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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)*

REVISION OF ANNUAL CAPS OF CONTINUING CONNECTED TRANSACTIONS OF EPC SECOND TENDER SECTION (SECOND BATCH) AGREEMENT, THIRD TENDER SECTION (SECOND BATCH) AGREEMENT, FOURTH TENDER SECTION (SECOND BATCH) AGREEMENT AND FIFTH TENDER SECTION (SECOND BATCH) AGREEMENT IN RELATION TO THE RECYCLED WATER PIPELINE NETWORK CONNECTION PROJECT IN THE MAIN DISTRICT OF TIANJIN

INTRODUCTION

References are made to (i) the overseas regulatory announcement of the Company dated 25 August 2021 regarding Water Recycling Company's external investment in the Project; (ii) the announcement of the Company dated 20 October 2021 regarding continuing connected transactions of the Engineering Consultation Service Agreement and the Construction Agreement for the Recycled Water Pipeline Network Connection Project in the Main District of Tianjin; (iii) the announcement of the Company dated 27 January 2022 regarding continuing connected transactions of the EPC Second Tender Section Agreement and Third Tender Section Agreement in relation to the Recycled Water Pipeline Network Connection Project in the Main District of Tianjin; (iv) the announcement of the Company dated 18 February 2022 regarding continuing connected transactions of the EPC Fourth Tender Section Agreement in relation to the Recycled Water Pipeline Network Connection Project in the Main District of Tianjin; (v) the announcement of the Company dated 30 September 2022 regarding continuing connected transaction of Engineering Consultation Service (Second Batch) Agreement in relation to the Recycled Water Pipeline Network Connection Project in the Main District of Tianjin; and (vi) the announcement dated 16 November 2022 in relation to the revision of annual cap for continuing connected transaction; (vii) the announcement of the Company dated 25 November 2022 regarding continuing connected transactions of the Jincang Expressway Construction Agreement in relation to the Recycled Water Pipeline Network Connection Project in the Main District of Tianjin; (viii) the announcement of the Company dated 1 December 2022 regarding continuing connected transaction of EPC First Tender Section (Second Batch) Agreement in relation to the Recycled Water Pipeline Network Connection Project in the Main District of Tianjin; (ix) the announcement dated 28 December 2022 regarding the revision of annual caps of continuing connected transactions and supplemental agreements; (x) the announcement dated 22 February 2023 regarding continuing connected transaction of EPC Second Tender Section (Second Batch) Agreement and Third Tender Section (Second Batch) Agreement in relation to the Recycled Water Pipeline Network Connection Project in the Main District of Tianjin; and (xi) the announcement dated 23 August 2024 regarding the continuing connected transactions of EPC Fourth Tender Section (Second Batch) Agreement and Fifth Tender Section (Second Batch) Agreement in relation to the Recycled Water Pipeline Network Connection Project in the Main District of Tianjin (collectively, the "**Announcements**"). Unless the context otherwise requires, the terms used herein shall have the same meanings as those defined in the Announcements.

As disclosed in the relevant announcements, Water Recycling Company (a wholly-owned subsidiary of the Company) (i) entered into the Second Tender Section (Second Batch) Agreement with both the Railway Fifth Institute and the Environmental Investment Company on 22 February 2023, whereby Railway Fifth Institute and the Environmental Investment Company agreed to provide EPC general contracting services to Water Recycling Company for the second tender section of the Project (Second Batch) during the Second Tender Section (Second Batch) Service Period, including all design, construction, and procurement work involved in the relevant projects; (ii) entered into the Third Tender Section (Second Batch) Agreement with the Tianjin Municipal Institute and Expressway Construction on 22 February 2023, whereby Tianjin Municipal Institute and Expressway Construction agreed to provide EPC general contracting services to Water Recycling Company for the third tender section of the Project (Second Batch) during the Third Tender Section (Second Batch) Service Period, including all design, construction, and procurement work involved in the relevant projects; (iii) entered into the Fourth Tender Section (Second Batch) Agreement with the Railway Fifth Institute and Expressway Construction on 23 August 2024, whereby Railway Fifth Institute and Expressway Construction agreed to provide EPC general contracting services to Water Recycling Company for the fourth tender section of the Project (Second Batch) during the Fourth Tender Section (Second Batch) Service Period; and (iv) entered into the Fifth Tender Section (Second Batch) Agreement with the Urban Construction Design Institute and Environmental Investment Company on 23 August 2024, whereby Urban Construction Design Institute and Environmental Investment Company agreed to provide EPC general contracting services to Water Recycling Company for the fifth tender section of the Project (Second Batch) during the Fifth Tender Section (Second Batch) Service Period (collectively, the “**Agreements**”), respectively.

