

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

CONTINUING CONNECTED TRANSACTIONS TLP COLD AND HEAT SUPPLY AGREEMENT

The Board hereby announces that on 30 June 2023, Jiayuanxing entered into the TLP Cold and Heat Supply Agreement with TLP, pursuant to which Jiayuanxing agreed to provide cold and heat supply services at the Tianjin MIXc of TLP during the period for the cold and heat supply services.

LISTING RULES IMPLICATIONS

As mentioned above, TLP is an indirect subsidiary of Tianjin Infrastructure Construction, the ultimate controlling company of the Company. As such, TLP is the associate of Tianjin Infrastructure Construction and accordingly, and is thereby regarded as the connected person of the Company under the Listing Rules. The transactions contemplated under the TLP Cold and Heat Supply Agreement constitute the continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios for the TLP Cold and Heat Supply Agreement after aggregation at an annual basis are more than 0.1% but less than 5%, the TLP Cold and Heat Supply Agreement is subject to the reporting and announcement requirements only and is exempted from the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

INTRODUCTION

Reference is made to the announcement of the Company dated 16 August 2021 in relation to (1) Revision of Terms of Connected Transaction – Cold Supply Services in 2020; (2) Connected Transaction – Heat Supply Services in 2020; and (3) Continuing Connected Transactions – Cold and Heat Supply Services from 2021 to 2023, and the related supplemental announcement dated 17 August 2021 (collectively the “**Announcements**”). Unless the context otherwise requires, terms used in this announcement shall have the same meanings as those defined in the Announcements.

The Board hereby announces that on 30 June 2023, Jiayuanxing entered into the TLP Cold and Heat Supply Agreement with TLP, pursuant to which Jiayuanxing agreed to provide cold and heat supply services at the Tianjin MIXc of TLP during the period for the cold and heat supply services.

TLP COLD AND HEAT SUPPLY AGREEMENT

Set out below is a summary of the principal terms of the TLP Cold and Heat Supply Agreement:

Date of Signing

30 June 2023

Parties

- (a) Jiayuanxing, as the supplier; and
- (b) TLP, as the user.

Services to be Provided

During the period for the cold supply services, Jiayuanxing shall provide cold supply services at the Tianjin MIXc of TLP (“**Cold Supply Services**”).

During the period for the heat supply services, Jiayuanxing shall provide heat supply services at the Tianjin MIXc of TLP (“**Heat Supply Services**”).

Service Duration

Pursuant to the TLP Cold and Heat Supply Agreement, the cold and heat supply services period shall be 1 June 2024 to 15 March 2025, 1 June 2025 to 15 March 2026 and 1 June 2026 to 15 March 2027 (“**Cold and Heat Supply Period**”).

The period for the cold supply services shall be 1 June 2024 to 30 September 2024, 1 June 2025 to 30 September 2025 and 1 June 2026 to 30 September 2026 (“**Cold Supply Period**”). In case of exceptionally high temperature, Jiayuanxing shall, according to the decision of the municipal government, advance the first day and postpone the last day of the Cold Supply Period and, in such event, TLP does not need to pay additional fees.

The period for the heat supply services shall be 15 November 2024 to 15 March 2025, 15 November 2025 to 15 March 2026 and 15 November 2026 to 15 March 2027 (“**Heat Supply Period**”). In case of exceptionally low temperature, Jiayuanxing shall, according to the decision of the municipal government, advance the first day and postpone the last day of the Heat Supply Period and, in such event, TLP does not need to pay additional fees.

TLP may apply in writing to advance the first day or postpone the last day of the Heat Supply Period or Cold Supply Period.

Service Fees

Cold Supply Services and Heat Supply Services

During the Cold Supply Period, the unit price for each year of the Cold Supply Services is RMB33.21 per m². The chargeable area for each year of the Cold Supply Services at the Tianjin MIXc of TLP is 363,042 m². The total service fees for each year of the Cold Supply Services (value-added tax inclusive) shall be RMB12,056,624.82 respectively, which is calculated by multiplying the above chargeable area of the cold supply services (i.e. 363,042 m²) with the above unit price of RMB33.21 per m².

The unit price for the provision of Cold Supply Services is determined with reference to, inter alia, the following factors: (1) the prevailing market prices and charges for the provision of the same or similar types of centralized cold supply services in Tianjin; (2) the unit price of the cold supply services provided by two other power stations of Jiayuanxing located in Tianjin. Based on the Board's estimation, the overall income derived from the project will not be lower than that of the other two power stations of Jiayuanxing located in Tianjin.

