
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this supplemental 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 supplemental circular together with the accompanying proxy form and reply slip 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)

**RE-APPOINTMENT OF INTERNATIONAL AND
DOMESTIC AUDITORS FOR 2019,
DOMESTIC ISSUANCE OF BONDS
AND
SUPPLEMENTAL NOTICE OF 2018 AGM**

This supplemental circular (“**Supplemental Circular**”) should be read in conjunction with the circular (“**Original Circular**”) of Datang Environmental Industry Group Co., Ltd. (the “**Company**”) dated 6 June 2019.

A letter from the Board is set out on pages 1 to 3 of this Supplemental Circular.

The 2018 AGM of the Company will be held as originally scheduled at 3:30 p.m. on Friday, 28 June 2019 at No. 120 Zizhuyuan Road, Haidian District, Beijing, the PRC. The supplemental notice of the 2018 AGM is set out on pages 4 to 6 of this Supplemental Circular.

The supplemental proxy form for use at the 2018 AGM is enclosed with this Supplemental Circular and such supplemental proxy form is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.dteg.com.cn).

If you intend to appoint a proxy to attend the 2018 AGM, you are required to complete and return the accompanying supplemental form of proxy in accordance with the instructions printed thereon. For holders of H Shares, the supplemental form of proxy should be returned to the H Share Registrar and for holders of Domestic Shares, the supplemental 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 2018 AGM or any adjourned meeting thereof. Completion and return of the supplemental form of proxy will not preclude you from attending and voting in person at the 2018 AGM or at any other adjourned meeting should you so wish.

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DEFINITIONS

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

“2018 AGM”	the 2018 annual general meeting of the Company to be held at 3:30 p.m. on Friday, 28 June 2019 at No. 120 Zizhuyuan Road, Haidian District, Beijing, the PRC
“Board”	the board of Directors of the Company
“China” or “PRC”	the People’s Republic of China excluding, for the purpose of this Supplemental 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 Shares”	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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“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
“%”	per cent



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)

Non-executive Directors:

Mr. Jin Yaohua
Mr. Liu Chuandong
Mr. Liu Guangming
Mr. Li Yi
Mr. Deng Xiandong

Registered Office and Head Office in the PRC:

No. 120 Zizhuyuan Road,
Haidian District,
Beijing,
the PRC

Executive Director:

Mr. Shen Zhen

Principal Place of Business in Hong Kong:

31/F, Tower Two, Times Square,
1 Matheson Street, Causeway Bay,
Hong Kong

Independent Non-executive Directors:

Mr. Ye Xiang
Mr. Mao Zhuanjian
Mr. Gao Jiexiang

13 June 2019

To the Shareholders

Dear Sir or Madam,

**RE-APPOINTMENT OF INTERNATIONAL AND
DOMESTIC AUDITORS FOR 2019,
DOMESTIC ISSUANCE OF BONDS
AND
SUPPLEMENTAL NOTICE OF 2018 AGM**

I. INTRODUCTION

This supplemental circular (“**Supplemental Circular**”) should be read in conjunction with the circular (“**Original Circular**”) of the Company dated 6 June 2019. Unless the context otherwise requires, the terms used in this Supplemental Circular shall have the same meaning as those defined in the Original Circular.

* For identification purpose only

LETTER FROM THE BOARD

The purposes of this Supplemental Circular are to provide you with, among other things: (i) further details of the re-appointment of international and domestic auditors for 2019; (ii) further details of the domestic issuance of bonds; (iii) supplemental notice of the 2018 AGM; and (iv) other information as required under the Listing Rules.

II. RE-APPOINTMENT OF INTERNATIONAL AND DOMESTIC AUDITORS FOR 2019

An ordinary resolution will be proposed at the 2018 AGM to approve the re-appointment of Ernst & Young and Ernst & Young Hua Ming LLP as international and domestic auditors of the Company for 2019, respectively, with a term of engagement ended upon the conclusion of the 2019 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.

III. DOMESTIC ISSUANCE OF BONDS

In order to expand financing channels and to satisfy capital requirements, the Company intends to issue domestic renewable debt financing instruments. In accordance with the Company Law, the Securities Law and other relevant regulations, the specific plan is set out as below:

- (1) Issuance type: renewable corporate bonds or other renewable debt financing instruments;
- (2) Issuance size: no more than RMB500 million in total and not exceeding 40% of net asset of the Company;
- (3) Issuance period: a period of 3+N years or 5+N years, the specific of which is subject to the actual situations of the issuance;
- (4) Use of proceeds: proceeds raised will be used to, including but not limited to, replenish the working capital of the Company, repay debts, adjust debt structure and invest in projects; and
- (5) Interest rate of issuance: fixed interest rate determined based on the result of the issuance, with interest paid annually, without compound interest.

LETTER FROM THE BOARD

The following will be submitted to the 2018 AGM for consideration and approval:

- (1) to approve the issuance of renewable debt financing instruments of no more than RMB500 million in total and not exceeding 40% of net asset of the Company within 24 months after the date of approval by the general meeting;
- (2) to authorise the Board, which then sub-authorise the senior management of the Company, to determine the specific use of proceeds within the aforesaid scope based on the Company's capital requirements; and
- (3) to authorise the Board, which then sub-authorise the senior management of the Company, to deal with the matters related to this issuance.

