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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)**

## **CONNECTED TRANSACTION – EPC AGREEMENT FOR THE “TIENTSIN EYE” CONSTRUCTION PROJECT**

### **INTRODUCTION**

On 7 April 2025, Asset Management Company, Tianjin Municipal Institute, Toryo International, CABR and Tianchuang Environmental entered into the EPC Agreement, pursuant to which, the parties jointly undertook the “Tientsin Eye” ferris wheel construction project, with a total consideration of RMB17,029,161 (tax inclusive). On 14 May 2025, the Board considered and approved the signing of the EPC Agreement and the transactions contemplated thereunder.

As at the date of the EPC Agreement and the date of this announcement, Tianjin Infrastructure Construction is the ultimate holding company of the Company, Asset Management Company is a wholly-owned subsidiary of Tianjin Infrastructure Construction and Tianjin Municipal Institute is a 30%-controlled company indirectly held by Tianjin Infrastructure Construction. Accordingly, each of Asset Management Company and Tianjin Municipal Institute is an associate of Tianjin Infrastructure Construction and is regarded as a connected person of the Company under the Listing Rules. The transactions contemplated under the EPC Agreement constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the transactions contemplated under the EPC Agreement exceeds 0.1% but all of them are less than 5%, the transactions contemplated under the EPC Agreement are only subject to the reporting and announcement requirements but exempt from the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Company should have complied with the reporting and announcement requirements under Chapter 14A of the Listing Rules, however, due to an inadvertent oversight, the EPC Agreement was not disclosed in a timely manner and the Company has inadvertently breached the requirements under Chapter 14A of the Listing Rules.

The Company takes this matter seriously and has implemented a number of remedial actions to prevent the recurrence of similar incidents, including providing additional training for the Directors.

## EPC AGREEMENT

The principal terms of the EPC Agreement are summarised below:

Parties:	<ul style="list-style-type: none"><li>(a) Asset Management Company (as the principal);</li><li>(b) Tianjin Municipal Institute (as the consortium leader);</li><li>(c) Toryo International (as the consortium member 1);</li><li>(d) CABR (as the consortium member 2); and</li><li>(e) Tianchuang Environmental (as the consortium member 3).</li></ul>
The content, scale and scope of the project:	<p>The scope of work of the Project includes the schematic design, force tolerance calculation and construction drawing design of the lighting upgrading of the “Tientsin Eye” ferris wheel; removal of the existing lights and cables of the ferris wheel; installation, construction and commissioning of the lighting facilities (including and not limited to: lights and cables on the ferris wheel structure such as radial cables, tangential cables, inner rotating rods, outer rotating rods, wheel belly rods of the ferris wheel, etc.); procurement and installation of laser projection equipment, as well as the corresponding electrical system and control system; design, construction and commissioning of the decentralised sound system along the river to support the lighting effect of the ferris wheel; the overall filing work for inspection upon completion; the formulation of the maintenance scheme for the later stages of the project.</p>
The address where the project is located:	<p>Junction of Li Gong Ci Street and 5th Road, Hebei District, Tianjin, China</p>
Project quality standards:	<ul style="list-style-type: none"><li>(a) The quality standard of the design of the project shall be in line with the standard of the national design specifications; and</li><li>(b) the quality standard of the construction works of the project shall be in line with the standard of the national acceptance specifications.</li></ul>

- Term of service:
- (a) The design commencement date is expected to be 10 April 2025 and the actual commencement date is subject to written notice from Asset Management Company;
  - (b) the construction commencement date is expected to be 10 April 2025 and the actual commencement date is subject to written notice from Asset Management Company; and
  - (c) the project completion date is expected to be 30 May 2025.

## **SERVICE FEES AND PAYMENT**

The total consideration under the EPC Agreement is RMB17,029,161 (tax inclusive), of which:

- (a) The design fee (tax inclusive) is RMB1,430,000, of which the construction drawing design fee is RMB880,000, which will be paid by Asset Management Company to the account of Tianjin Municipal Institute, and the fees for schematic design and preliminary design are RMB550,000, which will be paid by Asset Management Company to the account of Toryo International;
- (b) the force tolerance calculation fee (tax inclusive) of RMB630,000 shall be paid by Asset Management Company to the account of CABR;
- (c) the construction fee (tax inclusive) of RMB14,239,161 shall initially be paid by Asset Management Company to the account of Tianjin Municipal Institute, with Tianjin Municipal Institute issuing a consolidated invoice to Asset Management Company. Within five business days upon receipt of the construction fee payment from Asset Management Company, Tianjin Municipal Institute shall arrange for the corresponding fee payment to Tianchuang Environmental, with Tianjin Municipal Institute transferring the construction fee to Tianchuang Environmental's account. Tianchuang Environment shall thereafter issue an invoice to Tianjin Municipal Institute; and
- (d) the provisional sum (tax inclusive) is RMB730,000.