During the Heat Supply Period, the unit price for each year of the Heat Supply Services is RMB40 per m². The chargeable area for each year of the Heat Supply Services at the Tianjin MIXc of TLP is 363,042 m². The total service fees for each year of the Heat Supply Services (value-added tax inclusive) shall be RMB14,521,680 respectively, which is calculated by multiplying the above chargeable area of the heat supply services (i.e. 363,042 m²) with the above unit price of RMB40 per m².

The unit price for the provision of Heat Supply Services is based on the current unified price for centralized heat supply services implemented by Tianjin Municipality of China.

The cold or heat supply services fees chargeable for any incomplete period during the Cold Supply Period or the Heat Supply Period shall be calculated according to the formula below:

$$\begin{array}{l} \text{Unit price of} \\ \text{the cold} \\ \text{or heat supply} \\ \text{services} \end{array} \times \begin{array}{l} \text{Chargeable area for the} \\ \text{cold or heat supply services} \end{array} \times \frac{\text{Actual number of days of cold or heat supply services during that period}}{\text{Total number of days of complete Cold Supply Period or} \\ \text{Heat Supply Period}}$$

During the Cold and Heat Supply Period, the total service fees for each year of the Cold Supply Services and the Heat Supply Services shall be RMB26,578,304.82 respectively.

Payment Term

During the Cold Supply Period, the cold supply services fees shall be paid by TLP to Jiayuanxing in one-off full payment before 1 November 2024, 1 November 2025 and 1 November 2026 respectively. During the Heat Supply Period, the heat supply services fees shall be paid by TLP to Jiayuanxing in one-off full payment before 1 May 2025, 1 May 2026 and 1 May 2027 respectively.

Term of the Agreement

The term of the TLP Cold and Heat Supply Agreement shall commence on 1 April 2024 and end on 31 March 2027.

The cold supply framework cooperation period contemplated under the TLP Cold and Heat Supply Agreement shall commence on 1 April 2024 and end on 31 October 2038. As agreed by both parties to the agreement, from the effective date of the TLP Cold and Heat Supply Agreement, both parties to the agreement shall seal and confirm the TLP Cold and Heat Supply Agreement within 30 days preceding the expiration of every three Cold and Heat Supply Periods. No terms and contents shall be altered without mutual agreement by both parties to the agreement. Subject to the above, if neither party to the agreement sends a written “Non-renewal Notice” within 30 days prior to the expiration of the cold supply framework cooperation period, it shall be deemed that both parties to the agreement agree to renew the agreement. Each renewal period is 2 cold supply periods, and the total cold supply framework cooperation period shall end on 29 June 2043. Prior to the expiration of the total cold supply framework cooperation period, both parties to the agreement will separately negotiate to determine whether to renew the agreement.

The heat supply framework cooperation period contemplated under the TLP Cold and Heat Supply Agreement shall commence on 1 November 2024 and end on 31 March 2039. As agreed by both parties to the agreement, from the effective date of the TLP Cold and Heat Supply Agreement, both parties to the agreement shall seal and confirm the TLP Cold and Heat Supply Agreement within 30 days preceding the expiration of every three Cold and Heat Supply Periods. No terms and contents shall be altered without mutual agreement by both parties to the agreement. Subject to the above, if neither party to the agreement sends a written “Non-renewal Notice” within 30 days prior to the expiration of the heat supply framework cooperation period, it shall be deemed that both parties to the agreement agree to renew the agreement. Each renewal period is 2 heat supply periods, and the total heat supply framework cooperation period shall end on 29 June 2043. Prior to the expiration of the total heat supply framework cooperation period, both parties to the agreement will separately negotiate to determine whether to renew the agreement.

If the TLP Cold and Heat Supply Agreement is renewed upon sealing and confirmation by both parties to the agreement upon expiry of the agreement, the Company will ensure that it will re-comply with the applicable requirements of the Listing Rules and perform its information disclosure obligations in a timely manner (including (if necessary) annual review, reporting, announcement and independent shareholder’s approval requirements).

ANNUAL CAPS

As the continuing connected transactions for the cold and heat supply services under the TLP Cold and Heat Supply Agreement are conducted between the Company and the same connected person of the Company, i.e. TLP, and in similar nature, the continuing connected transactions contemplated under the TLP Cold and Heat Supply Agreement shall be aggregated pursuant to Rule 14A.81 of the Listing Rules.

