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If you are in any doubt as to any aspect about this circular or as to the action to be taken, you should consult your licensed securities dealer, registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Tianjin Capital Environmental Protection Group Company Limited**, you should at once hand this circular to the purchaser(s) or the transferee(s), or to the bank, licensed securities dealer, registered institution in securities or other agent through whom the sale or the transfer was effected for transmission to the purchaser(s) or transferee(s).

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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)

(1) PROPOSED AMENDMENTS TO THE MANAGEMENT PRINCIPLES ON THE USE OF PROCEEDS; AND (2) PROPOSED TERMINATION OF SOME INVESTMENT PROJECTS

Unless the context otherwise requires, terms used in this cover page shall have the same meanings as those defined in this circular.

A letter from the Board is set out on pages 3 to 12 of this circular. The EGM of the Company will be convened and held at 2 p.m. on 16 December 2025 at the conference room of the Company on 5/F, TCEP Building, 76 Weijin South Road, Nankai District, Tianjin, the PRC. A notice of the EGM is set out on pages EGM-1 to EGM-2 of this circular.

Whether or not you intend to attend the EGM, you are requested to complete and return the proxy form in accordance with the instructions printed thereon to the Company's H share registrar and transfer office, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, or the Company's principal office at TCEP Building, 76 Weijin South Road, Nankai District, Tianjin, the PRC, as soon as possible and in any event not less than 24 hours before the time for holding of the EGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

26 November 2025

CONTENTS

Page

DEFINITIONS 1

LETTER FROM THE BOARD 3

I. INTRODUCTION 3

II. PROPOSED AMENDMENTS TO THE MANAGEMENT PRINCIPLES ON THE USE OF PROCEEDS 4

III. PROPOSED TERMINATION OF SOME INVESTMENT PROJECTS 4

IV. EGM 11

V. RECOMMENDATIONS 12

VI. RESPONSIBILITY STATEMENT 12

APPENDIX I – PROPOSED AMENDMENTS TO THE MANAGEMENT PRINCIPLES ON THE USE OF PROCEEDS 13

NOTICE OF EXTRAORDINARY GENERAL MEETING EGM-1

DEFINITIONS

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

"A Share(s)"	the ordinary share(s) issued by the Company, with a par value of RMB1.00 each, which are listed on the SSE
"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 SSE and the Stock Exchange, respectively
"Director(s)"	the director(s) of the Company (including independent non-executive Director(s))
"EGM"	the 2025 second extraordinary general meeting of the Company to be convened and held at 2 p.m. on 16 December 2025 for the purpose of considering and, if thought fit, approving, among other things, (1) the proposed amendments to the Management Principles on the Use of Proceeds; and (2) the proposed termination of some investment projects
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"H Share(s)"	the ordinary share(s) issued by the Company, with a par value of RMB1.00 each, which are listed on the Stock Exchange
"Latest Practicable Date"	21 November 2025, that is the latest practicable date to confirm certain information contained in this circular before printing
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"PRC"	the People's Republic of China, excluding, for the purpose of this circular, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan

"RMB"	Renminbi, the lawful currency of the PRC
"Share(s)"	the ordinary share(s) with a par value of RMB1.00 each in the existing share capital of the Company
"Shareholder(s)"	the holder(s) of Share(s)
"SSE"	Shanghai Stock Exchange
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"%"	per cent

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)

Executive Directors:
Mr. Tang Fusheng *(Chairman)*
Ms. Nie Yanhong
Mr. Fu Xinghai *(employee Director)*

Non-executive Directors:
Mr. Wang Yongwei
Mr. An Pindong
Mr. Liu Tao

Independent Non-executive Directors:
Mr. Xue Tao
Mr. Wang Shanggan
Ms. Liu Fei

Registered Address:
12/F, TCEP Building,
76 Weijin South Road,
Nankai District,
Tianjin, the PRC
Postal code: 300381

26 November 2025

To the Shareholders,

(1) PROPOSED AMENDMENTS TO THE MANAGEMENT PRINCIPLES ON THE USE OF PROCEEDS; AND (2) PROPOSED TERMINATION OF SOME INVESTMENT PROJECTS

I. INTRODUCTION

References are made to the Company's (i) overseas regulatory announcement dated 29 July 2025 in relation to, among other things, proposed amendments to the Management Principles on the Use of Proceeds (the "**Proposed Amendments to the Management Principles on the Use of Proceeds Announcement**"); and (ii) announcement dated 22 August 2025 in relation to proposed termination of some investment projects (the "**Proposed Termination of Some Investment Projects Announcement**").

The purpose of this circular is to provide you with further information in relation to (1) the proposed amendments to the Management Principles on the Use of Proceeds; and (2) the proposed termination of some investment projects, and to give you a notice of the EGM to be convened to consider and, if thought fit, approve, among other things, the resolutions in relation to the above matters.

II. PROPOSED AMENDMENTS TO THE MANAGEMENT PRINCIPLES ON THE USE OF PROCEEDS

As set out in the Proposed Amendments to the Management Principles on the Use of Proceeds Announcement, on 29 July 2025, the Board considered and approved the proposal on amendments to the Management Principles on the Use of Proceeds.

The amendments to the Management Principles on the Use of Proceeds are subject to the approval of the Shareholders by way of an ordinary resolution at the EGM. An ordinary resolution in relation to the proposed amendments to the Management Principles on the Use of Proceeds as mentioned above will be proposed to the EGM for the Shareholders' consideration and approval.

The proposed amendments have been prepared in Chinese, and the English version is provided for reference only. Details of the proposed amendments to the Management Principles on the Use of Proceeds are set out in Appendix I to this circular. In the event of any discrepancy between the Chinese and English versions of the proposed amendments, the Chinese version shall prevail.

III. PROPOSED TERMINATION OF SOME INVESTMENT PROJECTS

As set out in the Proposed Termination of Some Investment Projects Announcement, the Company held a meeting of the Board of Directors on 22 August 2025, at which the "Proposal on Terminating Some Investment Projects and Extension of Other Investment Projects" was considered and approved. The Board of Directors agreed that the Company should terminate the implementation of the Chibi Lushui Industrial Park sewage treatment plant and supporting pipeline network concession TOT project ("**Chibi Lushui Project**").

The termination of some investment projects is subject to the approval by the Shareholders by way of an ordinary resolution at the EGM. An ordinary resolution in relation to the proposed termination of some investment projects as mentioned above will be proposed to the EGM for the Shareholders' consideration and approval.

Details of the proposed termination of some investment projects are set out below:

I. Summary on the Change in the Use of Part of the Proceeds

(I) Background of the Proceeds

According to the Approval on the Non-Public Issuance of Shares of Tianjin Capital Environmental Protection Group Company Limited (Zheng Jian Xu Ke [2022] No. 1122) (《關於核准天津創業環保集團股份有限公司非公開發行股票的批覆》(證監許可[2022]1122號))issued by the China Securities Regulatory Commission on 30 May 2022, the Company non-publicly issued 143,189,655 RMB-denominated ordinary shares at an issue price of RMB5.80 per Share to certain investors in September 2022, and the gross proceeds raised was RMB830,499,999.00. According to the Verification Report (PricewaterhouseCoopers Zhong Tian Yan Zi (2022) No. 0816) (普華永道中天驗字(2022)第0816號《驗資報告》)issued by PricewaterhouseCoopers Zhong Tian LLP, as of 20 September 2022, the total amount of proceeds from the issuance was RMB830,499,999.00. After deducting the expenses relating to the issuance of RMB19,743,434.08 (tax exclusive), the amount of net proceeds was RMB810,756,564.92.

