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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)

CONTINUING CONNECTED TRANSACTIONS

The Board hereby announces that on 25 June 2026, the Board considered and approved a resolution in relation to entering into the Agreements, pursuant to which, Water Recycling Company (a wholly-owned subsidiary of the Company) commissioned Expressway Construction to provide EPC general contracting services for the Project, the scope of the contracting shall include all contents included in the construction drawings.

Implications under the Listing Rules

As at the date of this announcement, Tianjin Infrastructure Construction is the ultimate holding company of the Company, and Expressway Construction is an indirect wholly-owned subsidiary of Tianjin Infrastructure Construction. Therefore, under Chapter 14A of the Listing Rules, Expressway Construction is an associate of Tianjin Infrastructure Construction, and is deemed a connected person of the Company. Pursuant to Chapter 14A of the Listing Rules, the transactions contemplated under the Agreements constitute continuing connected transactions of the Company.

As one or more applicable percentage ratios for the maximum annual caps under the Agreements (as aggregated on an annual basis) exceed 0.1% but each of them is less than 5%, the Agreements are only subject to the reporting and announcement requirements but exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

INTRODUCTION

The Board hereby announces that on 25 June 2026, the Board considered and approved a resolution in relation to entering into the Agreements, pursuant to which, Water Recycling Company (a wholly-owned subsidiary of the Company) commissioned Expressway Construction to provide EPC general contracting services for the Project, the scope of the contracting shall include all contents included in the construction drawings.

The principal terms of the Agreements are summarized as follows:

I. First Batch Agreement

Parties:	(a) Water Recycling Company (as the contract issuer); and (b) Expressway Construction (as the contractor).
Scope of contracting:	All contents included in the construction drawings for each project in the detailed list of the first batch project of supporting projects in the 2026 reclaimed water area, including 7 sub-projects.
Duration:	The engineering period is scheduled from the commencement date of all projects (which is planned to be 28 June 2026) and until the completion date of all projects which is planned to be 27 July 2026, the specific commencement and completion dates shall be subject to the actual progress of the project.
Contract amount and payment thereof:	The total construction cost for the 7 sub-projects under the First Batch Agreement is RMB3,124,075 ("**Engineering Costs of First Batch of Supporting Projects**"). The Engineering Costs of First Batch of Supporting Projects will be disbursed in stages according to the actual progress of the project: 1. The project progress shall be jointly confirmed by the supervisor and Water Recycling Company. When the project progress reaches 30% and 80%, respectively, after joint confirmation by the supervisor and Water Recycling Company, Water Recycling Company will pay the corresponding 30% and 80% of the contract amount to Expressway Construction; 2. After Expressway Construction submits complete as-built drawings and as-built documents that meet the requirements of Water Recycling Company, and both parties complete the final settlement and a settlement report is issued by a third-party cost consulting agency, Water Recycling Company will pay up to 97% of the settlement value to Expressway Construction;

3. The remaining amount of 3% will be retained as a warranty deposit, which will be disbursed without interest within 10 days after the warranty period expires and Water Recycling Company confirms that there are no quality issues or that Expressway Construction has fulfilled all warranty responsibilities.

The term of the First Batch Agreement will not exceed 3 years, but due to the nature of the project, the estimated project warranty deposit of approximately RMB93,700 will be paid within 2 years after the project is completed and accepted (on or before 31 December 2030).

II. Second Batch Agreement

Parties: (a) Water Recycling Company (as the contract issuer); and

(b) Expressway Construction (as the contractor).

Scope of contracting: All contents included in the construction drawings for each project in the detailed list of the second batch project of supporting projects in the 2026 reclaimed water area, including 6 sub-projects.

Duration: The project period is scheduled from the commencement date of all projects (which is planned to be 1 July 2026) and until the completion date of the project (which is planned to be 30 July 2026), the specific commencement and completion dates shall be subject to the actual progress of the project.

Contract amount and payment thereof: The total construction cost for the 6 sub-projects under the Second Batch Agreement is RMB2,742,676 ("**Engineering Costs of Second Batch of Supporting Projects**").

