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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)

UPDATE ON CONTINUING CONNECTED TRANSACTION – MEMORANDUM ON THE ABROGATION OF JINCANG EXPRESSWAY CONSTRUCTION AGREEMENT

References are made to (i) the overseas regulatory announcement of the Company dated 25 August 2021 regarding Water Recycling Company's external investment in the Project; (ii) the announcement of the Company dated 20 October 2021 regarding continuing connected transactions of the Engineering Consultation Service Agreement and the Construction Agreement for the Recycled Water Pipeline Network Connection Project in the Main District of Tianjin; (iii) the announcement of the Company dated 27 January 2022 regarding continuing connected transactions of the EPC Second Tender Section Agreement and Third Tender Section Agreement in relation to the Recycled Water Pipeline Network Connection Project in the Main District of Tianjin; (iv) the announcement of the Company dated 18 February 2022 regarding continuing connected transactions of the EPC Fourth Tender Section Agreement in relation to the Recycled Water Pipeline Network Connection Project in the Main District of Tianjin; (v) the announcement of the Company dated 30 September 2022 regarding continuing connected transaction of Engineering Consultation Service (Second Batch) Agreement in relation to the Recycled Water Pipeline Network Connection Project in the Main District of Tianjin; (vi) the announcement of the Company dated 16 November 2022 in relation to the revision of annual cap for continuing connected transaction; (vii) the announcement of the Company dated 25 November 2022 regarding continuing connected transaction of the Jincang Expressway Construction Agreement in relation to the Recycled Water Pipeline Network Connection Project in the Main District of Tianjin (the “**Announcement**”); (viii) the announcement of the Company dated 1 December 2022 regarding continuing connected transaction of the EPC First Tender Section (Second Batch) Agreement in relation to the Recycled Water Pipeline Network Connection Project in the Main District Of Tianjin; (ix) the announcement of the Company dated 28 December 2022 in relation to the revision of annual caps of continuing connected transactions and supplemental agreements; and (x) the announcement of the Company dated 22 February 2023 regarding continuing connected transaction of the EPC Second Tender Section (Second Batch) Agreement and Third Tender Section (Second Batch) Agreement in relation to the Recycled Water Pipeline Network Connection Project in the Main District of Tianjin (collectively, the “**Announcements**”). Unless the context otherwise requires, the terms used herein shall have the same meanings as those defined in the Announcements.

As stated in the Announcement, Water Recycling Company entered into the Jincang Expressway Construction Agreement with Expressway Group and Tianjin Tongsheng Municipal on 25 November 2022, pursuant to which Expressway Group agreed that Water Recycling Company and Tianjin Tongsheng Municipal shall carry out the construction of expressway road-related works of Caizhi Road (Current Pipeline Network – Gongxi Road) of the Project (First Batch) (the “**Construction**”) under the Jincang Expressway Bridge based on the approved planning route, design plan, construction scheme and other documents and in accordance with the relevant codes and standards. Pursuant to the terms of the Jincang Expressway Construction Agreement, Water Recycling Company shall pay a one-off Road-related Jincang Expressway Service Fee for the Construction in the sum of RMB1 million to Expressway Group, a connected person, which constitutes a continuing connected transaction of the Company. The contract period of the Jincang Expressway Construction Agreement has expired on 15 March 2023, however, as Tianjin Tongsheng Municipal has made optimization and adjustment to the construction drawings and implementation plan due to the requirements proposed by the local management department in relation to road breaking and traffic guidance when coordinating the road breaking and traffic management procedures for the Construction, the actual construction time required for the Construction has exceeded the construction period stipulated under the Jincang Expressway Construction Agreement (i.e. 25 November 2022 to 15 March 2023). Due to the aforesaid situation, as at the date of this announcement, Water Recycling Company is not required to pay and has not paid the Road-related Jincang Expressway Service Fee in the amount of RMB1 million.

Based on the above reasons, on 20 March 2023, after amicable negotiations among Expressway Group, Water Recycling Company and Tianjin Tongsheng Municipal, the three parties agreed to enter into a memorandum on the abrogation of Jincang Expressway Construction Agreement, to the effect that the Company will be released from its payments and obligations under the Jincang Expressway Construction Agreement, and none of the parties shall have any claims against the other parties as a result of the abrogation of Jincang Expressway Construction Agreement.

The Company is of the opinion that the entering into the memorandum on the abrogation of Jincang Expressway Construction Agreement will not have any material adverse impact on the operations or financial position of the Group. The Company will make such further disclosures as may be necessary in accordance with the Listing Rules and actual circumstances in due course in respect of matters subsequent to the abrogation of Jincang Expressway Construction Agreement.

By Order of the Board
Ji Guanglin
Chairman

Tianjin, the PRC
20 March 2023

As at the date of this announcement, the Board comprises three executive Directors: Mr. Ji Guanglin, Mr. Li Yang and Ms. Jing Wanying; three non-executive Directors: Ms. Peng Yilin, Mr. An Pindong and Mr. Liu Tao; and three independent non-executive Directors: Mr. Xue Tao, Mr. Wang Shanggan and Mr. Tian Liang.