REVISION OF ANNUAL CAPS OF CONTINUING CONNECTED TRANSACTIONS

Based on the actual settlement circumstances of the Project (Second Batch), the Group expects that the 2026 annual cap and 2027 annual cap for the Agreements as set forth in the Announcements would be insufficient to cover the contracting fees payable by Water Recycling Company to the connected parties involved under the Agreements for the years of 2026 and 2027.

As of 31 December 2025, (i) the aggregated amount of historical connected transactions under the Second Tender Section (Second Batch) Agreement was approximately RMB36.158 million; (ii) the aggregated amount of historical connected transactions under the Third Tender Section (Second Batch) Agreement was approximately RMB45.889 million; (iii) the aggregated amount of historical connected transactions under the Fourth Tender Section (Second Batch) Agreement was approximately RMB8.646 million; and (iv) the aggregated amount of historical connected transactions under the Fifth Tender Section (Second Batch) Agreement was approximately RMB17.808 million. From 1 January 2026 to the date of this announcement, the Group has not yet paid any fees as regards the Agreements, and therefore the respective 2026 annual caps for the Agreements have not been utilized.

The Company will revise the 2026 annual cap and the 2027 annual cap under the Agreements as follows, while maintaining all other terms and conditions of the Agreements unchanged:

	For the year ending December 31			
	RMB0'000 (approx.)			
	Existing 2026 Annual Cap	Revised 2026 Annual Cap	Existing 2027 Annual Cap	Revised 2027 Annual Cap
Fees to be paid by the Group to the connected party(ies) for the Second Tender Section (Second Batch) Agreement	240	4,365	—	—
Fees to be paid by the Group to the connected party(ies) for the Third Tender Section (Second Batch) Agreement	243	3,571	—	—
Fees to be paid by the Group to the connected party(ies) for the Fourth Tender Section (Second Batch) Agreement	0	452	48	452
Fees to be paid by the Group to the connected party(ies) for the Fifth Tender Section (Second Batch) Agreement	0	483	65	483

Basis for Determining the Revised Annual Caps

The basis for determining the 2026 revised annual caps under the Second Tender Section (Second Batch) Agreement, the Third Tender Section (Second Batch) Agreement and the 2027 revised annual caps under the Fourth Tender Section (Second Batch) Agreement and the Fifth Tender Section (Second Batch) Agreement is as follows:

- (i) the historical transaction amounts as at 31 January 2026 as shown in the management accounts of the Group; and
- (ii) to ensure the progress of project implementation, the contracting parties of the Agreements have completed the physical construction of the project in accordance with the established construction task plan requirements and are currently in the project settlement phase. Based on the settlement progress, Water Recycling Company shall pay the corresponding fees to the relevant contracting parties according to the standards stipulated in the Agreements.

2026 Annual Cap and 2027 Annual Cap After Aggregation

As stated in the Announcements, the continuing connected transactions under the Announcements are all conducted with associates of Tianjin Infrastructure Construction, the ultimate holding company of the Company, and are similar in nature, therefore shall be aggregated in calculation in accordance with the requirements of Rules 14A.81 and 14A.83 of the Listing Rules.

Existing 2026 Annual Cap

As stated in the Announcements, the existing annual cap under the Agreements (after aggregation) for the financial year ending 31 December 2026 of the Company will not exceed RMB4.83 million.

