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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)**

**VOLUNTARY ANNOUNCEMENT**

**COMMENCEMENT OF PUBLIC TENDER  
PROCESS IN RELATION TO POTENTIAL DISPOSAL OF  
CONCESSION ASSETS**

This announcement is made by Datang Environment Industry Group Co., Ltd.\* (大唐環境產業集團股份有限公司) (the “**Company**”, and together with its subsidiaries, the “**Group**”) on a voluntary basis.

**I. THE POTENTIAL DISPOSAL**

The board (the “**Board**”) of directors (the “**Directors**”) of the Company announces that Datang Environment Industry Group Co., Ltd. Pingluo Project Branch Company\* (大唐環境產業集團股份有限公司平羅項目分公司) (a branch company of the Company, “**Datang Environment Pingluo Branch Company**”) proposes to dispose all of the assets (the “**Disposal Assets**”) under the Concession Project (as defined below) in relation to the concession operation agreements on desulfurization and denitrification between Pingluo Power Plant\* (國能平羅發電有限公司) (“**Pingluo Power Plant**”) and the Datang Environment Pingluo Branch Company (the “**Potential Disposal**”).

Since the Disposal Assets are deemed to be state-owned assets under the relevant laws and regulations of the People's Republic of China (the “**PRC**”), the Potential Disposal will be conducted by way of public tender on China Beijing Equity Exchange (北京產權交易所) (“**CBEX**”) in accordance with the relevant rules and regulations of the PRC governing the disposal of state-owned assets. Pursuant to the rules of CBEX, upon confirmation of the identity of the final transferee under the Potential Disposal (the “**Final Transferee**”), the Company shall enter into definitive agreement for the transfer of the Disposal Assets with the Final Transferee.

As at the date of this announcement, the identity of the Final Transferee and the principal terms of the definitive agreement for the transfer of the Disposal Assets (including, but not limited to, the final amount of consideration, payment arrangements and timeframe for delivery and transfer) have yet to be confirmed. As at the date of this announcement, the Company has not entered into any definitive agreement with any other parties in respect of the Potential Disposal.

### **Summary of material terms disclosed in the Formal Tender Notice**

A notice (the “**Formal Tender Notice**”) of the public tender in relation to the Potential Disposal (the “**Public Tender**”) is published by Datang Environment Pingluo Branch Company on the date of this announcement on the website of CBEX. Details of the notice are set out in the ensuing paragraphs.

#### ***Consideration***

The minimum consideration (being the base price for the transfer of the Disposal Assets) (the “**Minimum Consideration**”) for the Potential Disposal is RMB167.72 million (inclusive of tax). The final consideration will depend on the final bid price, and in any event, not be lower than the Minimum Consideration (the “**Consideration**”).

#### ***Other material terms***

The publication period will be twenty (20) working days in the PRC starting from the working day following the disclosure of the Formal Tender Notice on the website of CBEX. During the publication period of the Formal Tender Notice, intended transferees are required to complete the registration procedures, conduct site inspection on the Disposal Assets and pay a transaction deposit in the amount of RMB50.31 million to CBEX.

Upon the end of the publication period of the Formal Tender Notice, if there is only one intended transferee being accepted by CBEX as qualified intended transferee, such intended transferee will be the Final Transferee. If there are more than one intended transferees which are accepted by CBEX as qualified intended transferees, the Public Tender will enter into an online bidding process during which the Final Transferee will be elected with the highest bid price.

Upon the expiry of the publication period, CBEX will notify Datang Environment Pingluo Branch Company of the identity of the Final Transferee. The Final Transferee shall enter into an agreement for the transfer of the Disposal Assets (“**Transfer Agreement**”) with Datang Environment Pingluo Branch Company upon receiving notification from CBEX and pay the remaining amount of the Consideration to CBEX within five (5) working days in the PRC after the effective date of the Transfer Agreement. The Datang Environment Pingluo Branch Company shall also be responsible for ensuring the completion of all necessary legal and regulatory procedures, including all necessary approvals or consents from relevant regulatory authorities, for the transfer of the Disposal Assets. CBEX will transfer the amount of the Consideration to Datang Environment Pingluo Branch Company without interest within five (5)

working days in the PRC after payment of the remaining amount of the Consideration by the Final Transferee and the completion of all necessary legal, tax and regulatory procedures in accordance with the Transfer Agreement.

In the event that there is no intended transferee for the Disposal Assets upon expiry of the publication period of the Formal Tender Notice, the Public Tender will be extended automatically with the same conditions for a period of five (5) working days in the PRC, until there is an intended transferee, provided that the extension will expire at the end of the 12-month period after the day of the first publication of the Formal Tender Notice.

As at the date of this announcement, no binding agreement, arrangement or commitment has been entered into by Datang Environment Pingluo Branch Company with respect to the Potential Disposal.

## **II. REASONS FOR AND BENEFITS OF THE POTENTIAL DISPOSAL**

In September 2016, Pingluo Power Plant and the Company entered into separate desulfurization and denitrification concession operation agreements, under which the Company was responsible for the construction and operation of the desulfurization and denitrification facilities (the “**Concession Project**”). The Concession Project commenced construction in January 2017, and began operations in January 2021, with a total investment of RMB183.6 million. As of 31 May 2024, the net asset value of the Concession Project’s desulfurization and denitrification assets was around RMB126.7 million, consisting of RMB120.9 million in fixed assets and RMB5.8 million in catalysts.

Pingluo Power Plant has been experiencing continuous operational difficulties since it commenced production, and this Concession Project has encountered management challenges. Upon evaluation of the operational environment, the Board considers that the conditions have become unfavorable for the continued operations of the Concession Project. The Potential Disposal, which is expected to be completed within the current financial year, is anticipated to generate immediate cash inflow that will improve the Company’s net profit position following the completion of the Potential Disposal and enhance future profitability prospects. Furthermore, this timely divestment will enable the Group to reallocate its resources more efficiently and pursue other business opportunities that may arise in the future, thereby optimizing the Company’s asset portfolio and capital structure.

## **III. POTENTIAL IMPLICATIONS UNDER THE LISTING RULES**

The Potential Disposal, if materialised, and subject to the identity of the transferee and its relationship with the Company, may constitute a notifiable and/or connected transaction of the Company and may be subject to the reporting, announcement and shareholders’ approval (as applicable) requirements under Chapter 14 and/or 14A of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

Further announcement(s) in respect of the Potential Disposal will be made by the Company in compliance with the Listing Rules as and when necessary.

**As the Potential Disposal may or may not materialise, shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities.**

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

Beijing, the PRC, 28 April 2025

*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 websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.dteg.com.cn](http://www.dteg.com.cn)).*

\* *For identification purpose only*