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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)

INSIDE INFORMATION
ANNOUNCEMENT IN RELATION TO THE PROPOSED PROVISION FOR IMPAIRMENT OF ASSETS

This announcement is made by Tianjin Capital Environmental Protection Group Company Limited (the "**Company**") pursuant to the Inside Information Provisions (as defined in the Rules (the "**Listing Rules**") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**")) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and Rule 13.09 and Rule 13.10B of the Listing Rules.

On 25 March 2026, the Company convened the fifth meeting of the ninth session of the board of directors of the Company (the "**Board**"), at which the "Resolution in relation to the Proposed Provision for Impairment of Assets" was considered and passed, the details of which are as follows:

I. PROVISION FOR IMPAIRMENT OF ASSETS

In order to objectively and fairly reflect the financial position and operating results of the Company for the year 2025, in accordance with the relevant provisions of the China Accounting Standards for Business Enterprises and the Company's accounting policies, the Company conducted an impairment test on the relevant assets within the scope of the consolidated financial statements for the year ended 31 December 2025 (the "**Reporting Period**"). Based on the results of the impairment tests, the Company proposes to make provision for asset impairment of RMB125.8011 million and to reverse impairment provision of RMB66.4163 million for the year 2025. The major items for which impairment provision is to be made include trade receivables, other receivables and long-term receivables. Details are as follows:

The Company carries out accounting treatment of impairment for financial assets and contract assets measured at amortised cost on the basis of expected credit losses and recognises a provision for bad debts. For notes and accounts receivable arising from daily operations, such as sales of products and provision of labour services, the impairment loss is measured on the basis of expected credit losses over the entire period of existence, regardless of whether there is a significant financing component.

The Company assesses expected credit losses on an individual basis for financial assets that are significant in amount and have a significantly lower credit risk, as well as for financial assets for which a significant increase in credit risk has occurred or for which a credit impairment has been recognised since initial recognition. When information on expected credit losses cannot be assessed at a reasonable cost for an individual financial asset, receivables are grouped into portfolios on the basis of credit risk characteristics, and expected credit losses are calculated on the basis of such portfolios.

During the Reporting Period, the Company conducted impairment tests for accounts receivable, other receivables and long-term receivables on the basis of expected credit losses in accordance with the above methods of provision and proposes to provide a credit impairment loss of RMB125.8011 million.

II. IMPACT OF THE PROVISION FOR IMPAIRMENT OF ASSETS ON THE COMPANY

The asset impairment of RMB125.8011 million of the Company was directly credited into profit or loss of the Company for the year, and the impact on the Company's profit or loss for the year 2025 is 13.73% of the absolute value of the audited net profit for the latest accounting year.

III. DECISION-MAKING PROCEDURES FOR THE PROVISION FOR IMPAIRMENT

The fifth meeting of the tenth session of the Board was held via a combination of physical presence and video conferences on 25 March 2026, nine Directors should attend the meeting and nine Directors have attended. The procedures for the convening of this board meeting were in compliance with the relevant requirements of the Company Law of the People's Republic of China and the Articles of Association of the Company, and the Board considered and approved the "Resolution in relation to the Proposed Provision for Impairment of Assets" at the meeting.

The Board is of the view that the provision for the impairment of assets of the Company was made in accordance with China Accounting Standards for Business Enterprises based on the actual conditions of the assets of the Company. The provision for the impairment of assets is based on the accounting principle of prudence, the reasons for the impairment are adequate, which could objectively, truly and fairly reflect the financial situation and assets value of the Company, and therefore agreed to the provision for impairment of assets.

By order of the Board
Tang Fusheng
Chairman

Tianjin, the PRC
25 March 2026

As at the date of this announcement, the Board comprises three executive Directors: Mr. Tang Fusheng, Mr. Fu Xinghai (employee Director) and Ms. Nie Yanhong; three non-executive Directors: Mr. Wang Yongwei, Mr. Li Xiaoguang and Mr. Liu Tao; and three independent non-executive Directors: Ms. Liu Fei, Mr. Wang Shanggan and Mr. Xue Tao.