(II) Basic Information about the Investment Projects of the Proceeds

As of 31 July 2025, the project investment of the proceeds from the issuance by the Company was as follows:

Unit: RMB0'000

Committed investment projects	Proposed amount of proceeds to be utilized	Accumulative amount of proceeds utilized	Project progress
The construction project of the sewage processing plant at the Tianying Science and Technology Park in the Jieshou Hi-Tech District of Fuyang in Anhui	14,800.00	13,643.28	The commercial operation commenced on 1 July 2022. However, as the government's audit and final settlement work for the project has not yet been completed, some of the remaining construction payments have not yet met the payment conditions

Committed investment projects	Proposed amount of proceeds to be utilized	Accumulative amount of proceeds utilized	Project progress
The newly-built and upgrade and supporting pipeline network (phase II) PPP project of Honghu township sewage processing plant	11,150.00	8,768.35	The commercial operation commenced on 1 August 2024. As the project settlement has not yet been completed, some of the remaining project payments have not met the payment conditions
The first batch of projects of the recycled water pipe network connection project in the main districts of Tianjin City	16,600.00	11,633.68	The project acceptance was completed on 27 March 2024. It is currently in the final settlement stage, with the settlement process not yet completed. Some of the remaining project payments have not yet met the payment conditions
Karamay Nanjiao Sewage Treatment Plant Franchising Project	10,300.00	6,878.74	The drainage pipeline construction work, an item of the project, is currently under construction. The project completion date and expected date of availability are expected to be postponed to June 2026. Considering the progress of the project settlement, the proceedings for the project is expected to be used up by August 2026
Chibi Lushui Industrial Park sewage treatment plant and supporting pipeline network concession TOT project	5,300.00	0.00	The project is proposed to be terminated

Committed investment projects	Proposed amount of proceeds to be utilized	Accumulative amount of proceeds utilized	Project progress
The repayment of interest-bearing liabilities and supplement the working capital	22,925.66	22,925.66	Not applicable
Total	81,075.66	63,834.40	

Note: The 48th meeting of the ninth session of the Board of Directors was held on 17 December 2024 and the 2025 First Extraordinary Shareholders' Meeting was held on 14 January 2025, which had considered and passed a resolution on changing the purpose of part of the proceeds, approving the Company's change of use of the proceeds of the Water Recycling Batch 1 Project of RMB53 million for the investment expenditure of Chibi Lushui Project. In order to improve the efficiency of the use of the proceeds, safeguard the long-term interests of the Company and arrange the use of the proceeds, the Company intended to use RMB53,000,000 out of the remaining proceeds of RMB112,703,200 for the Water Recycling Batch 1 Project to the construction of the Chibi Lushui Project instead. The remaining proceeds of RMB59,703,200 would continue to be used for the construction of the Water Recycling Batch 1 Project, thereby promoting the long-term and steady development of the Company's business and safeguarding the interests of the Company and shareholders. For further details, please refer to the Company's announcement dated 17 December 2024 in relation to the proposed change in the use of part of the proceeds, the circular in relation to the proposed change in the use of part of the proceeds dated 27 December 2024 and the announcement on the resolutions passed at the 2025 first extraordinary general meeting dated 14 January 2025.

(III) Termination of Some Investment Projects

In order to enhance the efficiency of the use of proceeds, protect the interests of all Shareholders, and better meet the needs of the Company's future development, the Company intends to terminate the implementation of the Chibi Lushui Project.

(IV) Deliberations of the Board of Directors

The Company held a Board meeting on 22 August 2025, at which the "Proposal on Terminating Some Investment Projects and Extension of Other Investment Projects" was considered and approved. The Board of Directors agreed that the Company should terminate the implementation of the Chibi Lushui Project.

In accordance with relevant regulations such as "Regulatory Rules for Raised Funds of Listed Companies", "Shanghai Stock Exchange Self-Regulatory Guidelines for Listed Companies No. 1 – Standardized Operations", "Stock Listing Rules of Shanghai Stock Exchange" and the Company's "Management Principles on the Use of Proceeds", the matter needs to be submitted to a general meeting of the Company for consideration.

II. Specific Reasons for Termination Of Some Investment Projects

(I) Proposed termination of Planned Investment in Some Investment Projects and Their Actual Investment

The Chibi Lushui Project has a sewage treatment capacity of 40,000 m^3 per day, with a cooperation term of 40 years. The total investment for the project is RMB301.00 million, for which, RMB53.00 million is intended to be funded from the proceedings, and the remaining amount is from the Company's own funds and bank loans.

Unit: RMB0'000

Name of the project	**Chibi Lushui Industrial Park Sewage Treatment Plant and Supporting Pipeline Network Concession TOT Project**
Project company	**Chibi Capital Environmental Protection Water Co., Ltd.*(赤壁創環水務有限公司)**
Total original planned investment amount	30,100.00
Amount originally proposed to be invested with proceeds	5,300.00
Accumulative amount invested as at 31 July 2025	0.00

As at 31 July 2025, the unused balance of the proceeds for the Chibi Lushui Project was RMB53,000,000.

(II) Specific Reasons for the Termination

In accordance with the terms of the Concession Agreement signed between the Company and the Chibi City Housing and Urban-Rural Development Bureau and the Succession Agreement to the Concession Agreement subsequently signed with Chibi Capital Environmental Protection Water Co., Ltd.*(赤壁創環水務有限公司), the Company shall pay RMB125.5 million within three working days from the handover and formal operation of the Phase I project. The Company originally intended to fund this payment by using RMB53 million of the proceedings, as well as its own capital and bank loans.

Following the Company's recent communication and consultation with the Chibi City Housing and Urban-Rural Development Bureau, it has been confirmed that the matters necessary for the implementation of the Chibi Lushui Project that must be approved or filed by the administrative department would, within a reasonable time frame for reasons beyond our Company's control:

1. Not be able to obtain approvals or filings;

2. Not be able to obtain approvals or filings from the relevant administrative departments; and

3. Not be able to meet the conditions for project handover and operation transfer.

Therefore, taking into consideration the actual situation of the Company and in order to enhance the efficiency of the use of the proceedings, protect the interests of all Shareholders, and better meet the needs of the Company's future development, the Company intends to terminate the implementation of the Chibi Lushui Project.

(III) Planned use of raised funds after project termination

After the Company terminated the implementation of the Chibi Lushui Project, the remaining unused proceedings from the Chibi Lushui Project (subject to the actual balance in the proceedings account at that time) shall continue to be deposited in the special account for the proceedings and managed in accordance with the laws and regulations related to the proceedings.

Going forward, the Company will actively plan and evaluate suitable investment projects, conduct scientific and prudent feasibility analyses on proposed investment projects, and ensure that the projects have good market prospects and are necessary and feasible to implement. The Company will use the proceedings after fulfilling the review and information disclosure obligations in accordance with relevant laws and regulations, to ensure the efficient use of the proceedings.

The Company will strictly comply with the relevant requirements on the use of the proceedings, enhance internal management on the use of the proceedings, and ensure the legal and effective use of the proceedings.

(IV) The impact of early termination of some investment projects on the Company

The intended termination of the implementation of the Chibi Lushui Project by the Company is a reasonable decision which was made after prudent consideration based on the Company's actual operating conditions. The termination of the project can help improve the efficiency of the use of the Company's proceedings, better protect the interests of the Company and all shareholders, is conducive to the long-term development of the Company, and is aligned with the interests of all shareholders.

III. Opinions of the Audit And Risk Control Committee, the Sponsor on Change in the Use of Part of the Proceeds

(1) Opinions of the Audit and Risk Control Committee

After consideration, the Audit and Risk Control Committee believes that the proposed termination of certain investment projects is a prudent decision made by the Company after re-evaluating the implementation status of the investment projects and the Company's operational conditions. This decision complies with the relevant regulations of the China Securities Regulatory Commission (CSRC) and the Shanghai Stock Exchange regarding the management of raised funds by listed companies, aligns with the interests of the Company and all its shareholders, and will not have a material adverse impact on the Company's normal operations. The relevant matters have undergone the necessary review procedures and comply with the requirements of the CSRC Announcement [2025] No. 10 "Regulations on the Supervision of Raised Funds by Listed Companies," the Shanghai Stock Exchange's "Self-Regulatory Guidelines for Listed Companies No. 1 – Standardized Operations," and other relevant laws, regulations, and normative documents. Therefore, the Audit and Risk Control Committee agrees to the Company's termination of some investment projects.

(2) Opinions of the Sponsor

After verification, the sponsor is of the view that the termination of some investment projects has been considered and approved by the Board of Directors and the Audit and Risk Control Committee of the Company, and is in compliance with the relevant provisions of the "Regulatory Rules for Raised Funds of Listed Companies", "Shanghai Stock Exchange Self-Regulatory Guidelines for Listed Companies No. 1 – Standardized Operations" and other relevant laws and regulation, as well as the Company's "Management Principles on the Use of Proceeds". It does not violate the relevant regulations of the CSRC and the Shanghai Stock Exchange regarding the use of the proceedings by listed companies. It is in the interests of the Company and all shareholders, and does not involve any disguised change in the use of the proceedings, nor will the interests of shareholders, especially minority shareholders be prejudiced. The sponsor has no disagreement with the termination of some investment projects of the Company, which shall be subject to the approval of the general meeting of the Company before implementation.

IV. EGM

The EGM will be convened and held at 2 p.m. on 16 December 2025 at the conference room of the Company on 5/F, TCEP Building, 76 Weijin South Road, Nankai District, Tianjin, the PRC. A notice of the EGM is set out on pages EGM-1 to EGM-2 of this circular. At the EGM, voting by the Shareholders will be conducted by way of poll.

