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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

On 4 March 2011, the Company entered into Tenancy Agreement No.1 and Tenancy Agreement No.2 with Tianjin Infrastructure Construction and Tianjin City Resources respectively. On the same date, the Company also entered into New Fitness Club Tenancy Agreement with Tianjin Infrastructure Construction.

Tianjin Infrastructure Construction is the ultimate controller of the Company. Tianjin City Resources is a wholly-owned subsidiary of Tianjin Infrastructure Construction. As such, Tianjin Infrastructure Construction and Tianjin City Resources are connected persons of the Company under the Listing Rules. The transactions contemplated under the Old Tenancy Agreements and the New Tenancy Agreements constitute continuing connected transactions of the Company and should be aggregated under the Listing Rules.

Since the total annual rent paid or payable under the Old Tenancy Agreements and the New Tenancy Agreements for each of the Company's financial years ended 31 December 2010 and 31 December 2011 represents less than 5% of the applicable percentage ratios of the Company, the New Tenancy Agreements are subject to the reporting and announcement requirements only under Rules 14A.45 to 14A.47 of the Listing Rules and are exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Board is pleased to announce that on 4 March 2011, the Company entered into Tenancy Agreement No.1 and Tenancy Agreement No.2 with Tianjin Infrastructure Construction and Tianjin City Resources respectively. On the same date, the Company also entered into New Fitness Club Tenancy Agreement with Tianjin Infrastructure Construction.

DETAILS OF THE NEW TENANCY AGREEMENTS

A summary of the principal terms of the New Tenancy Agreements is as follows:

Tenancy Agreement No.1

Date:	4 March 2011
Parties:	(a) The Company as landlord; and (b) Tianjin Infrastructure Construction as tenant
Premises:	Certain area from 3rd floor to 13th floor of TCEP Building
Car parking spaces:	28
Lettable area:	Floor area — 7,869.92 square meter Public area — 937.17 square meter (building) 990.67 square meter (courtyard)
Term:	12 months commencing from 1 July 2010 to 30 June 2011 (both days inclusive)
Total rent:	RMB7,237,348.20
Payment term:	Payable at the end of each calendar month during the term with monthly rent of approximately RMB603,112.35 (The outstanding rent for the period from 1 July 2010 to 31 March 2011 shall be paid by Tianjin Infrastructure Construction before 31 March 2011)
Purpose:	Business

Other terms:	(i) The water fees shall be charged to Tianjin Infrastructure Construction according to the number of its staffs in the TCEP Building; (ii) The electricity fees shall be charged to Tianjin Infrastructure Construction according to the electricity meter; (iii) The heat supply fees shall be charged to Tianjin Infrastructure Construction according to the total lettable area (excluding the courtyard public area of 990.67 square meter) of 8,807.09 square meter; and (iv) The management fees shall be charged to Tianjin Infrastructure Construction according to the total lettable area of 9,797.76 square meter at a rate of RMB5.50 per square meter per month.

Tenancy Agreement No.2

Date:	4 March 2011
Parties:	(a) The Company as landlord; and (b) Tianjin City Resources as tenant
Premises:	Certain area of 6th floor of TCEP Building
Car parking spaces:	10
Lettable area:	Floor area — 726.08 square meter Public area — 100.75 square meter (building) 125.00 square meter (courtyard)
Term:	12 months commencing from 1 July 2010 to 30 June 2011 (both days inclusive)
Total rent:	RMB687,529.80
Payment term:	Payable at the end of each calendar month during the term with monthly rent of approximately RMB57,294.15
Purpose:	Business

Other terms:	(i)	The water fees shall be charged to Tianjin City Resources according to the number of its staffs in the TCEP Building;
	(ii)	The electricity fees shall be charged to Tianjin City Resources according to the electricity meter;
	(iii)	The heat supply fees shall be charged to Tianjin City Resources according to the total lettable area (excluding the courtyard public area of 125.00 square meter) of 826.83 square meter; and
	(iv)	The management fees shall be charged to Tianjin City Resources according to the total lettable area of 951.83 square meter at a rate of RMB5.50 per square meter per month.

