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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 IN RELATION TO THE TERMINATION OF FRANCHISING PROJECT OF ENSHI DASHA DAM PHASE I AND PHASE II (TANJIA DAM) SEWAGE TREATMENT PLANTS AND THEIR SUPPORTING PIPELINES

Reference is made to (1) the overseas regulatory announcement of the Company dated 10 April 2023 in relation to the successful bidding for the franchising project of Enshi Dasha Dam Phase I and Phase II (Tanjia Dam) Sewage Treatment Plants and their supporting pipelines; (2) the overseas regulatory announcement of the Company dated 23 May 2023 in relation to the investment in the franchising project of Enshi Dasha Dam Phase I and Phase II (Tanjia Dam) Sewage Treatment Plants and their supporting pipelines and the establishment of the project company; and (3) the discloseable transaction announcement of the Company dated 18 June 2023 in relation to the franchising project of Enshi Dasha Dam Phase I and Phase II (Tanjia Dam) Sewage Treatment Plants and their supporting pipelines (collectively the “**Announcements**”). Unless the context otherwise requires, terms used in this announcement shall have the same meaning as those defined in the Announcements.

The Company has considered and approved the Resolution in relation to the Termination of the Franchising Project of Enshi Dasha Dam Phase I and Phase II (Tanjia Dam) Sewage Treatment Plants and Their Supporting Pipelines at the seventieth meeting of the ninth session of the Board of the Company held on 14 November 2025. Due to the adjustment to the policy pertaining to the new PPP mechanism, the Board has agreed to terminate the Project.

I. PROJECT BACKGROUND

As stated in the Announcements, the Project was tendered through an open bidding process on 1 March 2023; the consortium formed by the Company and Wuhan Municipal was awarded the contract for the Project on 10 April 2023; following consideration and approval at the fourteenth meeting of the ninth session of the Board of the Company on 23 May 2023, it was resolved that the Company and Wuhan Municipal would establish a project company jointly to implement the Project.

II. CHANGE IN BACKGROUND

On 3 November 2023, the General Office of the State Council forwarded the *Guidelines on Regulating the Implementation of New Government and Social Capital Cooperation Mechanisms** (《關於規範實施政府和社會資本合作新機制的指導意見》) (Guobanhan [2023] No. 115) issued by the National Development and Reform Commission and the Ministry of Finance. The Project involves no private capital participation, and provisions concerning, among others, minimum water volume and availability service fees within the JV Agreement and the Project Agreement are inconsistent with “No. 115 Circular”. On 31 January 2024, the eighth executive meeting of the National Development and Reform Commission adopted the *Administrative Measures for Concession Operations in Infrastructure and Public Utilities** (《基礎設施和公用事業特許經營管理辦法》) (2024 Order No. 17). As the notice of successful bid for the Project was issued on 10 April 2023, it constitutes a franchising project where the bidding and procurement procedures were not completed prior to February 2023. Accordingly, it shall be implemented in accordance with “Order No. 17”.

On 4 February 2024, the Project Company received notification from the Enshi Municipal Government, requiring a rectification in accordance with the *Guidelines on Regulating the Implementation of New Government and Social Capital Cooperation Mechanisms** (《關於規範實施政府和社會資本合作新機制的指導意見》) (Guobanhan [2023] No. 115), as directed by the Hubei Provincial Development and Reform Commission. The Enshi Municipal Government submitted a rectification plan to the Hubei Provincial Development and Reform Commission in the way of termination of the project franchising, and held an ad hoc meeting to terminate the relevant matters explicitly. Subsequently, the Company, Wuhan Municipal and the Project Company maintained ongoing communications with the Enshi Municipal Housing and Construction Bureau and other relevant departments regarding the termination of relevant arrangements and reached mutual understandings.

Based on the above, the Board has agreed to terminate the Project.

III. EFFECT OF THE TERMINATION OF THE PROJECT AND CONCLUSION

Upon analysis, the Company is of the view that the termination of the Project could achieve a balance in the investment and will not have an impact on the operation and development of the Company.

Upon deliberation, the Board approved the termination of the Project by the Project Company and agreed to the execution of the Agreement between the People's Government of Enshi City and Enshi Capital Water Co., Ltd. regarding the Termination of the Franchising Project Agreement for Enshi Dasha Dam Phase I and Phase II (Tanjia Dam) Sewage Treatment Plants and their Supporting Pipelines* (《恩施市人民政府與恩施市創環水務有限公司解除〈恩施市大沙壩一期、二期(譚家壩)污水處理廠及配套管網工程項目特許經營協議〉協議書》) (the “**Agreement**”), pursuant to which, the total liquidation amount of the Project Company can ensure that the cumulative funds invested by the Project Company (including outstanding payables) could achieve balance in investment capital.

By order of the Board
Tang Fusheng
Chairman

Tianjin, the PRC
17 November 2025

As at the date of this announcement, the Board comprises three executive Directors: Mr. Tang Fusheng, Ms. Nie Yanhong and Mr. Fu Xinghai (employee Director); 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.

* *For identification purpose only*