52 million (tax-exclusive) Approx. RMB45.79 million (tax-inclusive)
Total	236	Approx. RMB59.49 million	Approx. RMB123.39 million	Approx. RMB67.72 million (tax-exclusive) Approx. RMB76.53 million (tax-inclusive)

Note: Figures in the above table are rounded to two decimal places in RMB million and may not add exactly to totals. The Asset Valuation Report states the appraised market value of the Target Assets as RMB67,724,298.00 (tax-exclusive) and RMB76,528,456.74 million (tax-inclusive).

(1) Buildings and Building Structures and Others

The appraised tax-exclusive value of the Buildings and Building Structures and Others was approximately RMB27.2057 million in aggregrate, comprising approximately RMB5.0406 million for the Buildings and approximately RMB22.1651 million for the Building Structures and Others. The PRC Independent Valuer adopted the following formula:

Appraised value = Full replacement cost × Composite newness rate

The full replacement cost was determined as the sum of tax-exclusive construction and installation costs, tax-exclusive preliminary and other project fees and capital costs. Construction and installation costs included direct project costs, indirect project costs, planned profits, taxes and fees. For projects with complete engineering data, the adjusted budget or final account method was used by taking the verified project settlement amount as the basis. For relatively simple buildings and structures, the unit cost method was used.

The preliminary and other project fees were determined by reference to the relevant PRC regulatory documents and local fee standards, and included construction entity management fees, survey and design fees, project supervision fees, tender agency fees, feasibility study fees and environmental impact assessment fees. Capital costs were determined based on the reasonable construction period, assuming capital was invested evenly during the construction period, with reference to the loan prime rate as at the Appraisal Reference Date.

The composite newness rate for the Buildings was determined by taking the weighted average of (i) the theoretical newness rate, which was determined based on the remaining useful life of the relevant building, and (ii) the on-site inspection newness rate, which was derived from the PRC Independent Valuer's assessment of the structural, decorative and equipment components during on-site inspections. The formulae are:

Theoretical newness rate = Remaining useful life ÷ (Remaining useful life + elapsed years of use) × 100%

Composite newness rate = Theoretical newness rate × 40% + On-site inspection newness rate × 60%

For major or large-scale Building Structures and Others, the method was consistent with that for Buildings. For auxiliary or structurally simple small-scale structures, the composite newness rate was determined based on the remaining useful life and adjusted by reference to on-site inspection, usage and maintenance status.

As at the Appraisal Reference Date, the full replacement cost of the Buildings was approximately RMB6.0992 million, and the appraised value was approximately RMB5.0406 million (tax-exclusive). The full replacement cost of the Building Structures and Others was approximately RMB30.7818 million, and the appraised value was approximately RMB22.1651 million (tax-exclusive).

(2) Machinery Equipment

The appraised value of the Machinery Equipment was approximately RMB40.5186 million (tax-exclusive) and approximately RMB45.7860 million (tax-inclusive). The PRC Independent Valuer adopted the following formula for each item of Machinery Equipment:

Appraised value = Replacement cost × Newness rate

For Machinery Equipment requiring installation, replacement cost was generally calculated as a sum of purchase price (tax inclusive), transportation and miscellaneous fees, installation, commissioning fees, equipment foundation fees, preliminary and other fees, capital costs, to be deducted by creditable VAT. For Machinery Equipment not requiring installation, replacement cost was generally calculated as a sum of purchase price (tax inclusive), transportation and miscellaneous fees, to be deducted by creditable VAT.

Purchase prices were determined through inquiries with manufacturers regarding market prices as at the Appraisal Reference Date, or by reference to contract prices of similar equipment transacted near the Appraisal Reference Date. For small equipment, market quotations were used. If market quotations were not available, prices were determined by reference to similar equipment. Transportation and miscellaneous fees were typically calculated at a certain rate by reference to purchase price, relevant industry or governmental guidance, market surveys and other factors. Installation and commissioning fees, equipment foundation fees, preliminary and other fees and capital costs were determined by reference to project budget or final account data, verified project settlement amounts, local fee standards and the characteristics of the equipment. As Water Engineering & Technology is a general VAT taxpayer, replacement cost was calculated on a VAT-exclusive basis by deducting creditable VAT.