Revised 2026 Annual Cap

As mentioned above, for the financial year ending 31 December 2026 of the Company, the revised annual cap for the Second Tender Section (Second Batch) Agreement will increase to RMB43.65 million; the revised annual cap for the Third Tender Section (Second Batch) Agreement will increase to RMB35.71 million; the revised annual cap for the Fourth Tender Section (Second Batch) Agreement will increase to RMB4.52 million; and the revised annual cap for the Fifth Tender Section (Second Batch) Agreement will increase to RMB4.83 million.

Accordingly, the revised annual cap under the Agreements (after aggregation) will increase to RMB88.71 million for the financial year ending 31 December 2026 of the Company.

Existing 2027 Annual Cap

As stated in the Announcements, the existing annual cap under the Fourth Tender Section (Second Batch) Agreement and the Fifth Tender Section (Second Batch) Agreement (after aggregation) will not exceed RMB1.13 million for the financial year ending 31 December 2027 of the Company.

Revised 2027 Annual Cap

As mentioned above, for the financial year ending 31 December 2027 of the Company, the revised annual cap for the Fourth Tender Section (Second Batch) Agreement will increase to RMB4.52 million; and the revised annual cap for the Fifth Tender Section (Second Batch) Agreement will increase to RMB4.83 million.

Accordingly, the revised annual cap under the Fourth Tender Section (Second Batch) Agreement and the Fifth Tender Section (Second Batch) Agreement (after aggregation) will increase to RMB9.35 million for the financial year ending 31 December 2027 of the Company.

REASONS FOR AND BENEFITS OF REVISION OF ANNUAL CAPS

As stated in the Announcements, Water Recycling Company as the construction unit that has invested funds in the construction of the Project, upon completion of the Project, Water Recycling Company will be the property right unit for the newly built recycled water supply facilities, responsible for the operation and maintenance of the facilities and pipeline network. Water Recycling Company focuses on water sales revenue while expanding its pipeline network connection business. The Board believes that the investment and implementation of the Project by Water Recycling Company complies with the project planning requirements of Tianjin and is in line with the policy requirements of Tianjin and the State in terms of industrial policy. The investment and implementation of the Project can greatly increase the utilization rate of recycled water in Tianjin, and can effectively maintain the dominant position of Water Recycling Company in the water supply area for the Main District of Tianjin, and has important strategic significance to the long-term operation and development of Water Recycling Company.

As the Project is progressing normally, the revised annual caps under the Agreements will enable the Group to continue the transactions under the Agreements, which is conducive to the continuous development of the Group's business operations. The Directors (including the independent non-executive Directors) are of the view that the terms of the Agreements and the transactions contemplated thereunder (together with the revised annual caps) are entered into in the ordinary course of the Group's business on normal commercial terms, are fair and reasonable, and are in the interests of the Company and its shareholders as a whole.

INFORMATION ABOUT THE PARTIES

The Company is principally engaged in the investment, construction, design, management, operation, technical consultation and auxiliary services for sewage water, tap water and other types of water treatment facilities; the design, construction, management, building and operational management of municipal infrastructures; license operation, technical consultation and auxiliary services of Southeastern Half Ring Urban Road of the Middle Ring of Tianjin; development and operation of environmental protection technology and products; leasing of self-owned properties, etc. Tianjin Infrastructure Construction is the ultimate holding company of the Company and the sole shareholder of TMICL (the controlling shareholder of the Company), holding 100% equity interest in TMICL.

Water Recycling Company is a direct wholly-owned subsidiary of the Company. Its business scope includes the construction and operation of urban water supply, drainage, sewage treatment, and recycled water utilization projects.

