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Tianjin Capital Environmental Protection Group Company Limited
天津創業環保集團股份有限公司

(a joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 1065)

SUPPLEMENTAL ANNOUNCEMENT CONNECTED TRANSACTION – EPC AGREEMENT FOR THE “TIENTSIN EYE” CONSTRUCTION PROJECT

Reference is made to the connected transaction announcement of Tianjin Capital Environmental Protection Group Company Limited (the “**Company**”) dated 14 May 2025 in relation to the EPC Agreement for the “Tientsin Eye” Construction Project (the “**Announcement**”). Unless the context otherwise requires, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

This announcement is made to provide supplemental information on the Company’s internal control system.

BREACH OF THE LISTING RULES

As disclosed in the Announcement, the Company explained that the non-compliance was inadvertent and unintentional.

The EPC Agreement was entered into between Tianchuang Environmental (as the consortium member 3), Asset Management Company (as the principal, a connected person of the Company) and other parties.

Tianchuang Environmental is a wholly-owned subsidiary of the Company established in recent years with inadequate management and high staff turnover and the staff who had participated in the connected transaction compliance training organized by the Company in 2024 has left the position. Due to inadequate awareness among the current staff of Tianchuang Environmental, even though the contract management system of the Company, upon entry of the contractual counterparty as Asset Management Company, automatically prompted that the connected transaction was involved during the approval process, the EPC Agreement was signed and the Project was implemented by Tianchuang Environmental without reporting it to the Company. Upon becoming aware of the EPC Agreement, the Company immediately organized the approval procedures of the Board.

INTERNAL CONTROL SYSTEM

In accordance with the Company's internal control procedures, the approval procedures for the Company's subsidiaries (the "**Subsidiaries**") to sign contracts of a revenue nature is as follows:

- For contracts not involving connected transactions, where the contract amount are less than RMB30,000,000, and the impact of the transactions thereunder on the annual revenue, cost or net profit of the Subsidiaries are all less than 10%, the internal contract approval procedures of the Subsidiaries shall be performed;
- For contracts not involving connected transactions, where the contract amount are equal to or greater than RMB30,000,000, or the impact of the transactions thereunder on the annual revenue, cost, or net profit (any one of them) of the Subsidiaries is 10% or more, report shall be made to the office of the Board for determination as to the need for external disclosure procedures before signing; and
- For contracts involving connected transactions, regardless of the contract amount, report shall be made to the office of the Board for determination as to the need for external disclosure procedures before signing.

The EPC Agreement involves a connected transaction, but Tianchuang Environmental failed to report it to the office of the Board before signing, thus, the signing of the EPC Agreement is not in compliance with the Company's internal control procedures.

INTERNAL CONTROL REVIEW

The Company considers its internal control system to be effective and adequate as a whole. The occurrence of the non-compliance was due to inadvertent negligence and constitutes an isolated exceptional case. The Company has taken a number of remedial actions to improve the internal control system and further reduce the risk of the occurrence of the non-compliance.

REMEDIAL ACTIONS

To prevent the recurrence of similar non-compliance events in the future and continue to comply with the requirements of the Listing Rules, the Company is implementing remedial actions in accordance with the table below:

Remedial Actions	Timetable
The Company has issued a <i>Reminder Letter on Timely Reporting of Connected Transactions</i> to all business departments and affiliated entities (including all the Subsidiaries), clarifying the reporting requirements, management principles, accountability mechanisms, and other matters.	Completed
The Company has updated the list of connected persons and distributed the list together with the <i>Reminder Letter on Timely Reporting of Connected Transactions</i> to all employees of the Company (including Directors and senior management), and will continue to update the list.	Completed/Ongoing
The Company will continuously review and monitor data related to connected transactions (including annual cap amounts, monthly transaction amounts and cumulative amounts, etc.).	Ongoing
The Company will periodically provide training courses on the compliance requirements and practical applications of the Listing Rules (particularly Chapters 13, 14 and 14A) to all relevant personnel (including the Directors and senior management) to better comply with relevant laws, regulations and rules.	Ongoing

By Order of the Board
Tang Fusheng
Chairman

Tianjin, the PRC
23 May 2025

As at the date of this announcement, the Board comprises three executive Directors: Mr. Tang Fusheng, Ms. Nie Yanhong and Mr. Fu Xinghai; three non-executive Directors: Mr. Wang Yongwei, Mr. An Pindong and Mr. Liu Tao; and three independent non-executive Directors: Mr. Xue Tao, Mr. Wang Shanggan and Ms. Liu Fei.