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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)

ANNOUNCEMENT ON THE RESOLUTIONS PASSED AT THE FIRST MEETING OF THE FIFTH BOARD

This announcement is made pursuant to Rule 13.09 and Rule 13.51(5) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Tianjin Capital Environmental Protection Group Company Limited (the “**Company**”) and all the directors (the “**Directors**”) of the board of directors (the “**Board**”) of the Company hereby warrant the truthfulness, accuracy and completeness of the contents in this announcement, and accept joint and several responsibilities for any false information, misleading statements or material omission in this announcement.

The first meeting of the Fifth Board of the Company was held at 11:30 a.m. on 18 December 2009 at the conference room of the Company on 5/F, TCEP Building, 76 Weijin South Road, Nankai District, Tianjin, the People’s Republic of China (the “**PRC**”) and the meeting was held by way of live meeting as well as conference call. The meeting was chaired by Mr. Zhang Wenhui, the Chairman of the Company. Nine Directors should attend the meeting and seven Directors have attended the live meeting. The independent non-executive Director, Mr. Xie Rong, has attended the meeting by way of conference call. Mr. An Pindong, the non-executive Director, has not attended this meeting due to other business commitments and has authorized Ms. Fu Yana, the executive Director, to vote on his behalf. Some members of the supervisory committee and senior management of the Company were also present at the meeting as observers.

This meeting of the Board was convened in compliance with the relevant requirements of the Company Law of the PRC and the Articles of Association of the Company. The Directors who attended the meeting had unanimously passed the following resolutions:

1. The election of Mr. Zhang Wenhui as the Chairman of the Fifth Board of the Company with a term of office from 18 December 2009 to 17 December 2012.

2. The resolution in relation to the election of members of the Audit Committee.

According to the relevant requirements of the Company Law of the PRC and the Articles of Association of the Company, the Audit Committee of the Fifth Board of the Company was established comprising three independent non-executive Directors of the Fifth Board of the Company, namely, Mr. Xie Rong, Mr. Di Xiaofeng and Ms. Lee Kit Ying, Karen, and Mr. Xie Rong was elected as the Chairman of the Audit Committee in charge of the work of the Audit Committee. The term of office of the Audit Committee members shall be same as their term of office for being the Directors of the Fifth Board.

3. The resolution in relation to the election of members of the Remuneration Committee.

According to the relevant requirements of the Company Law of the PRC and the Articles of Association of the Company, the Remuneration Committee of the Fifth Board of the Company was established comprising three independent non-executive Directors of the Fifth Board of the Company, namely, Mr. Xie Rong, Mr. Di Xiaofeng and Ms. Lee Kit Ying, Karen, and Ms. Lee Kit Ying, Karen was elected as the Chairman of the Remuneration Committee in charge of the work of the Remuneration Committee. The term of office of the Remuneration Committee members shall be same as their term of office for being the Directors of the Fifth Board.

4. The resolution in relation to the election of members of the Nomination Committee.

According to the relevant requirements of the Company Law of the PRC and the Articles of Association of the Company, the Nomination Committee of the Fifth Board of the Company was established comprising three independent non-executive Directors of the Fifth Board of the Company, namely, Mr. Xie Rong, Mr. Di Xiaofeng and Ms. Lee Kit Ying, Karen, as well as Mr. Zhang Wenhui, the Chairman of the Company, and Mr. Lin Wenbo, the executive Director. Mr. Di Xiaofeng was elected as the Chairman of the Nomination Committee in charge of the work of the Nomination Committee. The term of office of the Nomination Committee members shall be same as their term of office for being the Directors of the Fifth Board.

5. The resolution in relation to the election of members of the Strategic Committee.

According to the relevant requirements of the Company Law of the PRC and the Articles of Association of the Company, the Strategic Committee of the Fifth Board of the Company was established comprising Mr. Zhang Wenhui, the Chairman of the Company, Mr. Lin Wenbo and Ms. Fu Yana, the executive Directors, Mr. An Pindong, the non-executive Director, and Mr. Xie Rong, the independent non-executive Director. Mr. Zhang Wenhui was elected as the Chairman of the Strategic Committee in charge of the work of the Strategic Committee. The term of office of the Strategic Committee members shall be same as their term of office for being the Directors of the Fifth Board.

6. The resolution in relation to the duties of the general manager to be performed by Mr. Zhang Wenhui, the Chairman of the Company.

Since there was no suitable candidate to act as the general manager for the time being, after considering factors from various aspects, the Nomination Committee of the Board proposed that the duties of the general manager shall be performed concurrently by Mr. Zhang Wenhui, the Chairman of the Company, before appointment of a suitable general manager.

7. The appointment of nine persons, including Mr. Lin Wenbo, as executive deputy general manager, deputy general managers, chief engineer, chief accountant and chief economist.

According to the practical circumstances and after considering factors from various aspects, the Nomination Committee of the Board has nominated Mr. Lin Wenbo to be appointed as the executive deputy general manager of the Company to assist Mr. Zhang Wenhui, the acting general manager, in the performance of management duties in daily operations; appoint Mr. Deng Biao, Mr. Zhang Qiang, Ms. Fu Yana, Ms. Zhong Huifang and Mr. Yang Guang as deputy general managers of the Company; appoint Mr. Gu Wenhui, Ms. Shi Zhenjuan and Mr. Li Yuqing as the chief economist, chief accountant and chief engineer of the Company respectively. The term of office of the above persons shall be effective from 18 December 2009 to 17 December 2012.