The Railway Fifth Institute is a limited liability company incorporated in the PRC. Its scope of business includes contracting foreign engineering projects commensurate with its strength, scale and performance; dispatching labor personnel required to implement the above-mentioned overseas projects; domestic and foreign engineering consulting, survey, design, supervision, project management, general contracting, project agency, engineering surveying and mapping, geological survey, etc. As at the date of this announcement, the entire equity interest of the Railway Fifth Institute is held by China Railway Construction Corporation Limited, and the ultimate beneficial owner of China Railway Construction Corporation Limited is the State-owned Assets Supervision and Administration Commission of the State Council. After making all reasonable enquiries, to the best knowledge, information and belief of the Directors, Railway Fifth Institute and its ultimate beneficial owner are third parties independent of the Company and its connected persons.

Environmental Investment Company, which is a direct wholly-owned subsidiary of Tianjin Infrastructure Construction, is mainly engaged in the investment, consultation, planning and operation of urban infrastructure and its supporting public facilities projects, integrated development projects of urban parks and their surrounding areas, solid waste resource treatment projects, and elderly institutions projects with its own capital; the design, consultation, construction, management, maintenance and operation of ecological environment construction projects, green areas, parks and landscape projects; the design, management and operation of supporting facilities of green areas and parks projects; tender agency; project management; cost consultation; the development, consultation and service of solid waste resource treatment technology; sales of construction waste residue and building materials products; the collection, treatment and disposal of solid wastes; the production of construction waste residue and building materials products.

Tianjin Municipal Institute is a company incorporated in the PRC with limited liability and its scope of business includes construction engineering design, construction engineering survey, engineering construction activities, general contracting of housing construction and municipal infrastructure projects, construction project supervision and engineering cost consultation, etc. As of the date of this announcement, the 90% equity interest of Tianjin Municipal Institute is indirectly held by Guoxing Capital, while the equity interest of Guoxing Capital is held as to 51% by Tianjin SASAC, the remaining 49% equity interest is held by Tianjin Infrastructure Construction.

Urban Construction Design Institute is a limited liability company established in the PRC and its scope of business includes design, investigation, construction and supervision of engineering projects. As at the date of this announcement, the controlling shareholder of Urban Construction Design Institute is Tianjin Urban Construction Group Company Limited* (天津城建集團有限公司), and the ultimate beneficial owner of Tianjin Urban Construction Group Company Limited is Tianjin SASAC. Although the ultimate controlling shareholder of the Company is Tianjin SASAC, Tianjin SASAC will not be regarded as a connected person of the Company under Rule 14A.10 of the Listing Rules as Tianjin SASAC is a PRC Governmental Body as defined in Rule 19A.04 of the Listing Rules. Based on the above reasons, after making all reasonable enquiries, to the best knowledge, information and belief of the Directors, Urban Construction Design Institute and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

Expressway Construction is an indirect wholly-owned subsidiary of Tianjin Infrastructure Construction, its business scope includes General projects: Landscape greener engineering construction; Project management services; Bidding and tendering agency services; Property management; Conference and exhibition services; Sales of agricultural and sideline products; Machinery and equipment leasing; Advertising production; Advertising design, agency; Leasing of residential housing; Sales of building materials; Sales of lightweight building materials; Sales of valve and plugs; Sales of metal structure; Sales of special equipment; Sales of mechanical and electrical equipment; Sales of rubber product; Construction of metal doors and windows; Interior wooden door and window installation services; Sales of doors and windows. Licensed projects: Residential interior decoration and renovation; Sales of food; Construction project engineering. As of the date of this announcement, the ultimate holding company of Expressway Construction is Tianjin Infrastructure Construction.

Tianjin Infrastructure Construction is principally engaged in the river comprehensive development and renovation, subway trains, urban roads and bridges, underground pipeline networks, urban environment infrastructures with self-owned funds; investment planning; corporate management consultation; market construction development services; leasing of self-owned buildings; leasing of infrastructures and development and operation of utilities; construction investment consultation. As of the date of this announcement, the ultimate beneficial owner of Tianjin Infrastructure Construction is Tianjin SASAC.

IMPLICATIONS OF THE LISTING RULES

Pursuant to Rule 14A.54 of the Listing Rules, if the Company intends to revise annual caps for continuing connected transactions, the Company will be required to re-comply with relevant provisions of Chapter 14A of the Listing Rules in respect of the relevant continuing connected transactions.