Whether or not you intend to attend the EGM, you are requested to complete and return the proxy form in accordance with the instructions printed thereon to the Company's H share registrar and transfer office, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, or the Company's principal office at TCEP Building, 76 Weijin South Road, Nankai District, Tianjin, the PRC, as soon as possible and in any event not less than 24 hours before the time for holding of the EGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of the Shareholders at a general meeting of the Company shall be taken by poll unless the chairman of the meeting decides in good faith to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. An announcement of the poll results will be issued by the Company in the manner specified in Rule 13.39(5) of the Listing Rules after the EGM.

Having made all reasonable enquiries, to the best of the Directors' knowledge, information and belief, no Shareholder has a material interest in the relevant resolutions regarding (1) the proposed amendments to the Management Principles on the Use of Proceeds; and (2) the proposed termination of some investment projects, and as a result, no Shareholder is required to abstain from voting at the EGM.

V. RECOMMENDATIONS

The Directors consider that (1) the proposed amendments to the Management Principles on the Use of Proceeds; and (2) the proposed termination of some investment projects are in the interests of the Company and the Shareholders as a whole.

In view of the above, the Board recommends that the Shareholders vote in favour of the relevant resolutions to be proposed at the EGM.

VI. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein misleading.

Yours faithfully
By order of the Board of
TIANJIN CAPITAL ENVIRONMENTAL PROTECTION GROUP COMPANY LIMITED
Tang Fusheng
Chairman

Details of the proposed amendments to the Management Principle on the Use of Proceeds are set out below (deleted text is shown as strikethrough, added text is show as underline, and order adjustment is shown as double underline):

No.	Original Provisions of Management Principles on the Use of Proceeds	Amended Provisions of Management Principles on the Use of Proceeds
1	Article 1 In order to regulate the management and use of the proceeds raised by Tianjin Capital Environmental Protection Group Company Limited (hereinafter referred to as the "Company") and maximize the protection of interest of investors, these Principles are formulated in accordance with the PRC Company Law, the Securities Law of the PRC, ~~the Administrative Measures on Initial Public Offerings and Listing of Shares (《首次公開發行股票並上市管理辦法》), the Administrative Measures on Issuance of Securities by Listed Companies《(上市公司證券發行管理 辦法》), the Rules Governing the Utilization Report on the Proceeds from the Previous Fund Raising Activity (《關於前次募集資金使用情況報告的規定》), the relevant securities or stock listing rules of the Shanghai Stock Exchange and The Stock Exchange of Hong Kong Limited (hereinafter referred to as the "stock exchanges on which the Company is listed"), the Administrative Measures of the Shanghai Stock Exchange for the Capital Raised by Listed Companies (《上海證券交易所上市公司募集資金管理辦法》), the Guideline No. 2 on Supervision and Administration of Listed Companies – Regulatory Requirements on Management and Use of Proceeds of Listed Companies (《上市公司監管指引第2號－上市公司募集資金管理和使用的監管要求》),~~ and other relevant laws and regulations ~~of the state~~ and the requirements of the Articles of Association of Tianjin Capital Environmental Protection Group Company Limited (hereinafter referred to as the "Articles of Association").	Article 1 In order to regulate the management and use of the proceeds raised by Tianjin Capital Environmental Protection Group Company Limited (hereinafter referred to as the "Company") and maximize the protection of interest of investors, these Principles are formulated in accordance with the PRC Company Law, the Securities Law of the PRC, **Regulatory Rules for Raised Funds by Listed Companies (《上市公司募集資金監管規則》), Shanghai Stock Exchange Self-Regulatory Guidelines for Listed Companies No. 1 – Standardized Operation (《上海證券交易所上市公司自律監管指引第1號－規範運作》), Shanghai Stock Exchange Listing Rules (上海證券交易所股票上市規則》)** and other relevant laws and regulations and the requirements of the Articles of Association of Tianjin Capital Environmental Protection Group Company Limited (hereinafter referred to as the "Articles of Association") **and also in light of the actual conditions of the Company**.

No.	Original Provisions of Management Principles on the Use of Proceeds	Amended Provisions of Management Principles on the Use of Proceeds
2	Article ~~41~~ In the event that the Investment Projects are implemented through subsidiaries of the Company or other enterprises controlled by the Company, these Principles shall apply.	Article **2** **These Principles apply to the Company's head office.** In the event that the Investment Projects are implemented through subsidiaries of the Company or other enterprises controlled by the Company, **the Company shall procure the subsidiary or other enterprises under control to comply with these Principles.**
3	Article ~~2~~ ~~For the purpose of these Principles,~~ the term "proceeds" refers to the proceeds raised by the Company through public offering of securities (including the initial public offering, rights issue, follow-on offering, issue of convertible corporate bonds, issue of detachable convertible corporate bonds, corporate bonds and warrants etc.) and private placement to investors, excluding any proceeds raised by the Company through share incentive scheme.	Article **3** The term "proceeds" refers to proceeds raised by the Company **from investors** through t**he issuance of stocks or other equity-like** securities **and used for specific purposes**,, excluding any proceeds raised by the Company **for** share incentive scheme.
4	New added	**Article 4 Net proceeds refer to the total funds raised minus issuance costs.**
5	New added	**Article 5 Over-raised Proceeds refer to the portion by which the actual net proceeds raised exceed the planned amounts.**

No.	Original Provisions of Management Principles on the Use of Proceeds	Amended Provisions of Management Principles on the Use of Proceeds
6	~~Article 3 The Board of Directors of the Company shall establish an internal control system for the deposit, use and management of proceeds and shall have clear requirements on the deposit, use, change, supervision and accountability of proceeds. The Company shall file the internal control system for the deposit, use and management of proceeds with the Shanghai Stock Exchange for record in a timely manner and disclose it on the websites of the stock exchanges on which the Company is listed.~~	Deleted
7	New added	**Article 6 The proceeds raised by the Company shall be used for specific purposes. The Company's use of proceeds shall comply with national industrial policies and relevant laws and regulations, practice the concept of sustainable development, and fulfill its social responsibilities. In principle, the proceeds shall be used for its principal business, which will help enhance the Company's competitiveness and innovation capabilities. The proceeds may not be used to hold financial investments, and may not be invested directly or indirectly in companies that principally engage in the trading of marketable securities. Where separate provisions govern the use of proceeds from the issuance of shares or convertible corporate bonds for asset acquisitions and supplementary fundraising, such provisions shall prevail.**

No.	Original Provisions of Management Principles on the Use of Proceeds	Amended Provisions of Management Principles on the Use of Proceeds
8	Article ~~5~~ The purpose of the use of proceeds raised shall be limited to Investment Projects using the proceeds raised as published (hereinafter referred to as the "Investment Projects") and shall not be changed without a resolution duly passed at the general meetings of the Company. Utilization of the proceeds raised shall be regulated, open and transparent.	Article **7** The purpose of the use of proceeds raised shall be limited to Investment Projects using the proceeds raised as published (hereinafter referred to as the "Investment Projects") and shall not be changed without a resolution duly passed at the general meetings of the Company. Utilization of the proceeds raised shall be regulated, open and transparent.
9	Article ~~4~~ The Directors~~, Supervisors~~ and senior management of the Company should perform due diligence, supervise the regular use of proceeds raised and take the initiative to maintain the security of the proceeds raised, and shall not participate in, provide assistance to or connive the Company to change the use of proceeds without authorization or covertly.	Article **8** The Directors and senior management of the Company should perform due diligence, supervise the regular use of proceeds raised and take the initiative to maintain the security of the proceeds raised, and shall not participate in, provide assistance to or connive the Company to change the use of proceeds without authorization or covertly.
10	New added	**Article 9 The Board of Directors of the Company shall disclose the use of proceeds in a timely manner in accordance with the relevant laws, administrative regulations, normative documents and the company's articles of association.**
11	Article ~~9~~ The sponsor(s) shall ~~perform its duties~~ in respect of the management and ~~the~~ utilization of the proceeds raised of the Company in accordance with the Administrative Measures for the Sponsorship Business of the Issuance and Listing of Securities (《証券發行上市保薦業務管理辦法》) ~~and the requirements of other relevant laws, regulations and regulatory documents and shall conduct ongoing supervision~~.	Article **11** The sponsor(s) **or independent financial advisor(s) shall conduct ongoing supervision** in respect of the **deposit,** management and utilization of the proceeds raised of the Company in accordance with the Administrative Measures for the Sponsorship Business of the Issuance and Listing of Securities (《証券發行上市保薦業務管理辦法》).