The newness rate was determined with reference to the economic useful life of the Machinery Equipment and on-site inspection of its usage condition. For large and key Machinery Equipment, the newness rate was determined by taking the weighted average of the theoretical newness rate, based on the economic life of the equipment, and the on-site inspection newness rate, based on operating environment, current technical condition, recent technical data, and relevant repair and operation records. For general small Machinery Equipment, the composite newness rate was determined based on the equipment's operating environment, current technical condition and economic useful life.

(3) Main reasons for difference from book value

According to the Asset Valuation Report, as at the Appraisal Reference Date, the tax-inclusive market value of the Target Assets was RMB76,528,456.74 (or RMB67,724,298.00 (tax exclusive)). Compared with the audited net book value of approximately RMB59,488,655.22, the appraised value increased by approximately RMB17.04 million, representing an increase of approximately 28.64%.

The principal reasons for the valuation difference are summarised as follows:

1. Buildings and Building Structures and Others: the appraised original value increased slightly due to changes in labour, material and machinery prices, which increased replacement cost. The appraised net value increased mainly because the economic durable lives adopted in the valuation were longer than the accounting depreciation periods used by Water Engineering & Technology. The valuation conclusion also includes VAT.

2. Machinery Equipment: the appraised original value decreased mainly because the equipment had been purchased for some time and, in recent years, productivity improvements and technological upgrades reduced purchase prices for relevant equipment. The valuation conclusion also includes VAT.

(4) Key assumptions

According to the Asset Valuation Report, the following key assumptions have been made for the valuation:

1. Open market assumption: the valuation assumes that the Target Assets would enter an open, fully developed and competitive market in which willing buyers and sellers act voluntarily and rationally, have equal standing and possess sufficient time and access to market information.

2. Continued use assumption: the valuation assumes that the Target Assets are currently in use and will continue to be used for their current purposes and in their current manner following the transaction.

3. Transaction assumption: the valuation assumes that all Target Assets are already in the process of being transacted, and the PRC Independent Valuer valued the Target Assets by simulating market transaction conditions.

4. External environment assumption: the valuation assumes that the external economic environment as at the Appraisal Reference Date remains unchanged, and does not take into account the impact of potential guarantees, special premiums payable by particular counterparties, changes in national macroeconomic policies, natural forces or other force majeure events.

5. Scope assumption: the valuation scope is based on the asset valuation declaration forms and asset lists provided by Water Engineering & Technology, and the valuation assumes that all important and potential factors that may affect the valuation analysis were sufficiently disclosed to the PRC Independent Valuer.

6. Quantity, condition and pricing assumption: the valuation assumes that the actual quantity of the Target Assets is the quantity as at the Appraisal Reference Date, that the condition of the Target Assets as at the Appraisal Reference Date was consistent with the condition observed during the physical site inspection, and that current market prices were based on domestic valid prices as at the Appraisal Reference Date.

7. Rights assumption: the valuation assumes that the Target Assets and the underlying assets are free from rights defects and restrictions that would affect their value.

Upon reviewing the Asset Valuation Report, the Board (including the independent non-executive Directors) is of the view that the valuation conclusions made by the PRC Independent Valuer on the Target Assets using the Cost Method are fair and reasonable.

FINANCIAL EFFECTS OF THE TRANSFER OF TARGET ASSETS ON THE GROUP

Upon completion of the Disposal, the Group will no longer have any rights or interests in the Target Assets. The exact financial effect of the Disposal is subject to audit and will be determined based on the difference between the consideration received and the audited net book value of the Target Assets at the time of completion, after deducting relevant taxes and expenses in relation to the Disposal.

For illustration purpose, the audited net book value of the Target Assets as at 31 December 2025 was approximately RMB52,730,000, and after deducting the relevant expenses in relation to the Disposal, the Group is expected to record an actual gain of approximately RMB13,900,000 (before tax), subject to audit.

USE OF PROCEEDS FROM THE TRANSFER OF TARGET ASSETS

The proceeds from the Disposal are expected to be used for general working capital and other business investments of the Group.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Target Assets are assets under the Lvsi Project located at the premises of Jiangsu Lvsigang Power Generation. The Directors are of the view that the Disposal will enable the Group to optimise its asset structure, revitalise existing assets, recover investment funds and improve the overall asset utilisation efficiency of the Group. The Disposal will also allow the Group to allocate the recovered funds to its general working capital needs and other potential business investments.