As at the date of this announcement, Tianjin Infrastructure Construction is the ultimate holding company of the Company, and Tianjin Municipal Institute, Expressway Construction and Environmental Investment Company are associates of Tianjin Infrastructure Construction. Therefore, under Chapter 14A of the Listing Rules, the transactions contemplated under the Agreements constitute continuing connected transactions of the Company.

Mr. Tang Fusheng, the executive Director of the Company, and Mr. Wang Yongwei and Mr. Li Xiaoguang, non-executive Directors of the Company, are connected with Tianjin Infrastructure Construction, respectively. Save as disclosed above, none of the other Directors has a material interest in the Agreements and the revision of the annual caps for 2026 and 2027 under the Agreements.

As one or more applicable percentage ratios in respect of the revised annual caps for 2026 and 2027 (after aggregation on an annual basis) under the Agreements will exceed 0.1% but all of which are less than 5%, the revised annual caps for 2026 and 2027 are only subject to the reporting and announcement requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“30%-controlled company”	has the meaning ascribed to it under the Listing Rules
“associate(s)”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“Company”	Tianjin Capital Environmental Protection Group Company Limited, a joint stock limited company established in the PRC, whose A shares and H shares are listed on the Shanghai Stock Exchange and the Stock Exchange, respectively
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“controlling shareholder”	has the meaning ascribed to it by the Listing Rules
“Director”	a director of the Company
“Environmental Investment Company”	Tianjin Environmental Investment Green Engineering Company Limited* (天津市環投綠化工程有限公司), a limited liability company incorporated in the PRC and an direct wholly-owned subsidiary of Tianjin Infrastructure Construction
“Expressway Construction”	Tianjin Expressway Construction Engineering Co., Ltd.* (天津高速建設工程有限公司)(formerly Tianjin Tongsheng Municipal Landscape Engineering Project Management Co., Ltd.* (天津通盛市政園林工程項目管理有限公司)), a limited liability company incorporated in the PRC and an indirect wholly-owned subsidiary of Tianjin Infrastructure Construction
“Group”	the Company and its subsidiaries

“Guoxing Capital”	Tianjin Guoxing Capital Operation Co., Ltd.* (天津國興資本運營有限公司), a limited liability company incorporated in China, a non-wholly owned subsidiary of the Tianjin SASAC and a 30%-controlled company of Tianjin Infrastructure Construction
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“percentage ratio”	has the meaning ascribed to it under the Listing Rules
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Railway Fifth Institute”	China Railway Fifth Survey and Design Institute Group Company Limited* (中鐵第五勘察設計院集團有限公司), a limited liability company incorporated in the PRC and an independent third party of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	share(s) of nominal value of RMB1.00 each of the Company
“Shareholder(s)”	registered holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tianjin Infrastructure Construction”	Tianjin Infrastructure Construction and Investment Group Company Limited* (天津城市基礎設施建設投資集團有限公司), the ultimate holding company of the Company and the sole shareholder of TMICL, holding 100% equity interest in TMICL
“Tianjin Municipal Institute”	Tianjin Municipal Engineering Design & Research Institute* (天津市政工程設計研究總院有限公司), a limited liability company incorporated in the PRC and a non-wholly owned subsidiary of Guoxing Capital

“Tianjin SASAC”	State-owned Assets Supervision and Administration Commission of Tianjin People’s Government, a PRC Governmental Body as defined in Rule 19A.04 of the Listing Rules
“TMICL”	Tianjin Municipal Investment Co., Ltd.* (天津市政投資有限公司), the controlling shareholder of the Company, holding approximately 45.57% equity interest in the Company
“Water Recycling Company”	Tianjin Water Recycling Co., Ltd.* (天津中水有限公司), a limited liability company incorporated in the PRC and a direct wholly-owned subsidiary of the Company
“%”	percentage

By order of the Board
Tang Fusheng
Chairman

Tianjin, the PRC
10 February 2026

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

* For identification purpose only