No.	Original Provisions of Management Principles on the Use of Proceeds	Amended Provisions of Management Principles on the Use of Proceeds
12	Article ~~13~~ Upon receipt of the proceeds, the Company should conduct verification procedures in a timely manner. ~~After a capital verification report issued by an accounting firm, the total proceeds shall be deposited into the Designated Account for Proceeds in a timely and complete manner~~.	Article **14** Upon receipt of the proceeds, the Company should conduct verification procedures in a timely manner.
13	New added	**Article 15 Where the Company conducts financing twice or above, the Company shall set up Designated Accounts for Proceeds separately. The Over-raised Proceeds shall also be deposited and managed in the Designated Account for Proceeds.**
14	New added	**Article 16 If the proceeds raised are invested in overseas projects, it shall comply with the provisions of these Principles. The Company and its sponsor(s) or independent financial advisor(s) shall take effective measures to ensure the security and standardized use of raised proceeds invested in overseas projects, and shall disclose the relevant specific measures and their actual effectiveness in the Special Report on the Deposit and Actual use of Proceeds Raised (hereinafter referred to as the "Special Report on Proceeds Raised").**

No.	Original Provisions of Management Principles on the Use of Proceeds	Amended Provisions of Management Principles on the Use of Proceeds
15	Article ~~12~~ A tripartite custodian agreement ~~(hereinafter referred to as the "Agreement")~~ shall be entered into among the Company, the sponsor(s) and the commercial bank(s) (hereinafter referred to as the "Commercial Bank") with which the proceeds are deposited within one month upon receipt of the proceeds. The Agreement shall set out at least the following: (I) The Company shall deposit the proceeds into the Designated Account for Proceeds in a centralized way; (II) The account number of the Designated Account for Proceeds, the Investment Projects involved and the deposit amount at such account; (III) The Commercial Bank shall provide the Company with bank statements of the Designated Account for Proceeds on a monthly basis and send copies to the sponsor(s); (IV) If the Company withdraws an amount exceeding RMB50 million from the Designated Account for Proceeds once or at multiple times within 12 months and the amount reaches 20% of the total amount of proceeds net ~~of issuance costs (hereinafter referred to as the "Net Proceeds")~~, the Company ~~and the Commercial Bank~~ shall notify the sponsor(s) promptly;	Article **17** A tripartite custodian agreement **for the dedicated storage of proceeds raised** shall be entered into among the Company, the sponsor(s) **or independent financial advisor(s)** and the commercial bank(s) with which the proceeds are deposited (hereinafter referred to as the "Commercial Bank") within one month upon receipt of the proceeds **and announced in a timely manner. Upon the conclusion of the relevant agreements, the Company may use the proceeds raised**. The Agreement shall set out at least the following: (I) The Company shall deposit the proceeds into the Designated Account for Proceeds in a centralized way; (II) The account number of the Designated Account for Proceeds, the Investment Projects involved and the deposit amount at such account; (III) The Commercial Bank shall provide the Company with bank statements of the Designated Account for Proceeds on a monthly basis and send copies to the sponsor(s) **or independent financial advisor(s)**; (IV) If the Company withdraws an amount exceeding RMB50 million from the Designated Account for Proceeds once or at multiple times within 12 months and the amount reaches 20% of the Net Proceeds, the Company shall notify the sponsor(s) or **independent financial advisor(s)** promptly;

No.	Original Provisions of Management Principles on the Use of Proceeds	Amended Provisions of Management Principles on the Use of Proceeds
	(V) The sponsor(s) may make inquiries to the Commercial Bank on the Designated Account for Proceeds at any time; (~~VI~~) The ~~rights, obligations and~~ liability for breach of the Agreement by the Company, the Commercial Bank ~~and~~ the sponsor(s). (VII) The Company may terminate the Agreement and cancel the Designated Account for Proceeds where the Commercial Bank has failed to produce bank statements in a timely manner ~~or inform on the substantial withdrawal of the Designated Account for Proceeds to the sponsor(s)~~ for ~~three~~ times, and where the Commercial Bank has showed noncooperation with the sponsor(s) in respect of the sponsor(s)' inquiries and investigations made on the Designated Account for Proceeds. ~~The aforesaid Agreement shall, within two trading days after it has been entered into, be filed with the Shanghai Stock Exchange and an announcement thereof shall be published on the websites of the stock exchanges on which the Company is listed.~~ If the above Agreement is early terminated before its expiration date, the Company shall, within ~~two~~ weeks upon the termination of the Agreement, enter into a new Agreement with relevant parties~~, and shall file it with the Shanghai Stock Exchange and~~ make an announcement ~~on the websites of the stock exchanges on which the Company is listed within two trading days after entering into of such new Agreement.~~	(V) The sponsor(s) **or independent financial advisor(s)** may make inquiries to the Commercial Bank on the Designated Account for Proceeds at any time; **(VI) The supervisory responsibilities of the sponsor(s) or independent financial advisor(s), the notification and cooperation responsibilities of Commercial Banks, and the supervision methods of the sponsor(s) or independent financial advisor(s) and Commercial Banks on the use of proceeds raised**; (**VII**) The liability for breach of the Agreement by the Company, the Commercial Bank, the sponsor(s) **or the independent financial advisor(s)**; (**VIII**) The Company may terminate the Agreement and cancel the Designated Account for Proceeds where the Commercial Bank has failed to produce bank statements in a timely manner to the sponsor(s) **or independent financial advisor(s)** for **3** times, and where the Commercial Bank has showed noncooperation with the sponsor(s) **or independent financial advisor(s)** in respect of the sponsor(s)' **or independent financial advisor(s)'** inquiries and investigations made on the Designated Account for Proceeds. If the above Agreement is early terminated before its expiration date, the Company shall, within **2** weeks upon the termination of the Agreement, enter into a new Agreement with relevant parties and make an announcement **in a timely manner**.

No.	Original Provisions of Management Principles on the Use of Proceeds	Amended Provisions of Management Principles on the Use of Proceeds
16	Article ~~15~~ The Company shall strictly follow the application and approval procedures when utilizing the proceeds. ~~The project department of the Company shall, based on the feasibility report of the Investment Projects, prepare an annual proposal for the use of proceeds, as an integral part of the Company's annual budget, which shall be implemented upon consideration by the Board of Directors and approval at the general meeting. Department (unit) using the proceeds shall execute the relevant application procedures under the policy on the management of funds.~~	Article **19** The Company **and the subsidiary of the project company of the investment project** shall strictly follow the application and approval procedures when utilizing the proceeds **strictly in accordance with the Company's fund management system and other relevant regulations and procedures**.
17	Article ~~13 The use of proceeds by the Company shall comply with the following requirements:~~ ~~(I) The Company shall have precise requirements on the application, approval authority at different levels, decision procedures, risks control measures and information disclosure procedures in respect of the use of proceeds;~~ ~~(II) The Company shall use the proceeds in accordance with the investment plan for proceeds as committed in the offering application documents;~~	Article **21** The Company shall re-discuss the feasibility and estimated earnings of the Investment Projects **in a timely manner** and decide whether to implement the project in case of any of following circumstances: **(I)** Any material change in the market environment in which the Investment Projects are involved; **(II)** Suspension of the Investment Projects exceeding 1 year **following the receipt of the proceeds raised**;

No.	Original Provisions of Management Principles on the Use of Proceeds	Amended Provisions of Management Principles on the Use of Proceeds
	~~(III) Any material impact on normal progress of the utilization plan for proceeds shall be filed with the Shanghai Stock Exchange and an announcement thereof shall be published on the websites of the stock exchanges on which the Company is listed in a timely manner;~~ ~~(IV)~~ The Company shall re-discuss the feasibility and estimated earnings of the Investment Projects and decide whether to implement the project~~, and disclose the progress of the project, reasons for any abnormality and the adjusted investment plan (if any) for the proceeds in the latest periodic report in case of any of following circumstances~~: ~~1.~~ Any material change in the market environment in which the Investment Projects are involved; ~~2.~~ Suspension of the Investment Projects exceeding 1 year; ~~3.~~ Failure to meet the deadline specified in the plan for the Investment Projects and less than 50% of the proposed investment amount has been made; ~~4.~~ Other abnormalities of the Investment Projects.	**(III)** Failure to meet the deadline specified in the plan for the Investment Projects and less than 50% of the proposed investment amount has been made; **(IV)** Other abnormalities of the Investment Projects. **Where the Company finds itself in the circumstances described in the preceding paragraph, it shall promptly disclose such information.** **Where adjustments to the investment plan are required, the revised investment plan shall be disclosed concurrently. Where such adjustments involve altering Investment Projects, the relevant meeting procedures for changing the use of proceeds shall apply. The Company shall disclose in its annual and half-yearly reports the specific circumstances of any re-discussion of Investment Projects undertaken during the reporting period.**