The aforesaid service fees were determined by the parties with reference to, among others, the work volume of the relevant services through an open bidding process.

The payment method, payment terms and payment schedule of the design fee are set out below:

- (a) 50% of the total design fee will be paid by Asset Management Company upon signing of the EPC Agreement and submission of construction drawing design documents by the designer; and
- (b) 50% of the total design fee will be paid by Asset Management Company upon completion of acceptance and settlement of the project.

The payment method, payment terms and payment schedule of the force tolerance calculation fee are as follows: after the signing of the EPC Agreement, a lump sum payment will be made upon completion of the entire force tolerance calculation work and submission of the results report.

The payment method, payment terms and payment schedule of the construction fee are as follows:

- (a) 30% of the total price of the construction fee shall be paid within 10 working days after signing of the EPC Agreement;
- (b) 30% of the total price of the construction fee shall be paid after all the major materials have arrived at the site and have been inspected and accepted by Asset Management Company and the supervisor;
- (c) 30% of the total price of the construction fee shall be paid upon inspection and acceptance of the completed project;
- (d) Up to 97% of the total price of the construction fee shall be paid upon completion of settlement and submission of qualifying project documentation and electronic documentation; and
- (e) the remaining 3% of the total price of the construction fee will be used as the project quality warranty deposit, which shall be paid in one lump sum within one month after the expiry of the project quality warranty period.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE EPC AGREEMENT**

The EPC Agreement and the transactions contemplated thereunder are in line with the scope of operations of Tianchuang Environmental and the Group, which are conducive to increasing the Group's revenue from its principal business and will have a positive impact on the development of the Company.

The Directors (including the independent non-executive Directors) consider that the terms of the EPC Agreement are on normal commercial terms and entered into during the ordinary course of business of the Group, which are 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; design, construction, management, building and operation management of municipal infrastructures; license operation, technical consultation and auxiliary services of Southeastern Half Ring Urban Road of the Middle Ring of Tianjin City; development and operation of environmental protection technologies 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.

Tianchuang Environmental is a wholly-owned subsidiary of the Company and its scope of business includes technical services, technology development, technology consulting; water environment pollution prevention and control services; environmental protection consulting services; engineering and technical services (except for planning and management, survey, design and supervision); energy conservation management services; contract energy management; project management services; construction engineering; and electrical installation services, etc.

Asset Management Company is a wholly-owned subsidiary of Tianjin Infrastructure Construction, the ultimate holding company of the Company, and its scope of business includes asset management services for investments with self-owned funds; property management; commercial complex management services; scenic spot management; hotel management; cultural relics and heritage sites protection services; leasing services; parking lot services, etc.

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 remaining 10% equity interest is held by Tianjin Zhonglian Real Estate Co., Ltd.\* (天津中聯置業有限公司). 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.

Toryo International is a company incorporated in the PRC with limited liability and its scope of business includes technology development, technology consulting, technology service, technology transfer; engineering survey and design; computer system service; computer technology training; sales of lamps, etc. As of the date of this announcement, the shareholders of Toryo International are Xu Dongliang and Wang Lihui, who own 90% and 10% equity interests, respectively. The ultimate beneficial owner of Toryo International is Xu Dongliang, a natural person. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiry, Toryo International and its ultimate beneficial owner are third parties independent of the Company and its connected persons.

CABR is a company incorporated in the PRC with limited liability and its scope of business includes construction engineering design; construction engineering; engineering and technology research and experimental development; software development; retail sales of computer hardware, software and auxiliary equipment; computer hardware, software and peripheral equipment manufacturing, etc. As of the date of this announcement, approximately 80.29% equity interests of CABR are held by China Academy of Building Research\* (中國建築科學研究院有限公司), the ultimate beneficial owner of which is the State-owned Assets Supervision and Administration Commission of the State Council\* (國務院國有資產監督管理委員會). The remaining approximately 19.71% equity interests of CABR are held by 60 shareholders, each holding less than 10% of the equity interests of CABR. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiry, CABR and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

Tianjin Infrastructure Construction is principally engaged in investment in 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**