The Engineering Costs of Second Batch of Supporting Projects will be disbursed in stages according to the actual progress of the project:

1. The project progress shall be jointly confirmed by the supervisor and Water Recycling Company. When the project progress reaches 30% and 80%, respectively, after joint confirmation by the supervisor and Water Recycling Company, Water Recycling Company will pay the corresponding 30% and 80% of the contract amount to Expressway Construction;

2. After Expressway Construction submits complete as-built drawings and as-built documents that meet the requirements of Water Recycling Company, and both parties complete the final settlement and a settlement report is issued by a third-party cost consulting agency, Water Recycling Company will pay up to 97% of the settlement value to Expressway Construction;

3. The remaining amount of 3% will be retained as a warranty deposit, which will be disbursed without interest within 10 days after the warranty period expires and Water Recycling Company confirms that there are no quality issues or that Expressway Construction has fulfilled all warranty responsibilities.

The term of the Second Batch Agreement will not exceed 3 years, but due to the nature of the project, the estimated project warranty deposit of approximately RMB82,300 will be paid within 2 years after the project is completed and accepted (on or before 31 December 2030).

III. Third Batch Agreement

Parties: (a) Water Recycling Company (as the contract issuer); and

(b) Expressway Construction (as the contractor).

Scope of contracting: All contents included in the construction drawings for each project in the detailed list of the third batch project of supporting projects in the 2026 reclaimed water area, including 5 sub-projects.

Duration: The project period is scheduled from the commencement date of all projects (which is planned to be 5 July 2026) and until the completion date of the project (which is planned to be 3 August 2026), the specific commencement and completion dates shall be subject to the actual progress of the project.

Contract amount and payment thereof: The total construction cost for the 5 sub-projects under the Third Batch Agreement is RMB3,229,323 ("**Engineering Costs of Third Batch of Supporting Projects**").

The Engineering Costs of Third Batch of Supporting Projects will be disbursed in stages according to the actual progress of the project:

1. The project progress shall be jointly confirmed by the supervisor and Water Recycling Company. When the project progress reaches 30% and 80%, respectively, after joint confirmation by the supervisor and Water Recycling Company, Water Recycling Company will pay the corresponding 30% and 80% of the contract amount to Expressway Construction;

2. After Expressway Construction submits complete as-built drawings and as-built documents that meet the requirements of Water Recycling Company, and both parties complete the final settlement and a settlement report is issued by a third-party cost consulting agency, Water Recycling Company will pay up to 97% of the settlement value to Expressway Construction;

3. The remaining amount of 3% will be retained as a warranty deposit, which will be disbursed without interest within 10 days after the warranty period expires and Water Recycling Company confirms that there are no quality issues or that Expressway Construction has fulfilled all warranty responsibilities.

The term of the Third Batch Agreement will not exceed 3 years, but due to the nature of the project, the estimated project warranty deposit of approximately RMB96,900 will be paid within 2 years after the project is completed and accepted (i.e., on or before 31 December 2030).

IV. Phase I Agreement of New Water Meter Installation Project at Haijiao Park

Parties: (a) Water Recycling Company (as the contract issuer); and

(b) Expressway Construction (as the contractor).

Scope of contracting: All contents included in the construction drawings for phase I of the new reclaimed water meter installation project for higher education institutions in Haihe Educational Park, including 5 sub-projects.

Duration: The project period is scheduled from the commencement date of all projects (which is planned to be 28 June 2026) and until the completion date of the project (which is planned to be 27 July 2026), the specific commencement and completion dates shall be subject to the actual progress of the project.

Contract amount and payment thereof: The total construction cost for the 5 sub-projects under the Phase I Agreement of New Water Meter Installation Project at Haijiao Park is RMB347,786 ("**Engineering Costs of Phase I of New Water Meter Installation Project at Haijiao Park**").

The Engineering Costs of Phase I of New Water Meter Installation Project at Haijiao Park will be disbursed in stages according to the actual progress of the project:

1. The project progress shall be jointly confirmed by the supervisor and Water Recycling Company. When the project progress reaches 30% and 80%, respectively, after joint confirmation by the supervisor and Water Recycling Company, Water Recycling Company will pay the corresponding 30% and 80% of the contract amount to Expressway Construction;

2. After Expressway Construction submits complete as-built drawings and as-built documents that meet the requirements of Water Recycling Company, and both parties complete the final settlement and a settlement report is issued by a third-party cost consulting agency, Water Recycling Company will pay up to 97% of the settlement value to Expressway Construction;

3. The remaining amount of 3% will be retained as a warranty deposit, which will be disbursed without interest within 10 days after the warranty period expires and Water Recycling Company confirms that there are no quality issues or that Expressway Construction has fulfilled all warranty responsibilities.

The term of Phase I Agreement of New Water Meter Installation Project at Haijiao Park will not exceed 3 years, but due to the nature of the project, the estimated project warranty deposit of approximately RMB10,400 will be paid within 2 years after the project is completed and accepted (i.e., on or before 31 December 2030).

