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
2026-2029 ENGINEERING TRANSACTIONS FRAMEWORK AGREEMENT

The Board hereby announces that on 20 September 2026, the Board considered and approved the resolution in relation to the 2026-2029 Engineering Transactions Framework Agreement, pursuant to which, Tianjin Infrastructure Construction agreed to provide engineering-related works and services ("**Engineering Transactions**") to the Group for the period from the date on which the 2026-2029 Engineering Transactions Framework Agreement becomes effective to 20 September 2029, and the Group agreed to provide Engineering Transactions to Tianjin Infrastructure Construction during the same period.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, Tianjin Infrastructure Construction is the ultimate holding company of the Company. Pursuant to Chapter 14A of the Listing Rules, the transactions contemplated under the 2026-2029 Engineering Transactions Framework Agreement constitute continuing connected transactions of the Company.

As one or more applicable percentage ratios for the highest annual caps under the 2026-2029 Engineering Transactions Framework Agreement exceed 0.1% but each of them is less than 5%, the 2026-2029 Engineering Transactions Framework Agreement is 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 20 September 2026, the Board considered and approved the resolution in relation to the 2026-2029 Engineering Transactions Framework Agreement, pursuant to which, Tianjin Infrastructure Construction agreed to provide engineering-related works and services ("**Engineering Transactions**") to the Group for the period from the date on which the 2026-2029 Engineering Transactions Framework Agreement becomes effective to 20 September 2029, and the Group agreed to provide Engineering Transactions to Tianjin Infrastructure Construction during the same period.

2026-2029 ENGINEERING TRANSACTIONS FRAMEWORK AGREEMENT

Parties

(1) Tianjin Infrastructure Construction; and

(2) the Company.

If applicable or unless otherwise specified, in the 2026-2029 Engineering Transactions Framework Agreement, all references to "Tianjin Infrastructure Construction" refer to Tianjin Infrastructure Construction and its subsidiaries and/or associates, and all references to "the Company" refer to the Company and/or its subsidiaries.

Date

21 September 2026

Duration

From the date on which the 2026-2029 Engineering Transactions Framework Agreement becomes effective until 20 September 2026.

Conditions Precedent

(1) the 2026-2029 Engineering Transactions Framework Agreement has obtained approvals from the relevant authorities (including but not limited to relevant government departments and the Stock Exchange, as the case may be); and

(2) the Company has, in relation to the 2026-2029 Engineering Transactions Framework Agreement, complied with all relevant regulations of the Hong Kong Listing Rules, including but not limited to disclosure to the Stock Exchange, publishing announcement(s) and obtaining approval from independent shareholders (if required).

Scope of the Transaction

The Engineering Transactions Tianjin Infrastructure Construction may provide to the Company under the 2026-2029 Engineering Transactions Framework Agreement include (but are not limited to) the following:

(1) Recycled water pipeline connection works;

(2) Auxiliary works within recycled water districts, user and ground meter installations;

(3) Heating and cooling supply projects;

(4) Photovoltaic power generation and energy storage projects;

(5) Water supply and drainage works;

(6) Sewage treatment plants, pump rooms, pump stations, plant equipment installations, facility maintenance;

(7) Road works, landscape greening; and

(8) Other projects.

The Engineering Transactions the Company may provide to Tianjin Infrastructure Construction under the 2026-2029 Engineering Transactions Framework Agreement include (but are not limited to) the following:

(1) Electrical works, municipal public works, construction machinery installation, digital and intelligent upgrade projects;

(2) Auxiliary works within recycled water districts, user and ground meter installations, high-pressure and low-pressure pipelines;

(3) Heating and cooling supply projects;

(4) Photovoltaic power generation and energy storage projects;

(5) Water supply and drainage works;

(6) Sewage treatment plants, pump rooms, pump stations, plant equipment installations, facility maintenance;

(7) Road works, landscape greening; and

(8) Other projects.

Tianjin Infrastructure Construction and the Company shall make all reasonable endeavours to ensure that their respective subsidiaries sign specific agreements in accordance with the 2026-2029 Engineering Transactions Framework Agreement. Tianjin Infrastructure Construction shall make all reasonable efforts to procure that subsidiaries under its control and its associates within the meaning of “connected persons” under chapter 14A of the Listing Rules conduct transactions in accordance with the principles of the 2026-2029 Project Transactions Framework Agreement.

Payment Terms

The Group and Tianjin Infrastructure Construction shall enter into individual agreements based on mutually agreed terms and in accordance with the terms and conditions of the 2026-2029 Engineering Transactions Framework Agreement. The consideration for the Engineering Transactions may be paid as a lump sum or in installments, with detailed payment terms to be specified therein.