As at the date of this announcement, Tianjin Infrastructure Construction is the ultimate holding company of the Company, while Asset Management Company is a wholly-owned subsidiary of Tianjin Infrastructure Construction and Tianjin Municipal Institute is a 30%-controlled company indirectly held by Tianjin Infrastructure Construction. Accordingly, each of Asset Management Company and Tianjin Municipal Institute is an associate of Tianjin Infrastructure Construction and is regarded as a connected person of the Company under the Listing Rules. The transactions contemplated under the EPC Agreement constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

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## **GENERAL**

As at the date of this announcement, executive Director Mr. Tang Fusheng and non-executive Directors Mr. Wang Yongwei and Mr. An Pindong are respectively connected with Tianjin Infrastructure Construction, and are considered unable to provide recommendations to the Board in an independent capacity. Therefore, they have abstained from voting on the board resolutions approving the EPC Agreement and the transactions contemplated thereunder. Save as aforesaid, none of the Directors has a material interest in the EPC Agreement and the transactions contemplated thereunder or is required to abstain from voting on the relevant board resolutions.

## **BREACH OF THE LISTING RULES**

The Company acknowledges with regret that it has failed to comply with the relevant requirements under Chapter 14A of the Listing Rules in a timely manner in respect of the EPC Agreement and the non-compliance was inadvertent and unintentional. Tianchuang Environment is a new wholly-owned subsidiary of the Company established in recent years. There is significant change in personnel, and the personnel who participated in the compliance training in relation to connected transactions organized by the Company in 2024 has resigned. The Company's lack of awareness of compliance inadvertently led to the occurrence of the aforesaid breach. The above inadvertent non-compliance could have been avoided if the Company had a better understanding of the meaning of the Listing Rules and the relevant requirements and a stronger sense of compliance.



## REMEDIAL ACTIONS

The Directors consider that the failure to comply with Chapter 14A of the Listing Rules was inadvertent and regretful.

The Company has taken the following remedial actions to tighten its internal control procedures and to ensure timely compliance with the relevant requirements of the Listing Rules with a view to prevent the recurrence of similar event in the future:

- (i) a special and comprehensive training session has been arranged for all the Directors and senior management/relevant personnel of the Group to explain the relevant requirements applicable to notifiable and connected transactions under Chapters 14 and 14A of the Listing Rules, to strengthen and reinforce their knowledge;
- (ii) the business and financial management departments at the subsidiary level are required to promptly report any proposed transaction or event where the counterparty(ies) or the subject company(ies) of the proposed transaction may in anyway relate to any of the Directors, substantial shareholders, chief executives or directors of any member of the Group (including their relatives and related trusts or companies) in order to ascertain whether there will be any connected transaction implications under Chapter 14A of the Listing Rules;
- (iii) additional measures have been implemented to strengthen the reporting and documentation system and internal control procedures of the Group and to increase training and communications to all managerial staff in the future; and
- (iv) the Company will continue to review and monitor the internal control measures of the Group and, where necessary, to consult legal advisers and the Stock Exchange to ensure all current and future transactions shall be in compliance with the applicable requirements of the Listing Rules and other relevant laws and regulations.

## DEFINITIONS

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

“Asset Management Company”	Tianjin Investment Group Asset Management Co., Ltd.* (天津城投集團資產管理有限公司), a limited liability company established in the PRC and a wholly-owned subsidiary of Tianjin Infrastructure Construction
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“CABR”	CABR Technology Co., Ltd.* (中建研科技股份有限公司), a limited liability company established in the PRC, and an independent third party 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(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“EPC Agreement”	the Construction Project EPC Agreement entered into between Asset Management Company (as the principal), Tianchuang Environment (as the consortium member 3) and other parties for the Project on 7 April 2025
“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 company established in the PRC with limited liability and a non-wholly owned subsidiary of Tianjin SASAC and Tianjin Infrastructure Construction
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“percentage ratio(s)”	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
“Project”	the EPC general contracting project for the lighting upgrading of the “Tientsin Eye” ferris wheel
“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 Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited



“Tianchuang Environmental”	Tianjin Tianchuang Environmental Technology Co., Ltd.* (天津天創環境技術有限公司), a limited liability company established in the PRC and a wholly-owned subsidiary of the Company
“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 established in the PRC, and a 30%-controlled company indirectly held by Tianjin Infrastructure Construction
“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
“Toryo International”	TORYO International Lighting Design (Beijing) Center Co., Ltd.* (棟樑國際照明設計(北京)中心有限公司), a limited liability company established in the PRC, and an independent third party of the Company
“30%-controlled company”	has the meaning ascribed to it under the Listing Rules
“%”	per cent

\* For identification purposes only

By Order of the Board  
**Tang Fusheng**  
*Chairman*

Tianjin, the PRC  
14 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.*