8. The appointment of Ms. Fu Yana as the secretary to the Fifth Board of the Company.

According to the Articles of Association of the Company and the relevant requirements, and after considering factors from various aspects, the Nomination Committee of the Board has nominated Ms. Fu Yana to be appointed as the secretary to the Fifth Board of the Company to assist the Board in performing its various duties. Her term of office shall be effective from 18 December 2009 to 17 December 2012.

9. The appointment of Ms. Guo Fengxian as the securities affairs representative of the Company.

After considering factors from various aspects, the Nomination Committee of the Board has nominated Ms. Guo Fengxian to be appointed as the securities affairs representative of the Company to assist the secretary to the Board in performing various duties. Her term of office shall be effective from 18 December 2009 to 17 December 2012.

10. The appointment of Mr. Lo Wai Keung, Eric as the Hong Kong Company Secretary of the Company.

According to actual working needs, the Nomination Committee of the Fifth Board has nominated Mr. Lo Wai Keung, Eric to be appointed as the Hong Kong Company Secretary of the Company to be responsible for certain affairs of the Company in Hong Kong. His term of office shall be effective from 18 December 2009 to 17 December 2012.

Mr. Lo Wai Keung, Eric, aged 34, was graduated from the Chinese University of Hong Kong with a bachelor degree in Business Administration. Mr. Lo obtained a law diploma from the Manchester Metropolitan University in the United Kingdom and a postgraduate certificate in laws from the University of Hong Kong. Mr. Lo is currently a solicitor in Hong Kong with rich experience in handling compliance matters relating to listed companies.

11. The resolution in relation to the determination of remuneration and assessment plans for senior management officers.

The remuneration and assessment plans applied to the newly appointed senior management officers of the Company are as follows. The key points of the plans are set out as follows:

- I. The system of annual remuneration and additional bonus will be applied to senior management officers. Annual remuneration includes basic annual

salary, annual salary in respect of duties and annual salary in respect of performance, in which annual salary in respect of performance reflects the assessment of the accomplishment of objectives in accordance with the operation plan of and accomplishment of objectives by the Company, while additional bonus are rewards for over accomplishment of objectives given in accordance with the operation plan of and accomplishment of objectives by the Company.

II. Annual remuneration standard:

Positions	Annual remuneration standard			
	(before tax) (RMB)			
	Basic annual salary	Annual salary in respect of duties	Annual salary in respect of performance	Total annual salary
General Manager	60,000	203,200	150,400	413,600
Deputy general manager (operations)	60,000	153,600	122,000	335,600
Deputy general manager (management)	60,000	153,600	91,500	305,100

III. Performance appraisal and objective appraisal:

The Company will set an annual operation plan and objectives and will sign a letter of objectives and responsibilities with senior management officers, which will be submitted for the Board’s approval. The Board will assess the operation plan of and accomplishment of objectives by the Company at the end of the year and determine the amounts of annual salary in respect of performance and additional bonus.

12. The resolution in relation to the adjustment of the organizational structure of the Company.

The Company will establish an operation-oriented business mode with focus on asset and equity operation and management. In respect of future business development, the focus will be on returns of existing investments and attainment of new business growth points while focusing on equity operation to achieve maximization of equity value. The adjustment to the organizational structure is necessary for the further development of the Company as the existing organizational structure of the Company is rather emphasized on “productive operation”.

13. The resolution in relation to the establishment of Tianjin Capital Environmental Protection Water Company Limited.

The Company entered into a licensed operation agreement with the People's Government of Jinnan District relating to the Shuanglin Sewage Water Treatment and Recycled Utilization Phase 1 Project in the Jinnan District of Tianjin on 13 November 2009, pursuant to which the Company shall incorporate a project company in order to operate and manage that project. The basic information of the project company is set out as follows:

Name of project company: Tianjin Capital Environmental Protection Water Company Limited

Registered capital: RMB5,000,000

Legal representative of the project company: Li Yuqing

Registered address: No. 10 Xingyuan Road, Haihe Industrial Zone, Jinnan District, Tianjin, the PRC.

The project company, after its incorporation, will invest and construct the Shuanglin sewage water treatment plant in Jinnan District of Tianjin by way of a licensed operation and will enjoy exclusive asset operation rights of possession, usage, operation and maintenance over the project facilities as well as the rights to collect sewage water treatment service fees during the licensed period.

The independent non-executive Directors of the Company, Mr. Xie Rong, Mr. Di Xiaofeng and Ms. Lee Kit Ying, Karen, unanimously considered that the procedures of appointing senior management officers of the Company at the first meeting of the Fifth Board of the Company were in compliance with the requirements of the Company Law of the PRC, the Articles of Association of the Company and the relevant laws and regulations, and the education backgrounds and working experiences of the relevant appointees had satisfied the requirements of their positions.

By Order of the Board
Zhang Wenhui
Chairman

Tianjin, the PRC
18 December 2009

As at the date of this announcement, the Board comprises four executive Directors: Mr. Zhang Wenhui, Mr. Lin Wenbo, Ms. Fu Yana and Ms. Zhong Huifang; two non-executive Directors: Mr. An Pindong and Ms. Chen Yinxing; and three independent non-executive Directors: Mr. Xie Rong, Mr. Di Xiaofeng and Ms. Lee Kit Ying, Karen.