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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
CONNECTED TRANSACTIONS – ACQUISITION OF ASSET

ASSET TRANSFER AGREEMENT

The Board is pleased to announce that, on 1 April 2026, the Company, as a purchaser, entered into the Asset Transfer Agreement with Guiguan Panzhou, as a vendor. According to the Asset Transfer Agreement, Guiguan Panzhou has conditionally agreed to sell and the Company has conditionally agreed to acquire, the Target Assets at a consideration of RMB24,574,073.17.

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. Guangxi Guiguan is a non wholly-owned subsidiary of China Datang and Guiguan Panzhou is a wholly-owned branch of Guangxi Guiguan. Guiguan Panzhou is therefore indirectly non wholly-owned by China Datang. Pursuant to Chapter 14A of the Listing Rules, Guiguan Panzhou is a connected person of the Company. Accordingly, the Acquisition 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 Acquisition exceed 0.1% but all are less than 5%, the Acquisition 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 1 April 2026, the Company, as a purchaser, entered into the Asset Transfer Agreement with Guiguan Panzhou, as a vendor. According to the Asset Transfer Agreement, Guiguan Panzhou has conditionally agreed to sell and the Company has conditionally agreed to acquire, the Target Assets at a consideration of RMB24,574,073.17.

ASSET TRANSFER AGREEMENT

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

Date: 1 April 2026

Parties: (1) Guiguan Panzhou (as the vendor); and
(2) the Company (as the purchaser)

Principal terms: According to the Asset Transfer Agreement, Guiguan Panzhou agreed to sell and the Company agreed to acquire the Target Assets

Target Assets: The Target Assets are the scrapped assets comprising 38 wind turbines and ancillary equipment located at Datang Sige Wind Farm (大唐四格風電場) owned by Guiguan Panzhou (a total of 49 items).

Consideration and basis of determination: The consideration of the Target Assets is RMB24,574,073.17. The tax-exclusive transfer price is RMB21,747,000.

The aforesaid consideration was determined after arm's length negotiations between the Company and Guiguan Panzhou with reference to the appraised market value of the Target Assets of RMB21,747,000 (tax exclusive) on the Appraisal Reference Date, which was appraised by the PRC Independent Valuer using the market approach in the Asset Valuation Report.

The consideration of the Acquisition will be settled in cash and fully funded by internal resources and bank borrowings of the Group.

Payment terms: The consideration of the Target Assets shall be paid by the Company to Guiguan Panzhou in two instalments. The first instalment of 10% of the consideration (being RMB2,457,407.32) shall be paid within 10 working days from the Completion Date (as defined below) of the Acquisition. The second instalment in the amount of the remaining 90% of the consideration (being RMB22,116,665.85) shall be paid within 3 months from the payment of the first instalment, provided that the overall payment term shall not exceed 4 months.

Terms of performance: Within 10 working days from the execution date of the Asset Transfer Agreement, both parties shall arrange personnel to conduct a physical inventory of the Target Assets. Upon mutual verification, the parties shall execute handover documents to complete the delivery of the Target Assets, relevant title proof, and technological information. Title to and ownership of the Target Assets shall be transferred from Guiguan Panzhou to the Company on the date of the execution of the handover documents (the “**Completion Date**”).

The Company shall, in accordance with the relevant PRC regulations, complete the registration procedures in respect of the transfer of ownership of the Target Assets, and Guiguan Panzhou shall provide the necessary assistance and cooperation.

The delivery of the Target Assets shall take place at Datang Sige Wind Farm, Baobaozhai Village, and Tiechang Yakou, in Pingdi Town, Panzhou City, Liupanshui City, Guizhou Province, PRC (中國貴州省六盤水市盤州市坪地鄉大唐四格風電場、包包寨村及鐵廠丫口).

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 Target Assets shall take effect upon fulfilment of all of the following conditions:

1. Guiguan Panzhou has, in accordance with the law, completed relevant procedures including internal approval process and asset evaluation regarding the Target Assets;
2. The Company has fully understood the information in relation to the Target Assets and agreed with the terms and conditions proposed by Guiguan Panzhou under the Asset Transfer Agreement; and
3. The Company agreed to acquire the Target Assets owned by Guiguan Panzhou in accordance with the provisions of the Asset Transfer Agreement.

INFORMATION ABOUT THE TARGET ASSETS

The Target Assets are the scrapped assets comprising 38 wind turbines and ancillary equipment located at Datang Sige Wind Farm owned by Guiguan Panzhou (a total of 49 items). As at Appraisal Reference Date, the Target Assets have been dismantled from the Datang Sige Wind Farm but have not yet been disassembled. Following the dismantling process, Guiguan Panzhou has categorized and stacked the Target Assets based on their volume and weight. The Target Assets are currently located at the booster station and leased storage yards of the Datang Sige Wind Farm.

Guiguan Panzhou holds full ownership of the Target Assets and they are free from any form of guarantee, mortgage, or any restrictions or ownership disputes.

The Target Assets were originally acquired by Guiguan Panzhou at an original acquisition cost of approximately RMB486,452,900. As at the Appraisal Reference Date, the audited original book value of the Target Assets was approximately RMB486,452,900, and the net book value was approximately RMB219,017,600. As the scrapping procedures has been fulfilled, the assets were transferred to the “fixed asset disposal” account with a carrying book value (scrap value) of approximately RMB23,970,700 (tax-exclusive).

