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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 company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 1065)**

## **INSIDE INFORMATION**

### **(1) THE TERMINATION OF 2020 ADJUSTED NON-PUBLIC ISSUANCE OF A SHARES; (2) ENTERING INTO THE TERMINATION AGREEMENT FOR THE YANGTZE ECOLOGY SUBSCRIPTION AGREEMENT; AND (3) THE CONNECTED TRANSACTION OF ENTERING INTO THE TERMINATION AGREEMENT FOR THE TMICL SUBSCRIPTION AGREEMENT**

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

References are made to the announcement and overseas regulatory announcements of Tianjin Capital Environmental Protection Group Company Limited (the “**Company**”) dated 13 July 2020, the circular dated 21 August 2020, the announcement dated 7 September 2020 on the resolutions passed at the 2020 first extraordinary general meeting, the 2020 first H shareholders’ class meeting and the 2020 first A shareholders’ class meeting, the announcements dated 28 August 2020, 29 September 2020 and 30 October 2020, the overseas regulatory announcements dated 17 November 2020 and 28 January 2021, the inside information announcements dated 28 January 2021 and 30 March 2021, the announcement dated 2 July 2021, the announcement dated 3 September 2021 and the circular dated 27 September 2021 (the “**Circular**”) in relation to the announcement on (1) the extension of the validity period of the resolution on the 2020 Adjusted Non-public Issuance of A Shares of the Company; and (2) the extension on the validity period of the authorization granted to the Board and its authorized representative(s) to handle all matters relating to the Adjusted Non-public Issuance of A Shares at the general meeting of shareholders of the Company, and the announcement on the resolutions passed at the 2021 second extraordinary general meeting, the 2021 first H shareholders’ class meeting and the 2021 first A shareholders’ class meeting dated 15 October 2021. Unless the context otherwise requires, capitalized terms used in this announcement shall have the same meanings as defined in the Circular.

## **I. THE TERMINATION OF 2020 ADJUSTED NON-PUBLIC ISSUANCE OF A SHARES**

In view of the changes occurred in the policies of the PRC and the capital market environment, and comprehensive consideration of the Company's actual situation, development plans and many other factors, after careful analysis of the Company and repeated communication with the intermediaries, the Board considered and approved the relevant resolutions on 22 November 2021 in relation to the decision on the termination of the 2020 Adjusted Non-public Issuance of A Shares (the "**Termination Decision**"), and the application to the China Securities Regulatory Commission (the "**CSRC**") for the withdrawal of the application materials for the 2020 Adjusted Non-public Issuance of A Shares.

The Company will revise and adjust the issuance proposal taking into account the regulatory policies as well as the strategic plans and development conditions of the Company, and will submit the application materials for making a new application to the CSRC on the 2021 Non-Public Issuance of A Shares, the relevant details of which are set out in the relevant announcements dated 22 November 2021.

## **II. ENTERING INTO THE TERMINATION AGREEMENT FOR THE YANGTZE ECOLOGY SUBSCRIPTION AGREEMENT**

The Board hereby announces that, on 22 November 2021, the Company and Yangtze Ecology have entered into a Termination Agreement for the Strategic Investor Subscription Agreement (as amended and supplemented by the Supplemental Agreement to the Strategic Investor Subscription Agreement) (the "**Termination Agreement for the Yangtze Ecology Subscription Agreement**").

The principal terms of the Termination Agreement for the Yangtze Ecology Subscription Agreement are summarized as follows:

Date: 22 November 2021

Parties: (1) the Company; and  
(2) Yangtze Ecology

Key contents: (1) The Parties have agreed to terminate the Strategic Investor Subscription Agreement and the Supplemental Agreement to the Strategic Investor Subscription Agreement, after entering into the Termination Agreement for the Yangtze Ecology Subscription Agreement, the Strategic Investor Subscription Agreement and the Supplemental Agreement to the Strategic Investor Subscription Agreement will cease to have legal effect on the parties, and Yangtze Ecology will cease to subscribe for the shares of the Company under the 2020 Adjusted Non-public Issuance of A Shares.

- (2) After entering into the Termination Agreement for the Yangtze Ecology Subscription Agreement, the other representations and undertakings provided by the parties in respect of the Adjusted Non-public Issuance of A Shares or entering into the Strategic Investor Subscription Agreement and the Supplemental Agreement to the Strategic Investor Subscription Agreement will cease to be legally binding, and the Parties are no longer required to continue their performance.
- (3) The parties have jointly confirmed that the termination of the Strategic Investor Subscription Agreement and the Supplemental Agreement to the Strategic Investor Subscription Agreement is the authentic intention of the parties, and each of the parties has obtained approval and authorization from their respective internal decision-making body for entering into the Termination Agreement for the Yangtze Ecology Subscription Agreement, without any disputes and arguments.
- (4) In respect of entering into the Termination Agreement for the Yangtze Ecology Subscription Agreement, Yangtze Ecology will not owe any default liabilities to the Company, and the Company will not owe any default liabilities to Yangtze Ecology as well.
- (5) The Termination Agreement for the Yangtze Ecology Subscription Agreement will become effective on the date when the legal representatives or authorized representatives of the parties have signed and affixed their company seals thereon.
- (6) The signing and performance of the Termination Agreement for the Yangtze Ecology Subscription Agreement are governed by the laws of the PRC and shall be construed according to the laws of the PRC. All disputes in connection with the Termination Agreement for the Yangtze Ecology Subscription Agreement or arising from the performance of the Termination Agreement for the Yangtze Ecology Subscription Agreement shall be firstly resolved through amicable consultation between the parties. If such dispute cannot be resolved through amicable consultation, then any party shall have the right to bring the dispute to the China International Economic and Trade Arbitration Commission (CIETAC) for arbitration.