No.	Original Provisions of Management Principles on the Use of Proceeds	Amended Provisions of Management Principles on the Use of Proceeds
18	Article ~~17~~ In the case that the Company has made investment with self-funded capital into the Investment Projects prior to receiving the proceeds, ~~the Company's self-funded capital shall be replaced by the proceeds within six months from the receipt thereof in accordance with the laws, regulations and the requirements of relevant regulatory authorities~~. Such replacement shall be considered and approved by the Board of Directors with a verification report issued by an accountant firm ~~and the explicit consents from independent directors, the Supervisory Committee~~ and the sponsor(s). ~~The Company shall file a report to the Shanghai Stock Exchange and make an announcement on the websites of the stock exchanges on which the Company is listed within two trading days after the meeting of the Board of Directors.~~ If the Company has disclosed in its application document for issuance its intention of replacement of pre-contributed self-funded capital with the proceeds raised, with a pre-determined amount, it shall make an announcement prior to such replacement.	Article **22** In the case that the Company has made investment with self-funded capital into the Investment Projects prior to receiving the proceeds **and intends to replace these with proceeds raised upon receipt the proceeds, the replacement shall be carried out within 6 months after the proceeds raised are transferred into the Designated Account. During the implementation of a Investment Project, payment shall in principle be made directly from the proceeds raised. If it is genuinely difficult to make direct payments from proceeds raised for matters such as personnel remuneration or purchasing overseas products and equipment, the replacement may be carried out within 6 months after payment is made with the Company's own funds.** Such replacement shall be considered and approved by the Company's Board of Directors, with an verification report issued by an accounting firm and a clear opinion from the sponsor(s)**. The Company shall promptly disclose relevant information**. If the Company has disclosed in its application document for issuance its intention of replacement of pre-contributed self-funded capital with the proceeds raised, with a pre-determined amount, it shall make an announcement prior to such replacement.

No.	Original Provisions of Management Principles on the Use of Proceeds	Amended Provisions of Management Principles on the Use of Proceeds
19	Article ~~18~~ The proceeds which are temporarily idle ~~may be arranged for~~ cash management, ~~and the products invested must~~ meet the following conditions: (I) high security~~, meeting the requirements of principal guarantee and the issuer of the products having made an undertaking on the principal guarantee~~; (II) adequate liquidity ~~without affecting the smooth progress of the investment plan of the proceeds~~. ~~The investment products shall not be pledged, and the special product settlement account (if applicable) shall not be used for the deposit of funds other than the proceeds or for any other purposes.~~ In case of opening or canceling a special product settlement account~~, the Company shall file with the Shanghai Stock Exchange and~~ make an announcement ~~on the websites of the stock exchanges on which the Company is listed within two trading days~~.	Article **23 The Company may conduct** cash management **on** the proceeds which are temporarily idle, **which should be implemented through a dedicated fundraising account or a publicly disclosed product specific settlement account. If cash management is implemented through a product specific settlement account, the account shall not store non-raised funds or be used for other purposes. The implementation of cash management shall not affect the normal operation of the fundraising investment plan. Cash management products shall** meet the following conditions: (I) Products with high security, s**uch as structured deposits and large denomination certificates of deposit, shall not be non-guaranteed**; (II) Good liquidity, **product term shall not exceed twelve months**; **(III) Cash management products cannot be pledged. Only after the due proceeds raised of the cash management products specified in the first paragraph of this article are recovered on schedule and make an announcement, can the Company carry out cash management again within the authorized period and amount.** In case of opening or cancellation of an investment product-specific settlement account, **the Company shall** issue an announcement **in a timely manner.**

No.	Original Provisions of Management Principles on the Use of Proceeds	Amended Provisions of Management Principles on the Use of Proceeds
20	Article ~~19~~ The investment of idle proceeds in products shall be subject to the consideration and approval by the Board of Directors~~, with explicit consents from independent directors, the Supervisory Committee and the sponsor(s). The Company~~ shall ~~make the relevant announcement within two trading days~~ after the meeting of the Board of Directors on: (I) the basic information of the proceeds, including, among others, the time of raising, the amount and net amount of the proceeds raised and the investment plan; (II) the information of the use of the proceeds; (III) the limit and duration of the ~~idle proceeds for investing in products~~, whether there is any act of changing the purposes of the proceeds in disguised form and the measures for ensuring the smooth progress of the Investment Projects; (IV) the income distribution manner, investment scope and security of the ~~investment products~~; (V) opinions issued by ~~independent directors, the Supervisory Committee and~~ the sponsor(s)~~;~~ ~~(VI) other requirements of the stock exchanges on which the Company is listed~~.	Article **24** Where the Company employs **temporarily** idle proceeds for cash management purposes**, it** shall **promptly disclose the following information** after **the consideration approval by** the meeting of the Board of Directors: (I) the basic information of the proceeds, including, among others, the time of raising, the amount and net amount of the proceeds raised and the investment plan; (II) the information of the use of the proceeds; (III) the limit and duration of the **cash management**, whether there is any act of changing the purposes of the proceeds in disguised form and the measures for ensuring the smooth progress of the Investment Projects; (IV) the income distribution manner, investment scope and security of the **cash management product;** (V) opinions issued by the sponsor(s) **or independent financial advisor(s)**. **The Company shall promptly disclose a risk alert announcement when circumstances arise that may harm the interests of the Company and its investors, such as a deterioration in the financial condition of the issuer of the product or potential losses in the invested product, and shall explain the risk control measures taken by the Company to ensure the security of the funds.**

No.	Original Provisions of Management Principles on the Use of Proceeds	Amended Provisions of Management Principles on the Use of Proceeds
21	Article 2~~0~~ Where the Company uses ~~temporarily~~ the idle proceeds to replenish working capital, such replenishment shall meet the following conditions: (I) It shall not change the purpose of proceeds in disguised form~~;~~ (~~H~~) It shall not affect the normal progress of the investment plan of the proceeds; (~~HI~~) It shall be only used for production and operation related to the principal businesses, ~~and shall not be directly or indirectly used for participation in or subscription for placing and subscription of new shares, or investment in stocks and any derivative instruments or convertible corporate bonds, etc.~~; (~~IV~~) The duration of any individual replenishment of the working capital shall not exceed 12 months; (~~V~~) Any proceeds previously used for temporary replenishment of working capital falling due have been returned (if applicable). (~~VI~~) ~~It has not make any high-risk investments in the past twelve months and will not make any high-risk investments when utilizing the proceeds to replenish the working capital temporarily.~~	Article 2**5** Where the Company uses the **temporarily** idle proceeds to replenish working capital **temporarily**, such replenishment shall **be conducted through the Designated Account for Proceeds, and** meet the following conditions: (I) It shall not change the purpose of proceeds in disguised form, and it shall not affect the normal progress of the investment plan of the proceeds; (**II**) It shall be only used for production and operation related to the principal businesses; (**III**) The duration of any individual **temporary** replenishment of the working capital shall not exceed 12 months; (**IV**) Any proceeds previously used for temporary replenishment of working capital falling due have been returned (if applicable).

No.	Original Provisions of Management Principles on the Use of Proceeds	Amended Provisions of Management Principles on the Use of Proceeds
22	Article ~~21~~ The ~~temporary use of~~ idle proceeds to replenish working capital by the Company shall be subject to the consideration and approval by the Board of Directors of the Company, with explicit consents given by ~~independent directors, the Supervisory Committee and~~ the sponsor(s). The Company shall ~~report to the Shanghai Stock Exchange and make an announcement on the websites of the stock exchanges on which the Company is listed within two trading days~~ after the meeting of the Board of Directors ~~on: (I) the basic information of the proceeds, including, among others, the time of raising, the amount and net amount of the proceeds raised and investment plan; (II) the information of the use of the proceeds; (III) the amount and duration of the idle proceeds for replenishing the working capital; (IV) the expected amount of finance costs to be saved by the idle funds for replenishing the working capital, reasons for the shortage of working capital, whether there is any act of changing the purposes of the proceeds in disguised form and the measures for ensuring the smooth progress of the Investment Projects; (V) opinions issued by independent directors, the Supervisory Committee and the sponsor(s); (VI) other requirements of the stock exchanges on which the Company is listed. Before the expiration date of replenishment of the working capital, the Company shall return such proceeds to the Designated Account for Proceeds, and report to the Shanghai Stock Exchange and make an announcement on the websites of the stock exchanges on which the Company is listed within two trading days after the full payback of the proceeds.~~	Article **26 If the Company uses the temporarily** idle proceeds to supplement working capital, **the amount, duration, and other matters** shall be subject to the consideration and approval by the Board of Directors of the Company, with explicit consents given by the sponsor(s) or **independent financial advisor(s)**, and the Company shall **disclose relevant information in a timely manner. Before the time for supplementing working capital expires, the Company shall pay such fund back to the Designated Account for Proceeds, and make a timely announcement**.