Basis for Determination of Contract Price

The transactions contemplated herein consist of four individual contracts, with pricing conducted on a non-tender basis. Throughout the entire pricing process of the engineering costs for the Project, the principles of fairness, impartiality and arm's length market-based pricing were strictly followed. On the basis of objective and truthful foundation, the contracting parties mutually determined the pricing by benchmarking against the fair market quotes for similar engineering contracting services in the same period in the open market; checking item by item the complete bill of quantities set out in the construction design drawings; and using as the pricing base the detailed construction budget prepared in full compliance with the construction drawings and the construction organization plan. The contracting parties conducted multiple rounds of full and equal negotiations, taking into full consideration all objective factors affecting the construction costs, including construction techniques, labour and material costs, construction period, ancillary materials and site management, with no circumstances of unilateral pricing or pricing bias. The total project price under the Project was ultimately prudently determined after equal, thorough and objective negotiation and mutual agreement, with a complete pricing logic and sufficient basis for valuation, and the price level is in line with actual market conditions and is fully reasonable and fair. The engineering costs under the Agreements were determined respectively on this same basis.

ANNUAL CAPS

As the continuing connected transactions under the Agreements are conducted with Expressway Construction, an indirect subsidiary of Tianjin Infrastructure Construction, the ultimate holding company of the Company, and the nature of the transactions are similar. Therefore, the continuing connected transactions contemplated under the Agreements shall be aggregated in accordance with the requirements of Rules 14A.81 and 14A.83 of the Listing Rules.

2026 Annual Cap

Pursuant to (1) the First Batch Agreement, the Company expects that the total amount of the Engineering Costs of First Batch of Supporting Projects payable by Water Recycling Company to Expressway Construction not to exceed RMB2.40 million for the financial year ending 31 December 2026 of the Company; (2) the Second Batch Agreement, the Company expects that the total amount of the Engineering Costs of Second Batch of Supporting Projects payable by Water Recycling Company to Expressway Construction not to exceed RMB2.30 million for the financial year ending 31 December 2026 of the Company; (3) the Third Batch Agreement, the Company expects that the total amount of the Engineering Costs of Third Batch of Supporting Projects payable by Water Recycling Company to Expressway Construction not to exceed RMB2.60 million for the financial year ending 31 December 2026 of the Company; and (4) the Phase I Agreement of New Water Meter Installation Project at Haijiao Park, the Company expects that the total amount of the Engineering Costs of Phase I of New Water Meter Installation Project at Haijiao Park payable by Water Recycling Company to Expressway Construction not to exceed RMB0.35 million for the financial year ending 31 December 2026 of the Company.

Therefore, for the year ending 31 December 2026 of the Company, the 2026 annual cap under the Agreements, as aggregated, shall not exceed RMB7.65 million.

2027 Annual Cap

Pursuant to (1) the First Batch Agreement, the Company expects that the total amount of the Engineering Costs of First Batch of Supporting Projects payable by Water Recycling Company to Expressway Construction not to exceed RMB2.60 million for the financial year ending 31 December 2027 of the Company; (2) the Second Batch Agreement, the Company expects that the total amount of the Engineering Costs of Second Batch of Supporting Projects payable by Water Recycling Company to Expressway Construction not to exceed RMB2.40 million for the financial year ending 31 December 2027 of the Company; (3) the Third Batch Agreement, the Company expects that the total amount of the Engineering Costs of Third Batch of Supporting Projects payable by Water Recycling Company to Expressway Construction not to exceed RMB2.70 million for the financial year ending 31 December 2027 of the Company; and (4) the Phase I Agreement of New Water Meter Installation Project at Haijiao Park, the Company expects that the total amount of the Engineering Costs of Phase I of New Water Meter Installation Project at Haijiao Park payable by Water Recycling Company to Expressway Construction not to exceed RMB0.35 million for the financial year ending 31 December 2027 of the Company.

Therefore, for the year ending 31 December 2027 of the Company, the 2027 annual cap under the Agreements, as aggregated, shall not exceed RMB8.05 million.