By contrast, the appraised market value of the Target Assets as at the Appraisal Reference Date was RMB21,747,000 (tax exclusive) as determined by the PRC Independent Valuer in adopting the market approach by conducting market research and price inquiries to ascertain the recovery price of the Target Assets (the “**Market Approach**”). The valuation was calculated by multiplying the unit recovery price by the recovery weight, taking into account the recyclable materials of the different assets. The unit recovery price is the comprehensive market quotations obtained from wind turbine and blade recyclers based on the “as-is” condition of the Target Assets as of the Appraisal Reference Date, and includes the dismantling and transportation costs, which will be borne entirely by the recyclers.

The appraised residue value of the Target Assets (tax exclusive) was lower than its book value, mainly because the valuation conclusion was derived based on the recovery value of the Target Assets in their existing condition as of the Appraisal Reference Date, which was subject to the prices of recyclable materials, resulting in a certain degree of valuation deficit.

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

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Acquisition represents the first demonstration project of the Group in the field of renewable energy solid waste recycling. Through the acquisition of scrapped wind power equipment for dismantling, disposal, and resource utilization, the Group is expected to realize considerable economic benefits while effectively reducing environmental pollution and carbon emissions. Thus, the Directors are of the view that the Acquisition is in line with the Group’s strategic development goals as it allows the Group to (i) achieve favorable economic returns through the efficient recycling and disposal of scrapped assets, (ii) fulfill its corporate social responsibility by promoting environmental sustainability and carbon reduction, and (iii) establish a solid strategic foundation for the further expansion and development of the Group’s resource recycling industry.

Furthermore, the Acquisition actively implements the national strategy for resource recycling and utilization and the requirements of the 15th Five-Year Plan to promote the recycling of new types of waste such as wind turbine blades. It provides a “one-stop” solution for the disposal and high-value utilization of retired wind turbines, which resolves the ecological and environmental risks associated with the long-term idle stacking of scrapped wind power equipment at the Datang Sige Wind Farm.

The Acquisition also supports the implementation of the Group’s national major science and technology project for the comprehensive environmental governance of the Beijing-Tianjin-Hebei region. By establishing a safe dismantling technology system for retired wind turbines, the Company will further enhance its technological innovation capabilities in the solid waste resource recycling sector.

The Group plans to process the wind turbine blades into building templates and extract various scrap metals (such as permanent magnet steel, copper, and steel) for public sale. The project is expected to generate revenue, which is expected to have a positive impact on the future earnings of the Group.

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 Acquisition 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. Guangxi Guiguan is a non wholly-owned subsidiary of China Datang and Guiguan Panzhou is a wholly-owned branch of Guangxi Guiguan. Guiguan Panzhou is therefore indirectly non wholly-owned by China Datang. Pursuant to Chapter 14A of the Listing Rules, Guiguan Panzhou is a connected person of the Company. Accordingly, the Acquisition 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 Acquisition exceed 0.1% but all are less than 5%, the Acquisition 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 relevant Board meeting approving the Asset Transfer Agreement and the Acquisition thereunder. Save as disclosed above, all Directors have confirmed that they have no material interests in the Asset Transfer Agreement and the Acquisition 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; organization 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.

Guangxi Guiguan is a company established on 4 September 1992 in accordance with the PRC laws and a non wholly-owned subsidiary of China Datang, the controlling shareholder of the Company. The principal business of Guangxi Guiguan includes the development, construction, and operation of hydropower stations, thermal power plants, and various types of power plants; development of clean energy; power transmission and transformation engineering; production and sale of electricity (and thermal power); construction of water conservancy and hydropower projects.

Guiguan Panzhou was established on 5 July 2018 and is indirectly non wholly-owned by China Datang, the controlling shareholder of the Company. The principal business of Guiguan Panzhou includes the development, construction, and management of hydropower stations, thermal power plants, and power transmission and transformation engineering.

DEFINITIONS

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

“Acquisition”	the acquisition of Target Assets as contemplated under the Asset Transfer Agreement
“Appraisal Reference Date”	31 May 2025
“Asset Transfer Agreement”	the agreement entered into by the Company and Guiguan Panzhou on 1 April 2026
“Asset Valuation Report”	The Asset Valuation Report on the Asset Project involving 38 Wind Turbines and Ancillary Equipment Scrapped Assets Proposed to be Transferred by Agreement from Guangxi Guiguan Electric Power Co., Ltd. Panzhou Branch* to Datang Environment Industry Group Co., Ltd.* (Zhongqihua Ping Bao Zi [2025] No.1421) (《廣西桂冠電力股份有限公司盤州分公司擬向大唐環境產業集團股份有限公司協議轉讓報廢資產涉及的38臺風機及附屬設備資產項目資產評估報告》(中企華評報字[2025]第1421號)) issued by the PRC Independent Valuer 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
“Director(s)”	director(s) of the Company
“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
“Guangxi Guiguan”	Guangxi Guiguan Electric Power Co., Ltd. (廣西桂冠電力股份有限公司), a company established on 4 September 1992 in accordance with the PRC laws and a non wholly-owned subsidiary of China Datang, the controlling shareholder of the Company
“Guiguan Panzhou”	Guangxi Guiguan Electric Power Co., Ltd. Panzhou Branch * (廣西桂冠電力股份有限公司盤州市分公司), a branch (有限責任公司分公司) of Guangxi Guiguan, which was established on 5 July 2018 in accordance with the PRC laws and indirectly non wholly-owned by China Datang, the controlling shareholder of the Company
“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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC Independent Valuer”	Beijing Chinese Enterprise China Assets Evaluation Co., Ltd. (北京中企華資產評估有限責任公司), 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”	the scrapped assets comprising 38 wind turbines and ancillary equipment located at Datang Sige Wind Farm owned by Guiguan Panzhou (a total of 49 items)
“%”	per cent

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

Beijing, the PRC, 1 April 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 identification purposes only*