No.	Original Provisions of Management Principles on the Use of Proceeds	Amended Provisions of Management Principles on the Use of Proceeds
23	Article ~~22 The excess of the proceeds raised which exceeds the amount of the proceeds planned to raise (the "Additional Proceeds") may be used to permanently replenish the working capital and repay bank loans, but the cumulative amount in every 12 months shall not exceed 30% of the total amount of the Additional Proceeds, and the Company shall undertake that it will not make any high-risk investments or provide financial assistance to others within 12 months after replenishing the working capital.~~	Article **27 The Company shall, in accordance with its development plan and actual production and operation needs, properly arrange the utilisation plan for Over-raised Proceeds. The Over-raised Proceeds shall be used for projects under construction and new projects, as well as for repurchasing and legally cancelling the Company's shares. The Company shall, at the latest by the time of the overall completion of the same batch of the Investment Projects funded by the proceeds, clarify the specific utilisation plan for the Over-raised Proceeds and put them into use in accordance with the plan.**
24	New added	**Article 28 The use of the Over-raised Proceeds shall be resolved by the Board of Directors in accordance with the law, and the sponsor(s) or independent financial advisor(s) shall issue an explicit opinion and submit the same to the shareholders' meeting for consideration. The Company shall promptly and fully disclose relevant information such as the necessity and rationality of using the Over-raised Proceeds. Where the Company uses the Over-raised Proceeds to invest in projects under construction and new projects, the Company shall fully disclose information such as the construction plans and investment cycles of the relevant projects.**

No.	Original Provisions of Management Principles on the Use of Proceeds	Amended Provisions of Management Principles on the Use of Proceeds
25	~~Article 23 The use of the Additional Proceeds for the purpose of permanently replenishing the working capital or repayment of bank loans is subject to the consideration and approval by the Board of Directors and shareholders of the Company, with the manner of online voting provided for shareholders, and explicit consents must be given by independent directors, the Supervisory Committee and the sponsor(s). The Company shall report to the Shanghai Stock Exchange and make an announcement on the websites of the stock exchanges on which the Company is listed within two trading days after the meeting of the Board of Directors on: (I) the basic information of the proceeds, including, among others, the time of raising, the amount and net amount of the proceeds raised and investment plan; (II) the information of the use of the proceeds; (III) the necessity of and detailed plan for the Additional Proceeds used for permanently replenishing the working capital or repaying bank loans; (IV) the undertaking of not making any high-risk investments or not providing financial assistance to others within 12 months after replenishing the working capital; (V) the impact on the Company of the use of the Additional Proceeds for permanently replenishing the working capital or repaying bank loans; (VI) opinions issued by independent directors, the Supervisory Committee and the sponsor(s).~~	**Article 29 Where it is indeed necessary to use temporarily idle Over-raised Proceeds for cash management or temporarily replenishing the working capital, the necessity and reasonableness of such use shall be explained. If the Company uses temporarily idle Over-raised Proceeds for cash management or temporarily replenishing the working capital, the capital amount, duration, and other relevant matters shall be subject to consideration and approval by the Board. The sponsor(s) shall issue an explicit opinion and the Company shall promptly disclose the relevant information.**

No.	Original Provisions of Management Principles on the Use of Proceeds	Amended Provisions of Management Principles on the Use of Proceeds
26	~~Article 24 When the Company invests the Additional Proceeds in projects under construction and new projects (including acquisition of assets), the investment shall be limited to its principal businesses. The Company shall apply the relevant requirements herein to conduct the feasibility analysis of the Investment Projects in a scientific and diligent manner, and shall, based on the progress of the projects under construction and the new projects, carry out the obligation of disclosure in a timely manner. For application of the Additional Proceeds in capital increment of the subsidiaries, it shall be made in accordance with the relevant requirement on the Additional Proceeds for replenishing the working capital or repaying bank loans.~~	Deleted

No.	Original Provisions of Management Principles on the Use of Proceeds	Amended Provisions of Management Principles on the Use of Proceeds
27	Article ~~25~~ Where a single Investment Project is completed ~~and~~ the Company ~~uses~~ the remaining proceeds ~~of such project~~ (including interest income) ~~for other Investment Projects, it~~ shall ~~obtain~~ an approval from the Board of Directors and explicit consents from ~~the independent directors,~~ the sponsor(s) ~~and the Supervisory Committee~~. The Company shall ~~report to the Shanghai Stock Exchange and~~ make an announcement ~~on the websites of the stock exchanges on which the Company is listed within two trading days~~ after the meeting of the Board of Directors. If the remaining proceeds (including the interest income) is less than RMB~~1~~ million or less than 5% of the ~~committed invested~~ proceeds ~~of such Investment Project~~, the Company may be exempted from the preceding procedures, provided that the use shall be disclosed in its ~~annual~~ report. If the remaining proceeds (including the interest income) of a single Investment Project is used for projects other than the Investment Projects (including replenishing the working capital), it shall follow the relevant procedures and disclosure obligations by reference to the ~~same for changes of Investment Projects~~.	Article **30** Where a single Investment Project is completed **in full,** the Company**'s use of** the remaining proceeds (including interest income) shall **be subject to** an approval from the Board of Directors and explicit consents from the sponsor(s) **or the independent advisor(s)**. The Company shall make an announcement **in a timely manner** after the meeting of the Board of Directors. **Where the remaining proceeds (including interest income) is more than 10% of the Net Proceeds, it shall also be subject to approval by the shareholders' meeting.** If the remaining proceeds (including the interest income) is less than RMB**5** million or less than 5% of the **Net Proceeds**, the Company may be exempted from the preceding procedures, provided that the use shall be disclosed in its **latest periodic** report. If the remaining proceeds (including the interest income) of a single Investment Project is used for projects other than the Investment Projects (including replenishing the working capital), it shall follow the relevant procedures and disclosure obligations by reference to the **changes in the use of proceeds**.

No.	Original Provisions of Management Principles on the Use of Proceeds	Amended Provisions of Management Principles on the Use of Proceeds
28	Article ~~26~~ Upon completion of all the Investment Projects, ~~if~~ the remaining proceeds (including the interest income) ~~is 10% or more of the Net Proceeds~~, the use of such remaining proceeds is subject to approvals by the Board of Directors ~~and general meeting~~ and explicit ~~consents~~ from the independent directors, the sponsor(s) and the Supervisory Committee. The Company shall ~~report to the Shanghai Stock Exchange and~~ make an announcement ~~on the websites of the stock exchanges on which the Company is listed within two trading days~~ after the meeting of the Board of Directors. ~~For the remaining proceeds (including the interest income) below 10% of the Net Proceeds, the use of such balance is subject to approval by the Board of Directors and explicit consents from the independent directors, the sponsor(s) and the Supervisory Committee~~. The Company shall ~~report to the Shanghai Stock Exchange and make an~~ announcement ~~on the websites of the stock exchanges on which the Company is listed within two trading days~~ after the meeting of the Board of Directors. For the remaining proceeds (including the interest income) below RMB5 million or 5% of the Net Proceeds, the use of such remaining proceeds is exempted from the above procedures but shall be disclosed in the latest periodic report.	Article **31** Upon completion of all Investment Projects, the **Company's use of** remaining proceeds (including interest income) shall be subject to approval by the Board of Directors and requires explicit **opinion** from the sponsor(s) o**r independent financial advisor(s)**. The Company shall make an announcement **in a timely manner** after the meeting of the Board of Directors. **Where the remaining proceeds (including interest income) is more than 10% of the Net Proceeds, it shall also be subject to approval by the shareholders' meeting**. For the remaining proceeds (including the interest income) below RMB5 million or 5% of the Net Proceeds, the use of such remaining proceeds is exempted from the above procedures but shall be disclosed in the latest periodic report.