### **III. THE CONNECTED TRANSACTION OF ENTERING INTO THE TERMINATION AGREEMENT FOR THE TMICL SUBSCRIPTION AGREEMENT**

The Board hereby announces that, on 22 November 2021, the Company and TMICL have entered into a Termination Agreement for the TMICL Subscription Agreement.

The principal terms of the Termination Agreement for the TMICL Subscription Agreement are summarized as follows:

Date: 22 November 2021

Parties: (1) the Company; and

(2) TMICL

Key contents: (1) The parties have agreed to terminate the TMICL Subscription Agreement, after entering into the Termination Agreement for the TMICL Subscription Agreement, the TMICL Subscription Agreement will cease to have legal effect on the parties, and TMICL will cease to subscribe for the shares of the Company under the 2020 Adjusted Non-public Issuance of A Shares.

(2) After entering into the Termination Agreement for the TMICL Subscription Agreement, the other documents including representations and undertakings provided by the parties in respect of the Adjusted Non-public Issuance of A Shares or entering into the TMICL Subscription Agreement will cease to be legally binding, and the parties are no longer required to continue their performance.

(3) The parties have jointly confirmed that the termination of the TMICL Subscription Agreement is the authentic intention of the parties, and each of the parties has obtained approval and authorization from their respective internal decision-making body for entering into the Termination Agreement for the TMICL Subscription Agreement, without any disputes and arguments.

(4) In respect of entering into the Termination Agreement for the TMICL Subscription Agreement, TMICL will not owe any default liabilities to the Company, and the Company will not owe any default liabilities to TMICL as well.

(5) The Termination Agreement for the TMICL Subscription Agreement will become effective on the date when the legal representatives or authorized representatives of the parties have signed and affixed their company seals thereon.

(6) The signing and performance of the Termination Agreement for the TMICL Subscription Agreement are governed by the laws of the PRC and shall be construed according to the laws of the PRC. All disputes in connection with the Termination Agreement for the TMICL Subscription Agreement or arising from the performance of the Termination Agreement for the TMICL Subscription Agreement shall be firstly resolved through amicable consultation between the parties. If such dispute cannot be resolved through amicable consultation, then any party shall have the right to bring the dispute to the China International Economic and Trade Arbitration Commission (CIETAC) for arbitration.

## **THE REASONS FOR THE TERMINATION DECISION AND THE ENTERING INTO THE AGREEMENTS AND THEIR EFFECTS ON THE COMPANY**

As of the date of this announcement, all the operating activities of the Company are normal. As the Company intends to terminate the 2020 Adjusted Non-public Issuance of A Shares and to withdraw the application materials from the CSRC for the application of the 2020 Adjusted Non-public Issuance of A Shares, the Company has entered into the Termination Agreement for the Yangtze Ecology Subscription Agreement with Yangtze Ecology and the Termination Agreement for the TMICL Subscription Agreement with TMICL, respectively (collectively the “**Agreements**”), which are cautious decisions made by the Company after comprehensively considering the future development plans and taking into account the actual operating conditions of the Company, and it will not have a significant impact on the Company’s normal operations and sustainable and stable development, as such there is no prejudice against the interests of the Company and the shareholders, in particular the interest of minority shareholders.

The terms of the Agreements are determined after arm’s length negotiations between the parties thereof. The Directors (including independent non-executive Directors) consider that the Agreements are entered into on normal commercial terms, their terms are fair and reasonable, and in the interest of the Company and its shareholders as a whole. The Directors are of the view that the Termination Decision will not have any material adverse effects on the business, operation and financial conditions of the Company.

## **IMPLICATIONS OF THE LISTING RULES**

As at the date of this announcement, TMICL directly holds 715,565,186 A shares of the Company, representing approximately 50.14% of the entire issued share capital of the Company. As such, TMICL is the controlling shareholder of the Company, and is therefore a connected person of the Company. The termination of the connected transaction contemplated under the Termination Agreement for the TMICL Subscription Agreement is subject to the announcement requirement under Rule 14A.35 of the Listing Rules.

Mr. Liu Yujun, an executive Director of the Company, and Mr. Gu Wenhui and Mr. Si Xiaolong, non-executive Directors of the Company, are related to Tianjin Investment Group or TMICL, and are deemed to be unable to independently advise the Board on the termination of the connected transaction contemplated under the Termination Agreement for the TMICL Subscription Agreement. Therefore, they have abstained from voting on the relevant resolution on the Termination Agreement for the TMICL Subscription Agreement at the relevant Board meeting. Save as aforesaid, no other Directors have material interest in the relevant resolution on the Termination Agreement for the TMICL Subscription Agreement, therefore no other Directors have abstained from voting on the relevant board resolution.

By Order of the Board  
**Liu Yujun**  
Chairman

Tianjin, the PRC  
22 November 2021

*As at the date of this announcement, the Board comprises three executive Directors: Mr. Liu Yujun, Ms. Wang Jing and Mr. Niu Bo; three non-executive Directors: Mr. Gu Wenhui, Mr. Si Xiaolong and Mr. Liu Tao; and three independent non-executive Directors: Mr. Xu Zhiming, Mr. Guo Yongqing and Ms. Lu Yingying.*