New Fitness Club Tenancy Agreement

Date:	4 March 2011
Parties:	(a) The Company as landlord; and
	(b) Tianjin Infrastructure Construction as tenant
Premises:	Fitness Club located at 19th floor and 20th floor of TCEP Building
Lettable area:	Floor area — 1,067.54 square meter
Term:	12 months commencing from 1 July 2010 to 30 June 2011 (both days inclusive)
Total rent:	RMB409,491.60
Payment term:	Payable within 7 working days at each first month of a quarter during the term with quarterly rent of RMB102,372.90
	(The outstanding rent for the period from 1 July 2010 to 31 March 2011 shall be paid by Tianjin Infrastructure Construction before 31 March 2011)

ANNUAL CAP

As mentioned in the Company's announcement dated 24 September 2009, the Company entered into three tenancy agreements and their supplemental agreements with Tianjin Infrastructure Construction, Tianjin City Resources and Tianjin Construction Engineering respectively on 24 September 2009. Besides, the Company entered into Tianjin Construction Engineering Tenancy Agreement and Old Fitness Club Tenancy Agreement with Tianjin Construction Engineering and Tianjin Infrastructure Construction on 1 July 2010 and 30 September 2009 respectively. The above Old Tenancy Agreements should be aggregated with the New Tenancy Agreements pursuant to Rule 14A.27 of the Listing Rules.

Based on (i) the total rent of approximately RMB4,422,243.25 received by the Company under the Old Tenancy Agreements for the period from 1 January 2010 to 30 November 2010, (ii) the monthly rent of approximately RMB603,112.35 and RMB57,294.15 payable under Tenancy Agreement No.1 and Tenancy Agreement No.2 respectively and (iii) the quarterly rent of RMB102,372.90 payable under New Fitness Club Tenancy Agreement, the annual caps for the abovementioned tenancy agreements for the Company's financial years ended 31 December 2010 and 31 December 2011 will not exceed RMB8,589,428.05 and RMB4,167,184.80 respectively.

There is no other similar transaction which should be aggregated with the New Tenancy Agreements pursuant to Rule 14A.27 of the Listing Rules.

REASONS FOR ENTERING INTO THE NEW TENANCY AGREEMENTS

The entering into of the New Tenancy Agreements enables the Company to obtain steady return of rental income in respect of its owned premises. The terms of the New Tenancy Agreements were determined after arm's length negotiations between the parties and with reference to the open market rent of comparable properties.

The Directors, including the independent non-executive Directors, consider that the New Tenancy Agreements are on normal commercial terms and are fair and reasonable and in the interests of the Company and its shareholders as a whole.

INFORMATION OF THE COMPANY AND THE TENANTS

The Company is principally engaged in the construction, design, management, operation, technical consultation and auxiliary services of sewage water treatment facilities; construction, design, toll-collection, repair and maintenance, management, operation, technical consultation and auxiliary services of Southeastern Half Ring

Urban Road of the Middle Ring of Tianjin City, Tianjin City Indebted Road Construction for Vehicle-passage Toll Collection Office and their related auxiliary facilities and the development and operation of environmental protection technology and products.

Tianjin Infrastructure Construction is the ultimate controller of the Company and the sole shareholder of TMICL (the controlling shareholder of the Company), holding 100% equity interest in TMICL. It is principally engaged in investment in sea and river comprehensive development and renovation, subway trains, urban roads and bridges, underground pipeline networks, urban environment infrastructures with self-owned funds; investment planning; corporate management consultancy; market construction development services; leasing of self-owned buildings; leasing of infrastructures and development and operation of utilities; licensed operation of infrastructures and transfer of licensed operations with government authorization; production, development, operation of construction materials, decoration materials, electrical products (excluding cars); construction investment consultation.

Tianjin City Resources is a wholly-owned subsidiary of Tianjin Infrastructure Construction. It is principally engaged in the coordination of the assets invested by Tianjin Infrastructure Construction and its subsidiaries, the planning of business names of facilities and the tender invitation, the operation and planning of outdoor advertising resources of the abovementioned business scope, the development, planning, designing and operation planning of outdoor advertising resources within Tianjin, the advertising business, the development of related city resources, the consultation of business management and the data information services.

Tianjin Construction Engineering is a wholly-owned subsidiary of Tianjin Infrastructure Construction. It is principally engaged in the consultation of investment in construction projects, the consultation of construction budget, the consultation of management in construction projects and the consultation services of product information and construction projects.

LISTING RULES IMPLICATION

Tianjin Infrastructure Construction is the ultimate controller of the Company. Tianjin City Resources is a wholly-owned subsidiary of Tianjin Infrastructure Construction. As such, Tianjin Infrastructure Construction and Tianjin City Resources are connected persons of the Company under the Listing Rules. The transactions contemplated under the Old Tenancy Agreements and the New Tenancy Agreements constitute continuing connected transactions of the Company and should be aggregated under the Listing Rules.