2028 Annual Cap

Pursuant to (1) the First Batch Agreement, the Company expects that the total amount of the Engineering Costs of First Batch of Supporting Projects payable by Water Recycling Company to Expressway Construction not to exceed RMB2.80 million for the financial year ending 31 December 2028 of the Company; (2) the Second Batch Agreement, the Company expects that the total amount of the Engineering Costs of Second Batch of Supporting Projects payable by Water Recycling Company to Expressway Construction not to exceed RMB2.60 million for the financial year ending 31 December 2028 of the Company; (3) the Third Batch Agreement, the Company expects that the total amount of the Engineering Costs of Third Batch of Supporting Projects payable by Water Recycling Company to Expressway Construction not to exceed RMB2.70 million for the financial year ending 31 December 2028 of the Company; and (4) the Phase I Agreement of New Water Meter Installation Project at Haijiao Park, the Company expects that the total amount of the Engineering Costs of Phase I of New Water Meter Installation Project at Haijiao Park payable by Water Recycling Company to Expressway Construction not to exceed RMB0.35 million for the financial year ending 31 December 2028 of the Company.

Therefore, for the financial year ending 31 December 2028 of the Company, the annual caps for the Agreements, as aggregated, shall not exceed RMB8.45 million.

The annual caps for the Agreements are determined with reference to, among other things, (1) the anticipated progress of the relevant work and tasks under the Agreements; and (2) the relevant terms regarding the determining factors and payment methods for the engineering fees under the aforementioned Agreements.

REASONS FOR AND BENEFITS OF ENTERING INTO THE AGREEMENTS

As the designated provider of reclaimed water infrastructure for newly constructed residential and public buildings in Tianjin, Water Recycling Company is responsible for constructing and subsequently operating related facilities of the reclaimed water infrastructure, and is tasked for undertaking and making the connection of reclaimed water pipelines within new residential and public building projects. Water Recycling Company primarily generates revenue from water sales while expanding its pipeline connection services. The Board believes that the implementation of this project by Water Recycling Company meets relevant planning requirements of Tianjin and complies with industrial policies at both the municipal and national levels.

Additionally, Expressway Construction has relevant experience and expertise in the construction of municipal infrastructure and pipeline network. The entering into of the Agreements ensures that the quality of pipeline network connection services of Water Recycling Company is in line with standards.

The terms of Agreements are determined after arm's length negotiations between the parties. The Directors (including the independent non-executive Directors) are of the view that the Agreements are on normal commercial terms and entered into during the usual and ordinary course of business of the Company, the terms of which are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

INFORMATION OF PARTIES

The Company is principally engaged in the investment, construction, design, management, operation, technical consultation and auxiliary services for sewage water, tap water and other types of water treatment facilities; the design, construction, management, building and operational management of municipal infrastructures; license operation, technical consultation and auxiliary services of Southeastern Half Ring Urban Road of the Middle Ring of Tianjin; development and operation of environmental protection technology and products; leasing of self-owned properties, etc. Tianjin Infrastructure Construction is the ultimate holding company of the Company and the sole shareholder of TMICL (the controlling shareholder of the Company), holding 100% equity interest in TMICL.

Water Recycling Company is a direct wholly-owned subsidiary of the Company. Its business scope includes the construction and operation of urban water supply, drainage, sewage treatment, and recycled water utilization projects.

Expressway Construction is an indirect wholly-owned subsidiary of Tianjin Infrastructure Construction, its business scope includes General projects: Landscape greenery engineering construction; Project management services; Bidding and tendering agency services; Property management; Conference and exhibition services; Sales of agricultural and sideline products; Machinery and equipment leasing; Advertising production; Advertising design, agency; Leasing of residential housing; Sales of building materials; Sales of lightweight building materials; Sales of valve and plugs; Sales of metal structures; Sales of special equipment; Sales of mechanical and electrical equipment; Sales of rubber products; Construction of metal doors and windows; Interior wooden door and window installation services; Sales of doors and windows. Licensed projects: Residential interior decoration and renovation; Sales of food; Construction project engineering. As of the date of this announcement, the ultimate holding company of Expressway Construction is Tianjin Infrastructure Construction.

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

IMPLICATIONS UNDER THE LISTING RULES

As stated above, as at the date of this announcement, Tianjin Infrastructure Construction is the ultimate holding company of the Company, and Expressway Construction is an indirect wholly-owned subsidiary of Tianjin Infrastructure Construction. Therefore, under Chapter 14A of the Listing Rules, Expressway Construction is an associate of Tianjin Infrastructure Construction, and is deemed a connected person of the Company. Pursuant to Chapter 14A of the Listing Rules, the transactions contemplated under the Agreements constitute continuing connected transactions of the Company.