Based on the above, the Directors (including independent non-executive Directors) are of the view that the terms of the Asset Transfer Agreement and the Disposal thereunder are entered into based on arm's length negotiations and on normal commercial terms, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As China Datang directly held approximately 78.17%, and through its wholly-owned subsidiary, China Datang Group Capital Holding Co., Ltd.* (中國大唐集團資本控股有限公司), held 0.79% of the issued share capital of the Company as at the date of this announcement, it is a controlling shareholder of the Company.

Jiangsu Lvsigang Power Generation is owned as to 55% by Datang International Power, 35% by Datang Jiangsu Power and 10% by Nantong Investment Holding. Datang International Power is in turn owned as to 35.34% by China Datang, and Datang Jiangsu Power is wholly-owned by China Datang. Pursuant to Chapter 14A of the Listing Rules, Jiangsu Lvsigang Power Generation is an associate of China Datang and a connected person of the Company. Accordingly, the Disposal constitutes a connected transaction of the Company under the Listing Rules.

Given that one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) of the Disposal exceed 0.1% but all are less than 5%, the Disposal is subject to reporting and announcement requirements but exempt from the circular (including independent financial advice) and independent Shareholders' approval requirements pursuant to Rule 14A.76(2)(a) of the Listing Rules. Mr. Xu Chun, Mr. Pang Xiaojin, Mr. Xia Huaixiang and Mr. Chu Hongbo are holding positions in China Datang or its subsidiaries and therefore have abstained from voting at the relevant Board meeting approving the Asset Transfer Agreement and the Disposal thereunder. Save as disclosed above, all Directors have confirmed that they have no material interests in the Asset Transfer Agreement and the Disposal thereunder.

GENERAL INFORMATION

China Datang is a state-owned enterprise established in the PRC in April 2003 and is the controlling shareholder of the Company. China Datang is primarily engaged in the development, investment, construction, operation and management of electric power energy; organisation of power (thermal) production and sales; manufacture, maintenance and commissioning of electric power equipment; power technology development and consultation; contracting and consulting of electric power engineering and environmental protection projects; development of renewable power; and self-operating and being an agent for import and export of any kind of goods and technology save for those where the import or export of the goods and technology are restricted or prohibited by national laws and regulations.

The Company is a non-wholly-owned subsidiary of China Datang, and is the sole platform for the development of environmental protection and energy conservation business under China Datang Group, one of the five major state wholly-owned power generation groups in the PRC.

Water Engineering & Technology is a wholly-owned subsidiary of the Company and was established on 11 June 2015 in accordance with PRC laws. The principal business of Water Engineering & Technology includes the provision of technology services, energy saving technology promotion services and water engineering business.

Jiangsu Lvsigang Power Generation was established on 18 September 2003 in accordance with PRC laws. It is owned as to 55% by Datang International Power, 35% by Datang Jiangsu Power and 10% by Nantong Investment Holding. Its principal business includes power generation and heat supply.

Datang International Power is a company established in December 1994 in accordance with PRC laws, the H shares of which are listed on the Main Board of the Stock Exchange (stock code: 991) and the London Stock Exchange (stock code: DAT) and the A shares of which are listed on the Shanghai Stock Exchange (stock code: 601991). It is owned as to 35.34% by China Datang. Its principal business includes the development and operation of power plants and the sale of electricity and thermal power.

Datang Jiangsu Power is a company established on 13 March 2015 in accordance with PRC laws and a wholly-owned subsidiary of China Datang. Its principal business includes production and supply of electricity and heat energy.

Nantong Investment Holding is a company established on 30 March 2003 in accordance with PRC laws. According to publicly available information, its principal business includes investment, operation, and management services for urban construction and government-invested projects entrusted by the municipal government. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Nantong Investment Holding is an Independent Third Party of the Company and its connected persons.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the meanings set out below:

"Appraisal Reference Date"	30 June 2025
"Asset Transfer Agreement"	the agreement entered into by Water Engineering & Technology and Jiangsu Lvsigang Power Generation on 26 June 2026
"Asset Valuation Report"	The Asset Valuation Report on the Market Value of the Assets under the Proposed Transfer of Assets by Datang (Beijing) Water Engineering & Technology Co., Ltd.* in relation to the Lvsi Long-term Contract Energy Management Project (Guozhonglian Ping Bao Zi [2025] No.2-1161)*《大唐(北京)水務工程技術有限公司擬進行資產轉讓所涉及的呂四遠期合同能源管理項目相關資產的市場價值資產評估報告》(國眾聯評報字(2025)第2-1161號) issued by the PRC Independent Valuer on 4 January 2026 based on the Appraisal Reference Date
"Board"	the board of Directors of the Company
"China" or "PRC"	the People's Republic of China excluding, for the purpose of this announcement, Hong Kong, Macau Special Administrative Region and Taiwan