No.	Original Provisions of Management Principles on the Use of Proceeds	Amended Provisions of Management Principles on the Use of Proceeds
29	Article ~~27~~ The Company shall apply the proceeds for the purposes as stated in the application document for issuance ~~without change in principle. If changes in the purpose of proceeds is necessary, such changes are~~ subject to ~~approvals~~ by the Board of Directors ~~and general meeting~~ and explicit consents from the ~~independent directors,~~ the sponsor(s) ~~and the Supervisory Committee. In case that the Company merely changes the location for implementation of the Investment Projects, such changes may be exempted from the procedures of the preceding clause but shall be subject to the consideration and approval by the Board of Directors. A report shall be filed with the Shanghai Stock Exchange, and the reasons for the changes, impact on the implementation of the Investment Projects and the opinion of the sponsor(s) shall be announced on the websites of the stock exchanges on which the Company is listed within two trading days.~~ ~~Article 29 The Company shall be deemed to have made changes to the Investment Projects upon:~~ (1) Cancellation of the original Investment Projects ~~and~~ implementation of a new project; (2) Change in the executor of the Investment Projects;	Article **32** The Company shall apply the proceeds for the purposes as stated in the application document for issuance **and shall not change their intended use without authorisation**. **Where any of the following circumstances arise, such change shall constitute a change in the use of proceeds, and** subject to **resolutions** by the Board of Directors **in accordance with the law** and explicit consents from the sponsor(s) or independent financial advisor(s)**, and the matter shall be submitted to the shareholders' meeting for consideration. The Company shall disclose relevant information in a timely manner**: (I) Cancellation **or termination** of the original Investment Project, implementation of a new project**, or permanent replenishment of working capital**; (II) Change in the implementing entity of the Investment Project; (III) Change in the implementation method of the Investment Project; (IV) **Other circumstances deemed by securities regulatory authorities and stock exchanges to constitute a change in the use of the proceeds.**

No.	Original Provisions of Management Principles on the Use of Proceeds	Amended Provisions of Management Principles on the Use of Proceeds
	(3) Change in the way of implementation of the Investment Projects; (4) ~~The difference between the actual investment amount and the planned investment amount exceeds 30% of the planned amount;~~ (5) ~~Other situations considered by the stock exchanges on which the Company is listed as a change in the use of proceeds.~~	**Where the Company falls under the circumstances specified in subparagraph (1) of the preceding paragraph, the sponsor(s) or independent financial advisor(s) shall, in conjunction with previously disclosed fundraising-related documents, specifically explain the primary reasons for the changes in the Investment Projects and the reasonableness of the sponsor(s)' prior opinions. The Company shall utilise the proceeds in accordance with Articles 6.3.13, 6.3.15, and the second paragraph of Article 6.3.23 of the Shanghai Stock Exchange Self-Regulatory Supervision Guidelines for Listed Companies No. 1 – Standardised Operation. Where such utilisation exceeds the scope, duration, or other matters determined by the Board of Directors' meeting procedures, and where the circumstances are serious, it shall be deemed an unauthorised alteration of the designated use of proceeds.**
30	New added	**Article 33 Changes in the implementation subject of the Investment Projects between the Company and the wholly-owned subsidiary, or only the change of the implementation location of the Investment Projects, shall not be deemed as a change of the use of the proceeds. Such changes shall be resolved by the Board of Directors without requiring consideration and approval by the shareholders' meeting. The sponsor(s) or independent financial advisor(s) shall issue an explicit opinion and the company shall disclose the relevant information in a timely manner.**

No.	Original Provisions of Management Principles on the Use of Proceeds	Amended Provisions of Management Principles on the Use of Proceeds
31	Article 3~~0~~ Where the Company proposes to change the Investment Projects, it shall ~~report to the Shanghai Stock Exchange and~~ announce the followings ~~on the websites of the stock exchanges on which the Company is listed within two business days~~ after submitting the proposal to the Board of Directors for consideration: (1) Basic information of the original Investment Projects and specific reasons for the change; (2) Basic information, feasibility analysis and risk alert in relation to the new Investment Projects; (3) Investment plan for the new Investment Projects; (4) Explanation on the approval obtained or to be obtained from the relevant authorities (if applicable) in respect of the new Investment Projects; (5) Opinions of ~~independent Directors, the supervisory committee and~~ the sponsor(s) on the change of the Investment Projects; (6) Explanation on changing the Investment Projects being subject to the consideration by the shareholders at a general meeting;	Article 3**4** Where the Company proposes to change the Investment Projects, it shall announce the followings **in a timely manner** after submitting the proposal to the Board of Directors for consideration: (1) Basic information of the original Investment Projects and specific reasons for the change; (2) Basic information, feasibility analysis and risk alert in relation to the new Investment Projects; (3) Investment plan for the new Investment Projects; (4) Explanation on the approval obtained or to be obtained from the relevant authorities (if applicable) in respect of the new Investment Projects; (5) Opinions of the sponsor(s) **or independent financial advisor(s)** on the change of the Investment Projects; (6) Explanation on changing the Investment Projects being subject to the consideration by the shareholders at a general meeting;

No.	Original Provisions of Management Principles on the Use of Proceeds	Amended Provisions of Management Principles on the Use of Proceeds
	(7) Other information as required by the stock exchanges o~~n which the Company is listed~~. When any new Investment Project involves connected transactions, asset acquisitions or external investments, disclosures shall be ~~made~~ in accordance with ~~the requirements of relevant rules~~.	(7) Other information as required by the **securities regulatory authorities and the** stock exchanges. When any new Investment Project involves connected transactions, asset acquisitions or external investments, **the approval procedures and information** disclosures **obligations** shall **also** be **performed** in accordance with the **relevant** requirements of **the securities regulatory authorities and the stock exchange**.
32	Article ~~28~~ The purposes of the proceeds after change shall~~, in principle,~~ remain as an investment in the principal businesses. The Company shall scientifically and prudently carry out the feasibility analysis of the new Investment Projects to ensure such projects ~~have sound market prospect and profitability,~~ can effectively prevent investment risks and improve the efficiency of the use of the proceeds.	Article **35** The purposes of the proceeds after change shall remain as an investment in the principal businesses. The Company shall scientifically and prudently carry out the feasibility analysis of the new Investment Projects to ensure such projects can **help enhance the competitive edge and innovation capability of the Company**, effectively prevent investment risks and improve the efficiency of the use of the proceeds.

No.	Original Provisions of Management Principles on the Use of Proceeds	Amended Provisions of Management Principles on the Use of Proceeds
33	Article ~~33~~ If the Company plans to transfer the Investment Projects to any external party or replace them ~~(unless such Investment Projects has been fully transferred or replaced in a significant assets restructuring of the Company)~~, it shall ~~report to the Shanghai Stock Exchange and~~ announce the followings ~~on the websites of the stock exchanges on which the Company is listed within two trading days~~ after submitting the proposal to the Board of Directors for consideration: (1) Specific reason for the external transfer or replacement of the Investment Projects; (2) Amount of proceeds raised already invested in the projects; (3) Progress of and benefits realized from the projects; (4) Basic information, feasibility analysis and risk alert (if applicable) in relation to the replacement project; (5) Basis of pricing for the transfer or replacement and relevant gains; (6) Opinions of ~~independent directors, the supervisory committee and~~ sponsor(s) on the transfer or replacement of the Investment Projects;	Article **37** If the Company plans to transfer the Investment Projects to any external party or replace them, it shall announce the followings **in a timely manner** after submitting the proposal to the Board of Directors for consideration: (1) Specific reason for the external transfer or replacement of the Investment Projects; (2) Amount of proceeds raised already invested in the projects; (3) Progress of and benefits realized from the projects; (4) Basic information, feasibility analysis and risk alert (if applicable) in relation to the replacement project; (5) Basis of pricing for the transfer or replacement and relevant gains; (6) Opinions of sponsor(s) **or independent financial advisor(s)** on the transfer or replacement of the Investment Projects; (7) Explanation of the transfer or replacement of the Investment Projects being subject to the consideration by the shareholders' meeting; and

No.	Original Provisions of Management Principles on the Use of Proceeds	Amended Provisions of Management Principles on the Use of Proceeds
	(7) Explanation of the transfer or replacement of the Investment Projects being subject to the consideration by the shareholders at a ~~general~~ meeting; and (8) Other information as required by the stock exchanges ~~on which the Company is listed~~. The Company shall pay close attention to the receipt and use of the transfer proceeds, change in ownership of new assets from replacement and the operational continuity of such new assets and fulfill necessary disclosure obligations.	(8) Other information as required by the **securities regulatory authorities and** stock exchanges. The Company shall pay close attention to the receipt and use of the transfer proceeds, change in ownership of new assets from replacement and the operational continuity of such new assets and fulfill necessary disclosure obligations.
34	New added	**Article 39 The Company's finance management department shall set up a ledger on the use of proceeds and keep detailed records of the expenditure of proceeds and the investment in projects funded by the proceeds. The Company's internal audit body shall inspect the deposit and use of proceeds at least once every six months and report the inspection results to the audit and risk control committee in a timely manner.**