Pricing Policies

The pricing standards below shall apply to the transactions contemplated under the 2026-2029 Engineering Transactions Framework Agreement in the following order:

(1) National pricing rules, government pricing and government-guided pricing

If national pricing rules are applicable to any particular type of Engineering Transactions, that type of Engineering Transactions shall be priced in accordance with the relevant national pricing rule. If no such national pricing rules exist but government pricing or government-guiding pricing is applicable, the transaction shall adopt the government price or government-guided price.

This pricing principle is primarily applicable to: recycled water pipeline connection works, auxiliary works within recycled water districts, heating and cooling services; photovoltaic power generation and energy storage; water supply and drainage; sewage treatment plants, pump rooms, pump stations, plant equipment and facility maintenance; road works, landscape greening and other basic infrastructure and public works.

(2) Market pricing

The prices for comparable Engineering Transactions available from independent third parties in the usual and ordinary course of business on normal commercial terms.

This pricing principle is primarily applicable to: Engineering Transactions employing a competitive tender shall use the result of the tender; Engineering Transactions applying a non-competitive tender procurement process that do not have applicable government pricing or government-guided pricing but have market pricing shall refer to the market price for pricing. When determining the market price, the main factor to be considered is the fair price for providing the same or comparable Engineering Transactions to a third party in Tianjin or the relevant place of service.

(3) Cost plus reasonable profit pricing

The price as determined based on the reasonable cost plus a reasonable profit.

This pricing principle has a narrower scope of application and is primarily applicable to: Engineering Transactions where no national pricing rule, government pricing, government-guided pricing or market price is applicable. Costs primarily include: (a) costs of services procured from the market; and (b) the supplying party's labour costs and travel expenses incurred in managing and overseeing the relevant services. Profit is primarily derived from the management fees which are charged on the basis of the relevant costs, and is generally determined based on the negotiation of the parties in accordance with normal commercial terms.

The final price shall be determined in accordance with normal commercial terms after arm's length negotiations between the parties. The relevant terms shall be fair and reasonable and in the interest of the Company and its Shareholders as a whole.

HISTORICAL TRANSACTION AMOUNTS

The company has never signed any past framework agreement similar to the 2026-2029 Engineering Transactions Framework Agreement. Thus, as at the date of this announcement, there were no historical transaction amounts for transactions under the 2026-2029 Engineering Transactions Framework Agreement.

ANNUAL CAPS AND MEASUREMENT BASIS

According to the 2026-2029 Engineering Transactions Framework Agreement, the annual caps for each financial year within the duration of the 2026-2029 Engineering Transactions Framework Agreement are as follows:

(1) Annual caps of Engineering Transactions provided by Tianjin Infrastructure Construction to the Company

Duration	**Annual Cap** *(RMB000,000,000)*
From the effective date to 31 December 2026	0.80
1 January 2027 to 31 December 2027	1.90
1 January 2028 to 31 December 2028	1.90
1 January 2029 to 20 September 2029	1.04

The annual caps of Engineering Transactions provided by Tianjin Infrastructure Construction to the Company are determined, following arm's length negotiations between the parties, based on (among others) the following factors:

(i) Number of Tianjin Infrastructure Construction's contracts awarded by the Company (as of September 2026, Tianjin Infrastructure Construction was awarded 15 contracts by the Company), the total agreed consideration for the awarded contracts was approximately RMB90 million, and future transaction plans;

(ii) Tianjin Infrastructure Construction expects it will participate in the construction plans of 30 projects of the Company in the next three years, including projects contemplated under strategic cooperation intentions achieved with various levels of government and the Company's estimation of service needs. The value of these potential contracts is predicted to exceed RMB450 million. Considering the effect of the signing date and contract performance on the recognition of fees, the construction process takes one to three years for completion.

(iii) Reserving a buffer (approximately 4%) to account for potential increases in the relevant demands from the Company and increases in the average market price of comparable services due to inflation and increases in expected costs; and

(iv) Potential business needs in the project construction services sector based on Tianjin Infrastructure Construction's future operations planning, to ensure continuity and flexibility for accepting and handling future projects, and to provide reasonable buffer for uncertainties such as fluctuations in construction time period and potential supply chain risks to mitigate the risks of construction progress being affected.