Annual Cap for 2024

Under the TLP Cold and Heat Supply Agreements from 2021 to 2023 and the TLP Cold and Heat Supply Agreement:

- (1) As for the Cold Supply Services in 2024, it is estimated that the total fee payable by TLP to Jiayuanxing for the Cold Supply Services in 2024 will not exceed RMB12,056,624.82 for the financial year ending 31 December 2024 of the Company; and
- (2) As for the Heat Supply Services Period in 2023 and for the Heat Supply Services in 2024, it is estimated that the total fee payable by TLP to Jiayuanxing for the Heat Supply Services Period in 2023 and the Heat Supply Services in 2024 will not exceed RMB14,521,680 for the financial year ending 31 December 2024 of the Company.

According to the TLP Cold and Heat Supply Agreements from 2021 to 2023 and the TLP Cold and Heat Supply Agreement, the annual caps of the above two parts for the financial year ending 31 December 2024 of the Company will not exceed RMB26,578,304.82 in aggregate.

Annual Cap for 2025

Under the TLP Cold and Heat Supply Agreement:

- (1) As for the Cold Supply Services in 2025, it is estimated that the total fee payable by TLP to Jiayuanxing for the Cold Supply Services in 2025 will not exceed RMB12,056,624.82 for the financial year ending 31 December 2025 of the Company; and
- (2) As for the Heat Supply Services in 2025, it is estimated that the total fee payable by TLP to Jiayuanxing for the Heat Supply Services in 2025 will not exceed RMB14,521,680 for the financial year ending 31 December 2025 of the Company.

According to the TLP Cold and Heat Supply Agreement, the annual caps of the above two parts for the financial year ending 31 December 2025 of the Company will not exceed RMB26,578,304.82 in aggregate.

Annual Cap for 2026

Under the TLP Cold and Heat Supply Agreement:

- (1) As for the Cold Supply Services in 2026, it is estimated that the total fee payable by TLP to Jiayuanxing for the Cold Supply Services in 2026 will not exceed RMB12,056,624.82 for the financial year ending 31 December 2026 of the Company; and
- (2) As for the Heat Supply Services in 2026, it is estimated that the total fee payable by TLP to Jiayuanxing for the Heat Supply Services in 2026 will not exceed RMB14,521,680 for the financial year ending 31 December 2026 of the Company.

According to the TLP Cold and Heat Supply Agreement, the annual caps of the above two parts for the financial year ending 31 December 2026 of the Company will not exceed RMB26,578,304.82 in aggregate.

Annual Cap for 2027

Under the TLP Cold and Heat Supply Agreement, as for the Heat Supply Services in 2027, it is estimated that the total fee payable by TLP to Jiayuanxing for the Heat Supply Services in 2027 will not exceed RMB14,521,680 for the financial year ending 31 December 2027 of the Company.

According to the TLP Cold and Heat Supply Agreement, the annual caps for the financial year ending 31 December 2027 of the Company will not exceed RMB14,521,680.

REASONS FOR ENTERING INTO THE TLP COLD AND HEAT SUPPLY AGREEMENT

Pursuant to the license operation agreement dated 16 March 2011 entered into between TUCC and Jiayuanxing, TUCC has agreed to grant the Exclusive Operation License to Jiayuanxing for the investment in, construction, operation, management, maintenance and renovation of the Facilities as well as for provision of heat and cold supply services in the Tianjin MIXc.

The execution of the TLP Cold and Heat Supply Agreement and the transactions contemplated thereunder allow Jiayuanxing to operate the Facilities constructed and provide it with the opportunity to generate profit from providing cold supply services and heat supply services in Tianjin MIXc through the use of the Facilities. The terms of the TLP Cold and Heat Supply Agreement were determined after arm's length negotiation between the parties. The Directors (including the independent non-executive Directors) consider that the terms of the TLP Cold and Heat Supply Agreement are on normal commercial terms, in the ordinary and usual course of business of the Group, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION OF 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.

Jiayuanxing is a wholly-owned subsidiary of the Company and its business scope includes the development and comprehensive utilisation of subsurface thermal systems; the research and development and industrialisation of technologies, techniques and equipment of clean energy and renewable energy; energy-saving projects, the design consultation, investment and construction, technical services and operation charge management of park energy centers.