Since the total annual rent paid or payable under the Old Tenancy Agreements and the New Tenancy Agreements for each of the Company's financial years ended 31 December 2010 and 31 December 2011 represents less than 5% of the applicable percentage ratios of the Company, the New Tenancy Agreements are subject to the reporting and announcement requirements only under Rules 14A.45 to 14A.47 of the Listing Rules and are exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Mr. An Pindong and Ms. Chen Yinxing, the non-executive Directors of the Company, have abstained from voting to approve the New Tenancy Agreements in the Board meeting due to the fact that they were connected with TMICL and/or Tianjin Infrastructure Construction and are regarded not independent to make any recommendation to the Board.

DEFINITIONS

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

"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 under the Listing Rules
"Directors"	the directors of the Company
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"New Fitness Club Tenancy Agreement"	a tenancy agreement dated 4 March 2011 entered into between the Company and Tianjin Infrastructure Construction in respect of a fitness club located at 19th floor and 20th floor of TCEP Building
"New Tenancy Agreements"	Tenancy Agreement No.1, Tenancy Agreement No.2 and New Fitness Club Tenancy Agreement

"Old Fitness Club Tenancy Agreement"	a tenancy agreement dated 30 September 2009 entered into between the Company (as landlord) and Tianjin Infrastructure Construction (as tenant) in respect of a fitness club located at 19th floor and 20th floor of TCEP Building with total floor area of 1,067.54 square meter for a term from 1 October 2009 to 30 June 2010 with quarterly rent of RMB102,372.90
"Old Tenancy Agreements"	Old Fitness Club Tenancy Agreement and Tianjin Construction Engineering Tenancy Agreement as well as three tenancy agreements and their supplemental agreements all dated 24 September 2009 entered into by the Company with Tianjin Infrastructure Construction, Tianjin City Resources and Tianjin Construction Engineering respectively, details of which were announced by the Company in its announcement dated 24 September 2009
"percentage ratios"	has the meaning ascribed to it under the Listing Rules, as applicable to a transaction
"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
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"TCEP Building"	TCEP Building, 76 Weijin South Road, Nankai District, Tianjin, the PRC
"Tenancy Agreement No.1"	a tenancy agreement and its supplemental agreement both dated 4 March 2011 entered into between the Company and Tianjin Infrastructure Construction in respect of certain area from 3rd floor to 13th floor of TCEP Building and 28 car parking spaces
"Tenancy Agreement No.2"	a tenancy agreement and its supplemental agreement both dated 4 March 2011 entered into between the Company and Tianjin City Resources in respect of certain area of 6th floor of TCEP Building and 10 car parking spaces

"Tianjin City Resources"	Tianjin City Investment and Resources Operating Company Limited (天津城投城市資源經營有限公司), a wholly-owned subsidiary of Tianjin Infrastructure Construction
"Tianjin Construction Engineering"	Tianjin City Investment and Construction Engineering Management and Consultation Company Limited (天津城投建設工程管理諮詢有限公司), a wholly-owned subsidiary of Tianjin Infrastructure Construction
"Tianjin Construction Engineering Tenancy Agreement"	a tenancy agreement and its supplemental agreement both dated 1 July 2010 entered into between the Company (as landlord) and Tianjin Construction Engineering (as tenant) in respect of certain area from 3rd floor to 4th floor of TCEP Building (with floor area of 1,175.93 square meter, public area of 139.81 square meter (building) and public area of 133.61 square meter (courtyard)) and 10 car parking spaces for a term from 1 July 2010 to 30 November 2010 with total rent of RMB344,588.95
"Tianjin Infrastructure Construction"	Tianjin City Infrastructure Construction and Investment Group Company Limited (天津城市基礎設施建設投資集團有限公司), the ultimate controller of the Company and the sole shareholder of TMICL, holding 100% equity interest in TMICL
"TMICL"	Tianjin Municipal Investment Company Limited (天津市政投資有限公司), the controlling shareholder of the Company, holding 51.83% equity interest in the Company

By Order of the Board
Zhang Wenhui
Chairman

Tianjin, the PRC
4 March 2011

As at the date of this announcement, the Board comprises four executive Directors: Mr. Zhang Wenhui, Mr. Lin Wenbo, Ms. Fu Yana and Ms. Zhong Huifang; two non-executive Directors: Mr. An Pindong and Ms. Chen Yinxing; and three independent non-executive Directors: Mr. Xie Rong, Mr. Di Xiaofeng and Ms. Lee Kit Ying, Karen.