(2) Annual caps of Engineering Transactions provided by the Company to Tianjin Infrastructure Construction

Duration	Annual Cap *(RMB000,000,000)*
From the effective date to 31 December 2026	0.15
1 January 2027 to 31 December 2027	0.45
1 January 2028 to 31 December 2028	0.45
1 January 2029 to 20 September 2029	0.45

The annual caps of Engineering Transactions provided by the Company to Tianjin Infrastructure Construction are determined, following arm's length negotiations between the parties, with consideration to (among others) the following factors:

(i) Number of the Company's contracts awarded by Tianjin Infrastructure Construction (as of September 2026, the Company was awarded 3 contracts by Tianjin Infrastructure Construction), the total agreed consideration for the awarded contracts was approximately RMB6.85 million, and future transaction plans;

(ii) The Company expects it will participate in the construction plans of 20 projects of Tianjin Infrastructure Construction in the next three years, including projects contemplated under strategic cooperation intentions achieved with various levels of government and Tianjin Infrastructure Construction's estimation of service needs. The value of these potential contracts is predicted to exceed RMB139.03 million. Considering the effect of the signing date and contract performance on the recognition of fees, the construction process takes one to three years for completion.

(iii) Reserving a buffer (approximately 3%) to account for potential increases in the relevant demands from Tianjin Infrastructure Construction and increases in the average market price of comparable services due to inflation and increases in expected costs; and

(iv) Potential business needs in the project construction services sector based on the Group's future operations planning, to ensure continuity and flexibility for accepting and handling future projects, and to provide reasonable buffer for uncertainties such as fluctuations in construction time period and potential supply chain risks to mitigate the risks of construction progress being affected.

(3) Aggregate annual caps of Engineering Transactions between Tianjin Infrastructure Construction and the Company

Duration	Annual Cap *(RMB000,000,000)*
From the effective date to 31 December 2026	0.95
1 January 2027 to 31 December 2027	2.35
1 January 2028 to 31 December 2028	2.35
1 January 2029 to 20 September 2029	1.49

INTERNAL CONTROL MEASURES

To protect the interest of the Company and its Shareholders as a whole, the Group has adopted internal control measures to determine and regulate pricing policies, mechanisms, delegation of responsibility and decision-making structures, and to ensure that the continuing connected transactions proceed in accordance with the 2026-2029 Engineering Transactions Framework Agreement and strictly comply with the relevant pricing policies. The relevant internal control measures are as follows:

(1) The Company has arranged for the Office of the Board to monitor the continuing connected transactions. The Office of the Board will closely monitor the transaction amounts under the continuing connected transactions, regularly consolidate the connected transaction data of each subsidiary, and conduct comparative analyses against the annual caps to ensure that the transaction amounts do not exceed the relevant annual caps. If the forecasted transaction amounts are likely to exceed the annual caps, the Office of the Board shall immediately report to the Board, and the Board will initiate the procedures for revising the annual cap in accordance with the Listing Rules, and ensure the actual transaction amounts do not exceed the approved annual cap until the necessary approvals are obtained and the required disclosure is completed;

(2) The relevant personnel of the Company's business departments shall conduct regular inspections to examine and evaluate whether transactions contemplated under the 2026-2029 Engineering Transactions Framework Agreement are conducted in accordance with the terms of said agreement, and consider whether the transaction price is fair and reasonable and complies with the above pricing policies: (i) regarding national pricing rules, government pricing and government-guided pricing, the Group reviews the relevant national pricing rules, government pricing and government-guided pricing to ensure that the price agreed with Tianjin Infrastructure Construction complies with the relevant national pricing rule, government price or government-guided price; (ii) regarding market pricing, the Group reviews agreements with independent third parties to ensure that the principal terms of agreements offered to Tianjin Infrastructure Construction by the Group are no less favourable than those offered by the Group to independent third parties; (iii) regarding cost plus reasonable profit pricing, if national pricing rules, government pricing, government-guided pricing and market pricing are not applicable, the price agreed with Tianjin Infrastructure Construction shall be determined based on the cost plus a reasonable profit, and the Group will ensure that the corresponding profit margin is no less favourable than that available to the Group from independent third parties;

(3) The Office of the Board will review and examine the relevant information and materials to ensure compliance with the requirements of the Listing Rules. The Company has established the Management System for Connected Transactions* (《關連交易管理制度》) to clarify the authorization permissions and procedures for connected transaction agreements. Any contract involving connected transactions, regardless of amount, shall be submitted to the Office of the Board before signing to determine whether external disclosure procedures are required;

(4) The independent non-executive Directors have reviewed and will continue to review the above transactions to ensure that the terms of the above transactions are fair and reasonable, that the above transactions are made in the ordinary and usual course of the business of the Group on normal commercial terms, and are in the interests of the Company and its shareholders as a whole; and

(5) The Company's auditors will review the pricing policies and annual caps of the above transactions on an annual basis.

REASONS FOR AND BENEFITS OF ENTERING INTO THE 2026-2029 ENGINEERING TRANSACTIONS FRAMEWORK AGREEMENT

The Group's core principal businesses cover sewage treatment, water supply, recycled water, new energy-based heating and cooling supply, sludge treatment and upcycling, hazardous waste, photovoltaic power generation and storage and other comprehensive ecological, environmental and new energy services sectors. During daily operation and expansion, the Group's construction, upgrading and auxiliary service installation of water facilities, environmental treatment facilities, photovoltaic power storage stations and solid waste treatment facilities will continuously generate demand for various auxiliary engineering projects.