IV. THE 2018 AGM

The supplemental notice of the 2018 AGM is set out on pages 4 to 6 of this Supplemental Circular. The 2018 AGM of the Company will be held as originally scheduled at 3:30 p.m. on Friday, 28 June 2019 at No. 120 Zizhuyuan Road, Haidian District, Beijing, the PRC.

For details of other resolutions to be considered at the 2018 AGM, eligibility for attending the 2018 AGM, registration procedures, closure of registration of shares transfer, voting, the arrangement for proxy forms and other relevant matters, please refer to the Original Circular and the notice of the 2018 AGM of the Company dated 10 May 2019.

V. RECOMMENDATION

The Board recommends the Shareholders to vote in favour of the relevant resolutions set out in the supplemental notice of the 2018 AGM as it is in the interests of the Company and the Shareholders as a whole.

Yours faithfully,

By order of the Board

Datang Environment Industry Group Co., Ltd.*

Jin Yaohua

Chairman

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大唐環境產業集團股份有限公司

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SUPPLEMENTAL NOTICE OF 2018 ANNUAL GENERAL MEETING

REFERENCE IS MADE TO the notice (the “**Original Notice**”) of the 2018 AGM (the “**AGM**”) issued by Datang Environment Industry Group Co., Ltd. (the “**Company**”) dated 10 May 2019, in which the resolutions to be considered by the Shareholders at the AGM to be convened at 3:30 p.m. on Friday, 28 June 2019 at No. 120 Zizhuyuan Road, Haidian District, Beijing, the PRC are set out. Unless otherwise specified, capitalised terms used in this supplemental notice shall have the same meanings as those defined in the Original Circular and the Supplemental Circular of the Company dated 6 June 2019 and 13 June 2019, respectively.

SUPPLEMENTAL NOTICE IS HEREBY GIVEN that the AGM will be held as originally scheduled. Save for the resolutions set out in the Original Notice, the following resolutions will be considered and, if thought fit, approved:

Supplemental Ordinary Resolution

- (10) To consider and approve the re-appointment of Ernst & Young and Ernst & Young Hua Ming LLP as international and domestic auditors of the Company for 2019, respectively, with terms of engagement ended upon the conclusion of the 2019 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; and

Supplemental Special Resolution

- (11) To consider and approve the domestic issuance of bonds of the Company.

Save as the above additional resolutions, all information and contents set out in the Original Notice, original proxy form and reply slip remain unchanged.

SUPPLEMENTAL NOTICE OF 2018 AGM

The main texts of resolutions at the AGM are set forth in the Original Circular and the Supplemental Circular, which are 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.*
Jin Yaohua
Chairman

Beijing, the PRC, 13 June 2019

As of the date of this notice, the non-executive Directors are Mr. Jin Yaohua, Mr. Liu Chuandong, Mr. Liu Guangming, Mr. Li Yi and Mr. Deng Xiandong; the executive Director is Mr. Shen Zhen; and the independent non-executive Directors are Mr. Ye Xiang, Mr. Mao Zhuanjian and Mr. Gao Jiexiang.

* *For identification purpose only*

Notes:

- i. Saved as the resolutions newly proposed, there are no any other changes to the resolutions set out in the Original Notice. For details of other resolutions and other related matters to be considered at the AGM, please refer to the notice and circular of the AGM issued by the Company on 10 May 2019 and 6 June 2019, respectively.
- ii. As the proxy form despatched by the Company on 10 May 2019 (the “**Original Proxy Form**”) does not contain the newly added resolutions set out in this supplemental notice, a supplemental proxy form containing the above newly added resolutions (the “**Supplemental Proxy Form**”) has been prepared and is enclosed in this supplemental notice. The Supplementary Proxy Form is the supplemental proxy form applicable to the supplemental resolutions set out in this supplemental notice and only serves as a supplement to the Original Proxy Form. This Supplemental Proxy Form will not affect the validity of the Original Proxy Form duly completed and lodged with the H Share Registrar.
- iii. If a Shareholder has duly completed and only submitted the Original Proxy Form in accordance with the instructions set out therein, the appointed proxy will vote on the resolutions set out in the Original Proxy Form per the Shareholder’s instruction and he is entitled to vote on or abstain from voting on, at his own discretion, the resolutions set out in the Supplemental Proxy Form. Similarly, if a Shareholder has duly completed and only submitted the Supplemental Proxy Form in accordance with the instructions set out therein, the appointed proxy will vote on the resolutions set out in the Supplemental Proxy Form per the Shareholder’s instruction and he is entitled to vote on or abstain from voting on, at his discretion, the resolutions set out in the Original Proxy Form. If a Shareholder wishes to provide specific instruction to his proxy regarding the voting of all resolutions set out in the Original Proxy Form and the Supplemental Proxy Form, the Shareholder shall, at the same time, duly complete and submit the Original Proxy Form and the Supplemental Proxy Form in accordance with the instructions set out therein.

SUPPLEMENTAL NOTICE OF 2018 AGM

- iv. Each Shareholder entitled to attend and vote at the AGM may, by completing the Supplemental Proxy Form of the Company, appoint one or more proxies to attend and vote at the 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.

- v. The Supplemental Proxy Form 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.

- vi. To be valid, the Supplemental Proxy Form 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 AGM. If the Supplemental Proxy Form 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 Supplemental Proxy Form, be deposited at the specified place at the time set out in such form. Completion and return of the Supplemental Proxy Form will not preclude Shareholders from attending and voting in person at the AGM or any adjourned meetings should you so wish.