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Tianjin Capital Environmental Protection Company Limited

天津創業環保股份有限公司

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1065)

Announcement
Cooperative Framework Agreement with
Chibi Municipal Construction Bureau

The Company entered into a cooperative framework agreement with Chibi Municipal Construction Bureau, an independent third party to the Company, on 18th May 2004, and intended to finance, construct and operate Chibi Sewage Treatment Plant by way of BOT (Build-Operate-Transfer) model, and acquire and operate No. 1 Water Plant, No. 2 Water Plant and Pufang Water Plant from Chibi Water Supply Corporation, an independent third party to the Company, by way of TOT (Transfer-Operate-Transfer) model.

The following is a reproduction of an announcement released in the PRC by Tianjin Capital Environmental Protection Company Limited (the “Company”) today. This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”).

The Company and all members of the board of directors warrant that the content of this announcement is true, accurate and complete, and assume joint responsibility on any false record, misrepresentation or material omission as set out herein.

The Company entered into a cooperative framework agreement with Chibi Municipal Construction Bureau, an independent third party to the Company, on 18th May 2004, and intended to finance, construct and operate Chibi Sewage Treatment Plant by way of BOT (Build-Operate-Transfer) model, and acquire and operate No. 1 Water Plant, No. 2 Water Plant and Pufang Water Plant from Chibi Water Supply Corporation, an independent third party to the Company, by way of TOT (Transfer-Operate-Transfer) model. The parties thereto shall commence further studies on the substance of such cooperation and the Company will issue further announcement and, if such cooperation constitute a notifiable transaction, the Company will comply with the relevant requirements under the Listing Rules.

As at the date of this announcement, the Board comprises executive directors: Ms. Ma Baiyu, Mr. An Pindong, Mr. Gu Qifeng, Mr. Wang Zhanying, Mr. Zhaofu and Ms. Fu Yana and independent non-executive directors: Mr. Wang Xuangfei, Mr. Gao Zongze, and Mr. Ko Po Ming.

By order of the Board

Ma Baiyu

Chairman

Tianjin, the PRC

18th May 2004

Please also refer to the published version of this announcement in The Standard.