Tianjin Infrastructure Construction and the Group's respective relevant bodies have compliant construction capacity, substantial projection construction and implementation experience, professional technical teams, localized service advantages and comprehensive operations and maintenance systems, and thus can efficiently meet the construction needs of relevant projects.

Based on Tianjin Infrastructure Construction and the Group's extensive track records for implementing infrastructure construction, upgrading and auxiliary works, stable and reliable service quality and well-rounded project management systems, having the Group handle relevant auxiliary projects and services from Tianjin Infrastructure Construction, its subsidiaries and/or associates and vice versa can effectively ensure the project's construction quality, compliance and stability and ensure that relevant infrastructure and environmental auxiliary works are implemented in an orderly manner.

The relevant service and operational transactions between the Group and Tianjin Infrastructure Construction, its subsidiaries and associates are in the daily and ordinary course of their business transactions, and are fully aligned with the Group's principal business operations and long-term strategic development needs. Transactions conducted under the 2026-2029 Engineering Transactions Framework Agreement shall strictly comply with market-based pricing principles, offer fair and reasonable terms, and comply with the Listing Rules and relevant corporate governance requirements. Such transactions are beneficial in securing the stability and continuity of the construction and operations of the Group's various environmental and new energy projects, further optimize operations management efficiency, and reasonably control the overall operational and project construction costs.

The Group and Tianjin Infrastructure Construction have professional project and construction management teams, extensive industry project implementation experience and strong contract performance capabilities, and is overall capable of handling various environmental infrastructure facility auxiliary works. Adopting the 2026-2029 Engineering Transactions Framework Agreements can initiate internal compliance coordination with Tianjin Infrastructure Construction's corporate group in a standardized and normalized manner, efficiently progress the construction of various auxiliary projects, continuously revitalize the Group's business assets, consolidate its foundations for developing principal businesses, and steadily improve the Group's overall operational efficiency and competitiveness in regional markets.

The 2026-2029 Engineering Transactions Framework Agreement provides a clear, standardized basis for collboration for the Group's continuing connected transactions with Tianjin Infrastructure and its subsidiaries and/or associates over the next three years concerning auxiliary project construction, facility upgrades, maintenance services and other continuing connected transactions, covering the parties' potential collaboration needs based on urban environmental protection, new energy installation, municipal infrastructure upgrades and other sectors, facilitates the parties' in-depth collaboration and synergy based on their respective advantages, and ensuring the continuity, stability and compliance of business collaborations.

The Group focuses on ecological and environmental protection, water services operation, photovoltaic power storage, solid waste disposal and other core businesses, and commits to the "construction + operations + service" all-in-one development model. Through establishing a normalized, compliant collaboration mechanism with Tianjin Infrastructure Construction, the Company can fully utilize the Shareholders' platform resources, dig deeper into the regional ecological, environmental and green energy markets, continuously refine the value chains of its principal businesses and create sustainable, synergistic development advantages to facilitate the Group's continued, stable and high-quality development.

The terms of the 2026-2029 Engineering Transactions Framework Agreement are determined after arm's length negotiations between the parties. The Directors (including the independent non-executive Directors) are of the view that the 2026-2029 Engineering Transactions Framework Agreement is on normal commercial terms in the usual and ordinary course of business of the Company, the terms of which are fair and reasonable, and is in the interest of the Company and its Shareholders as a whole.

INFORMATION OF THE PARTIES

The Company is principally engaged in the investment, construction, design, management, operation, technical consultation and auxiliary services for sewage water, tap water and other types of water treatment facilities; 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.

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. Pursuant to Chapter 14A of the Listing Rules, the transactions contemplated under the 2026-2029 Engineering Transactions Framework Agreement constitute continuing connected transactions of the Company.

As one or more applicable percentage ratios for the highest annual caps under the 2026-2029 Engineering Transactions Framework Agreement exceed 0.1% but each of them is less than 5%, the 2026-2029 Engineering Transactions Framework Agreement is 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 2026-2029 Engineering Transactions Framework Agreement and the transactions contemplated thereunder. Save as stated above, no Director has a material interest in the 2026-2029 Engineering Transactions Framework Agreement 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:

"associates"	has the meaning ascribed to it in the Listing Rules
"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 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
"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
"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
"RMB"	Renminbi, the lawful currency of the PRC
"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
"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
"%"	Per cent.

By Order of the Board
Tang Fusheng
Chairman

Tianjin, the PRC
21 September 2026

As at the date of this notice, 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.