No.	Original Provisions of Management Principles on the Use of Proceeds	Amended Provisions of Management Principles on the Use of Proceeds
35	~~Article 36 Independent directors, the Audit Committee of the Board of Directors and the Supervisory Committee shall pay continuous attention to whether there is any significant difference between the actual administration and use of proceeds and the information disclosure of the Company. Certified public accountants may be engaged by half or more of the independent directors, the Audit Committee of the Board of Directors or the Supervisory Committee to issue an verification report on the deposit and the use of proceeds. The Company shall make its best endeavors to cooperate at its cost where necessary. The Board of Directors shall report to the Shanghai Stock Exchange and release an announcement on websites of the stock exchanges on which the Company is listed within two trading days upon receipt of the verification report mentioned in the preceding paragraph. If the verification report identifies any non-compliance in administration and use of proceeds by the Listed Company, the Board of Directors shall also announce the non-compliance, its consequences that have occurred or may occur and the actions that have taken or are to be taken.~~	**Article 40 Where the Company's audit and risk control committee deems that the management of the proceeds involves non-compliance, significant risks, or where the internal audit body has failed to submit the inspection report as stipulated in the preceding paragraph, it shall promptly report to the Board of Directors. Upon receipt of such report, the Board of Directors shall promptly notify the securities regulatory authorities and the stock exchange and disclose the matter in a timely manner.**

No.	Original Provisions of Management Principles on the Use of Proceeds	Amended Provisions of Management Principles on the Use of Proceeds
36	Article ~~35~~ The Board of Directors of the Company shall comprehensively review progress of the Investment Projects semi-annually~~, and issue a Special Report on the Deposit and the Actual Use of Proceeds of the Company (~~"Special Report on Proceeds"~~).~~Where the actual progress of Investment Projects differs from the investment plan, the Company shall explain specific reasons in the Special Report on Proceeds. ~~When idle proceeds are used in investment products in the current period, the Company shall disclose returns for the reporting period and investment share, counterparties, product names, term and other information as the end of the period in the Special Report on Proceeds. The Special Report on Proceeds shall be considered and approved by the Board of Directors and the Supervisory Committee, and be reported to the Shanghai Stock Exchange with an announcement thereon released on the websites of the stock exchanges on which the Company is listed within two trading days upon submission to the Board of Directors for consideration.~~ In an annual audit, the Company shall engage certified public accountants to issue an verification report on the deposit and use of proceeds of the Company, which shall be ~~announced~~ when the Company publishes its annual report.	Article **41** The Board of Directors shall **maintain ongoing oversight of the actual management and use of the proceeds and any Over-raised Proceeds**, comprehensively review **the** progress of the Investment Projects**, and prepare and disclose the** Special Report on Proceeds semi-annually. **Such special report shall include basis information on the proceeds, and the deposit, management and use of the proceeds as stipulated in these measures.** Where the actual progress of Investment Projects differs from the investment plan, the Company shall explain specific reasons in the Special Report on Proceeds. In an annual audit, the Company shall engage certified public accountants to issue an verification report on the deposit**, management** and use of proceeds of the Company, which shall be **disclosed** when the Company publishes its annual report.

No.	Original Provisions of Management Principles on the Use of Proceeds	Amended Provisions of Management Principles on the Use of Proceeds
37	Article ~~37~~ The sponsor(s) shall conduct at least one on-site ~~survey~~ for the deposit and use of the proceeds of the Company semi-annually. ~~After the end of every financial year, the sponsor(s) shall issue a special examination report on the deposit and use of proceeds of the Company for the year, which shall be announced when the Company publishes its annual report.~~ ~~In the event that the sponsor(s) identifies any non-compliance in a survey, the sponsor(s) shall report to the stock exchanges on which the Company is listed in a timely manner.~~ ~~Article 38~~ After the end of every financial year, the Board of Directors of the Company shall disclose in the Special Report on Proceeds the conclusive opinions contained in the special examination report issued by the sponsor(s) and the verification report issued by the certified public accountants.	Article **42** The sponsor(s) or the independent financial advisor(s) shall conduct an on-site **verification** on the deposit**, management** and use of the proceeds of the listed company **at least** semi-annually. After the end of every financial year, the Board of Directors of the Company shall disclose in the Special Report on Proceeds the conclusive opinions contained in the special examination report issued by the sponsor(s) **or independent financial advisor(s)** and the verification report issued by the certified public accountants. **The Company shall cooperate with the sponsor(s)' ongoing supervision and on-site verification, as well as the audit work of the accounting firm, promptly providing or applying to the Commercial Bank for the provision of necessary documentation relating to the deposit, management and use of the proceeds.**
38	~~Article 39 Unless otherwise specified, the terms "or more" herein are all inclusive terms whereas "exceed" or "less than" are exclusive terms.~~	Deleted

No.	Original Provisions of Management Principles on the Use of Proceeds	Amended Provisions of Management Principles on the Use of Proceeds
39	Article 40 These Principles shall be construed and interpreted and amended by the Board of Directors ~~of the Company~~.	Article 4**3 These Principles constitute an amendment to the original Management Principle on the Use of Proceeds,** and shall be construed and interpreted**, and supervised in terms of its implementation,** by the Board of Directors.
40	Article ~~43~~ These Principles shall be implemented on the date of consideration and approval at the general meeting of the Company ~~and the same also applies when an amendment is made~~.	Article **45** These Principles shall be implemented on the date of consideration and approval at the general meeting of the Company and **the original Management Principles on the Use of Proceeds shall be repealed immediately.**

Save for the above amendments, there are no substantive amendments to other provisions in the Management Principles on the Use of Proceeds. The non-substantial amendments include adjustments to the numbering and punctuation of the Management Principles on the Use of Proceeds, and other word modifications that do not affect the meaning of the items. Since they do not involve substantial changes and the scope of the revision is relatively wide, they will not be listed item by item.

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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)

NOTICE OF 2025 SECOND EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2025 second extraordinary general meeting (the "**EGM**") of Tianjin Capital Environmental Protection Group Company Limited (the "**Company**") will be held 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**") at 2 p.m. on 16 December 2025 for the purpose of considering the resolutions as listed below:

*Unless otherwise indicated, capitalized terms used herein shall have the same meanings as those defined in the circular of the Company dated 26 November 2025 (the "**Circular**").*

AS ORDINARY RESOLUTIONS:

1. To consider and approve amendments to the Management Principles on the Use of Proceeds.

2. To consider and approve the termination of some investment projects.

(For details of the above resolutions, please refer to the Circular.)

By order of the Board
Tang Fusheng
Chairman

Tianjin, the PRC
26 November 2025

As at the date of this notice, 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.

Notes:

(1) The holders of shares of the Company (the "**Shareholders**") whose names appear on the register of members of the Company on 11 December 2025 will be entitled to attend the EGM. The holders of H shares of the Company ("**H Shares**") are reminded that the the Company's register of members of H Shares will be closed from 11 December 2025 to 16 December 2025, both days inclusive, during which no transfer of H Shares will be effected. All transfers, accompanied by the relevant share certificates, must be lodged for registration with the Company's H share registrar and transfer office, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on 10 December 2025. The holder of H Shares whose name appears on the Company's register of members of H Shares on 11 December 2025 or his/her proxy may attend the EGM by bringing his/her own identity card or passport.

(2) Each Shareholder having the right to attend and vote at the EGM is entitled to appoint in written form one or more than one proxies (whether a Shareholder or not) as his/her proxy to attend and vote on his/her behalf at the EGM. If more than one proxies is appointed by a Shareholder, such proxies shall only exercise his/her voting rights on a poll.

(3) Shareholders can appoint a proxy by an instrument in writing (i.e. by using the enclosed proxy form). In order to be valid, the proxy form and, if such proxy form is signed by a person under a power of attorney or authority on behalf of the appointer, a notarially certified power of attorney (if any) or other authority (if any) under which it is signed, must be deposited at the Company's H share registrar and transfer office, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, or the Company's principal office address at TCEP Building, 76 Weijin South Road, Nankai District, Tianjin, the PRC as soon as possible but in any event not less than 24 hours before the time scheduled for the holding of the EGM.

(4) Shareholders or their proxies shall present proofs of their identities upon attending the EGM. Should a proxy be appointed, the proxy shall also present the proxy form.

(5) The EGM is expected to last for half a day. Shareholders and their proxies attending the EGM shall be responsible for their own travelling and accommodation expenses.

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