TLP is an indirect subsidiary of Tianjin Infrastructure Construction and is principally engaged in properties brokerage, commercial housing sales, housing leasing, property management and investment in construction industry, commercial industry, service industry, etc. by using its own capital. As of the date of this announcement, TLP is directly owned as to 51% by Beijing Runzhi Commercial Operation Management Co., Ltd.* (北京潤置商業運營管理有限公司) and 49% by Tianjin Infrastructure Construction & Investment (Group) Co., Ltd.* (天津城投置地投資發展有限公司). Beijing Runzhi Commercial Operation Management Co., Ltd. is directly held as to 100% by China Resources Land Holdings Co., Ltd. (華潤置地控股有限公司), and the ultimate beneficial owner of Beijing Runzhi Commercial Operation Management Co., Ltd. is the State-owned Assets Supervision and Administration Commission of the State Council, a PRC Governmental Body as defined in Rule 19A.04 of the Listing Rules. Therefore, pursuant to Rule 14A.10 of the Listing Rules, the State-owned Assets Supervision and Administration Commission of the State Council will not be deemed to be a connected person of the Company.

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

LISTING RULES IMPLICATIONS

As mentioned above, TLP is an indirect subsidiary of Tianjin Infrastructure Construction, the ultimate controlling company of the Company. As such, TLP is the associate of Tianjin Infrastructure Construction and accordingly, and is thereby regarded as the connected person of the Company under the Listing Rules. The transactions contemplated under the TLP Cold and Heat Supply Agreement constitute the continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios for the TLP Cold and Heat Supply Agreement after aggregation at an annual basis are more than 0.1% but less than 5%, the TLP Cold and Heat Supply Agreement is subject to the reporting and announcement requirements only and is exempted from the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Mr. Ji Guanglin and Ms. Jing Wanying, both executive Directors of the Company, and Ms. Peng Yilin and Mr. An Pindong, both non-executive Directors of the Company, are connected with Tianjin Infrastructure Construction or TMICL, and are considered to be unable to provide recommendations to the Board in their independent capacities. Accordingly, they have abstained from voting at the Board meeting on approving the TLP Cold and Heat Supply Agreement.

DEFINITIONS

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

“associate(s)”	has the same meaning as ascribed to it under the Listing Rules
“Board”	the board of Directors of the Company
“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”	has the same meaning as ascribed to it under the Listing Rules
“controlling shareholder”	has the same meaning as ascribed to it under the Listing Rules
“Director(s)”	the directors of the Company, including the independent non-executive directors
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Jiayuanxing”	Tianjin Jiayuanxing Innovative Energy Technology Co., Ltd.* (天津佳源興創新能源科技有限公司), a wholly-owned subsidiary of the Company incorporated in Tianjin, the PRC to invest in and operate the Facilities in Tianjin MIXc as well as to provide heat and cold supply services
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“percentage ratio(s)”	has the same meaning as ascribed to it under the Listing Rules, as applicable to a transaction
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of nominal value of RMB1.00 each in the existing share capital of the Company
“Shareholder(s)”	holder(s) of the 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 MIXc”	originally known as the commercial area (Galaxy Shopping Centre* (銀河購物中心)) of Tianjin Cultural Centre* (天津市文化中心), located at Hexi District of Tianjin Municipal, the PRC, with a total area of approximately 90 hectares
“TLP”	Tianjin Lecheng Properties Co.,Ltd.* (天津樂城置業有限公司), an indirect subsidiary of Tianjin Infrastructure Construction
“TLP Cold and Heat Supply Agreement”	the cold and heat supply agreement entered into between Jiayuanxing and TLP on 30 June 2023, pursuant to which Jiayuanxing agreed to provide cold and heat supply services at the Tianjin MIXc of TLP during the Cold and Heat Supply Period
“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
“%”	per cent

By order of the Board
Ji Guanglin
Chairman

Tianjin, the PRC
30 June 2023

As at the date of this announcement, the Board comprises three executive Directors: Mr. Ji Guanglin, Mr. Li Yang and Ms. Jing Wanying; three non-executive Directors: Ms. Peng Yilin, Mr. An Pindong and Mr. Liu Tao; and three independent non-executive Directors: Mr. Xue Tao, Mr. Wang Shanggan and Ms. Liu Fei.

* For identification purpose only