As one or more applicable percentage ratios for the maximum annual caps under the Agreements (as aggregated on an annual basis) exceed 0.1% but each of them is less than 5%, the Agreements are only subject to the reporting and announcement requirements but exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

GENERAL

As at the date of this announcement, Mr. Tang Fusheng, an executive Director, and Mr. Wang Yongwei and Mr. Li Xiaoguang, non-executive Directors, are connected with Tianjin Infrastructure Construction and are deemed unable to act independently in recommending opinions to the Board. Accordingly, they have abstained from voting on the Board resolution approving the Agreements and the transactions contemplated thereunder. Save as stated above, no Director has a material interest in the Agreements and the transactions contemplated thereunder, or is required to abstain from voting on the relevant Board resolutions.

DEFINITIONS

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

"Agreements"	The collective name for the First Batch Agreement, the Second Batch Agreement, the Third Batch Agreement and the Phase I Agreement of New Water Meter Installation Project at Haijiao Park
"associate(s)"	has the meaning ascribed to it in the Listing Rules
"Board"	the board of Directors
"Company"	Tianjin Capital Environmental Protection Group Company Limited, a joint stock limited company established in the PRC, whose A shares and H shares are listed on the Shanghai Stock Exchange and the Stock Exchange, respectively
"connected person(s)"	has the meaning ascribed to it in the Listing Rules
"controlling shareholder"	has the meaning ascribed to it by the Listing Rules
"Director"	a director of the Company
"Expressway Construction"	Tianjin Expressway Construction Engineering Co., Ltd.*(天津高速建設工程有限公司), a limited liability company established in the PRC, an indirect wholly-owned subsidiary of Tianjin Infrastructure Construction
"First Batch Agreement"	The "Construction Agreement of Small-Scale Engineering Projects in Tianjin Municipality" to be entered into by Water Recycling Company in relation to the entrustment of Expressway Construction to provide EPC general contracting services for the first batch of supporting projects within the 2026 reclaimed water area
"Group"	the Company and its subsidiaries
"Hong Kong"	Hong Kong Special Administrative Region of the PRC

"Listing Rules"	The Rules Governing the Listing of Securities on the Stock Exchange
"percentage ratio(s)"	has the meaning ascribed to it under the Listing Rules
"Phase I Agreement of New Water Meter Installation Project at Haijiao Park"	The "Construction Agreement of Small-Scale Engineering Projects in Tianjin Municipality" to be entered into by Water Recycling Company in relation to the entrustment of Expressway Construction to provide EPC general contracting services for phase I of the new reclaimed water meter installation project for higher education institutions in Haihe Educational Park
"PRC"	the People's Republic of China, for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
"Project"	The first, second, and third batches of supporting projects in the 2026 reclaimed water area, as well as phase I of the new reclaimed water meter installation project for higher education institutions in Haihe Educational Park
"RMB"	Renminbi, the lawful currency of the PRC
"Second Batch Agreement"	The "Construction Agreement of Small-Scale Engineering Projects in Tianjin Municipality" to be entered into by Water Recycling Company in relation to the entrustment of Expressway Construction to provide EPC general contracting services for the second batch of supporting projects within the 2026 reclaimed water area
"Share(s)"	ordinary shares with a par value of RMB1.00 per share in the Company's existing share capital
"Shareholder(s)"	holder(s) of Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Third Batch Agreement"	The "Construction Agreement of Small-Scale Engineering Projects in Tianjin Municipality" to be entered into by Water Recycling Company in relation to the entrustment of Expressway Construction to provide EPC general contracting services for the third batch of supporting projects within the 2026 reclaimed water area
"Tianjin Infrastructure Construction"	Tianjin City Infrastructure Construction and Investment Group Co., Ltd.*(天津城市基礎設施建設投資集團有限公司), the ultimate controlling company of the Company and the sole shareholder of TMICL, holding 100% equity interest in TMICL

"Tianjin SASAC"	Tianjin Municipal People's Government State-owned Assets Supervision and Administration Commission, a Chinese government authority as defined under Rule 19A.04 of the Listing Rules
"TMICL"	Tianjin Municipal Investment Co., Ltd.*(天津市政投資有限公司), the controlling shareholder of the Company, holding approximately 45.57% equity interest in the Company
"Water Recycling Company"	Tianjin Water Recycling Co., Ltd.*(天津中水有限公司), a limited liability company incorporated in the PRC and a direct wholly-owned subsidiary of the Company, its business scope includes the construction and operation of urban water supply, drainage, sewage treatment and reclaimed water utilization projects
"%"	Per cent.

By Order of the Board
Tang Fusheng
Chairman

Tianjin, the PRC
25 June 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.

* *For identification purposes only*