"China Datang"	China Datang Corporation Ltd. (中國大唐集團有限公司), a state-owned enterprise established on 9 April 2003 in accordance with the PRC laws and the controlling shareholder and a promoter of the Company
"China Datang Group"	China Datang and its subsidiaries (excluding, for the purpose of this announcement, the Group)
"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)
"connected person"	has the meaning ascribed under the Listing Rules
"controlling shareholder"	has the meaning ascribed under the Listing Rules
"Datang International Power"	Datang International Power Generation Co., Ltd.* (大唐國際發電股份有限公司), a sino-foreign joint stock company established in December 1994 in accordance with PRC laws, the H shares of which are listed on the Main Board of the Stock Exchange (stock code: 991) and the London Stock Exchange (stock code: DAT), and the A shares of which are listed on the Shanghai Stock Exchange (stock code: 601991), and which is owned as to 35.34% by China Datang
"Datang Jiangsu Power"	Datang Jiangsu Power Generation Co., Ltd.* (大唐江蘇發電有限公司), a company established on 13 March 2015 in accordance with PRC laws, and a wholly-owned subsidiary of China Datang
"Director(s)"	director(s) of the Company

"Disposal"	the disposal of Target Assets as contemplated under the Asset Transfer Agreement
"Domestic Share(s)"	ordinary shares in the Company's share capital, with a nominal value of RMB1.00 each, which are subscribed for and paid up in RMB
"Group"	the Company and its subsidiaries
"H Shares"	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
"Hong Kong" or "HK"	Hong Kong Special Administrative Region of the PRC
"Independent Third Party"	a third party independent of the Company and its connected persons
"Jiangsu Lvsigang Power Generation"	Jiangsu Datang International Jiangsu Lvsigang Power Generation Co., Ltd.* (江蘇大唐國際呂四港發電有限責任公司), a company established on 18 September 2003 in accordance with PRC laws and the purchaser under the Asset Transfer Agreement
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Lvsi Project"	the Lvsi Long-term Contract Energy Management Project* (呂四遠期合同能源管理項目) of Jiangsu Lvsigang Power Generation

"Nantong Investment Holding"	Nantong State-owned Assets Investment Holding Co., Ltd.* (南通國有資產投資控股有限公司), a company established on 30 March 2003 in accordance with PRC laws which holds 10% of the equity interest in Jiangsu Lvsigang Power Generation
"PRC Independent Valuer"	Guozhonglian Asset Appraisal Land and Real Estate Appraisal Co., Ltd.* (國眾聯資產評估土地房地產估價有限公司), an independent valuer
"RMB"	Renminbi, the lawful currency of the PRC
"Share(s)"	Domestic Share(s) and/or H Share(s)
"Shareholder(s)"	holder(s) of Share(s) of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiaries"	has the meaning ascribed under the Listing Rules
"Target Assets"	all assets owned by Water Engineering & Technology under the Lvsi Project, including fixed assets, buildings, building structures and other ancillary facilities, and machinery equipment. Please refer to the section headed "Information about the Target Assets" in this announcement for further details

"VAT"	value-added tax
"Water Engineering & Technology"	Datang (Beijing) Water Engineering & Technology Co., Ltd.* (大唐(北京)水務工程技術有限公司), a company established on 11 June 2015 in accordance with the PRC laws and a wholly-owned subsidiary of the Company
"%"	per cent

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

Beijing, the PRC, 26 June 2026

As of the date of this announcement, the executive Director is Mr. Zhu Liming; the non-executive Directors are Mr. Xu Chun, Mr. Pang Xiaojin, Mr. Xia Huaixiang, Mr. Chu Hongbo and Ms. Wang Mi; and the independent non-executive Directors are Mr. Mao Zhuanjian, Mr. Suen Chun Hung, Benjamin and Ms. Hu Yunqing.

This announcement is available on the website of the Stock Exchange (www.hkexnews.hk) and on the website of the Company (www.dteg.com.cn).

* *For identificationpurposes only*