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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 TRANSACTION

On 15 April 2011, the Company entered into the New Tenancy Agreement with Tianjin Environmental Investment.

Tianjin Infrastructure Construction is the ultimate controller of the Company. Tianjin Environmental Investment is a wholly-owned subsidiary of Tianjin Infrastructure Construction. As such, Tianjin Environmental Investment is a connected person of the Company under the Listing Rules. The transaction contemplated under the New Tenancy Agreement constitutes a continuing connected transaction of the Company and should be aggregated with the Old Tenancy Agreements under the Listing Rules.

Since the total annual rent paid or payable under the Old Tenancy Agreements and the New Tenancy Agreement for each of the Company's financial years ending 31 December 2011, 31 December 2012 and 31 December 2013 represents less than 5% of the applicable percentage ratios of the Company, the New Tenancy Agreement is subject to the reporting and announcement requirements only under Rules 14A.45 to 14A.47 of the Listing Rules and is exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Board is pleased to announce that the Company entered into the New Tenancy Agreement with Tianjin Environmental Investment on 15 April 2011.

DETAILS OF THE NEW TENANCY AGREEMENT

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

Date: 15 April 2011

Parties: (a) The Company as landlord; and
(b) Tianjin Environmental Investment as tenant

Premises:	Certain area of 11th floor and 12th floor of TCEP Building
Car parking spaces:	14
Lettable area:	Floor area - 1,892.16 square meter Public area - 230.78 square meter (building) 250 square meter (courtyard)
Term:	24 months commencing from 16 April 2011 to 15 April 2013 (both days inclusive)
Total rent:	RMB3,494,541.60
Payment term:	Payable at the end of each calendar month during the term with monthly rent of approximately RMB145,605.90
Purpose:	Business
Other terms:	(i) The water fees shall be charged to Tianjin Environmental Investment according to the number of its staffs in the TCEP Building; (ii) The electricity fees shall be charged to Tianjin Environmental Investment according to the electricity meter; (iii) The heat supply fees shall be charged to Tianjin Environmental Investment according to the total lettable area (excluding the courtyard public area of 250 square meter) of 2,122.94 square meter; and (iv) The management fees shall be charged to Tianjin Environmental Investment according to the total lettable area of 2,372.94 square meter at a rate of RMB5.50 per square meter per month.

ANNUAL CAP

As mentioned in the Company's announcement dated 4 March 2011, the Company entered into two tenancy agreements and their supplemental agreements with Tianjin Infrastructure Construction and Tianjin City Resources respectively on 4 March 2011. Besides, the Company entered into a fitness club tenancy agreement with

Tianjin Infrastructure Construction on 4 March 2011. The above Old Tenancy Agreements should be aggregated with the New Tenancy Agreement pursuant to Rule 14A.27 of the Listing Rules.

Based on (i) the total rent of approximately RMB4,167,184.80 payable under the Old Tenancy Agreements for the period from 1 January 2011 to 30 June 2011 and (ii) the monthly rent of approximately RMB145,605.90 payable under the New Tenancy Agreement, the annual caps for the abovementioned tenancy agreements for the Company's financial years ending 31 December 2011, 31 December 2012 and 31 December 2013 will not exceed RMB5,259,229.05, RMB1,747,270.80 and RMB655,226.55 respectively.

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

REASONS FOR ENTERING INTO THE NEW TENANCY AGREEMENT

The entering into of the New Tenancy Agreement enables the Company to obtain steady return of rental income in respect of its owned premises. The terms of the New Tenancy Agreement 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 Agreement is on normal commercial terms and is fair and reasonable and in the interests of the Company and its shareholders as a whole.

INFORMATION OF THE COMPANY AND TIANJIN ENVIRONMENTAL INVESTMENT

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 Environmental Investment is a wholly-owned subsidiary of Tianjin Infrastructure Construction. It is principally engaged in the design, consultation, construction, management, maintenance and operation of projects relating to garden and park, etc., project management and budget consultation.

LISTING RULES IMPLICATION

Tianjin Infrastructure Construction is the ultimate controller of the Company. Tianjin Environmental Investment is a wholly-owned subsidiary of Tianjin Infrastructure Construction. As such, Tianjin Environmental Investment is a connected person of the Company under the Listing Rules. The transaction contemplated under the New Tenancy Agreement constitutes a continuing connected transaction of the Company and should be aggregated with the Old Tenancy Agreements under the Listing Rules.

Since the total annual rent paid or payable under the Old Tenancy Agreements and the New Tenancy Agreement for each of the Company's financial years ending 31 December 2011, 31 December 2012 and 31 December 2013 represents less than 5% of the applicable percentage ratios of the Company, the New Tenancy Agreement is subject to the reporting and announcement requirements only under Rules 14A.45 to 14A.47 of the Listing Rules and is exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Ms. Zhong Huifang, the executive Director of the Company, and Mr. An Pindong and Ms. Chen Yinxing, the non-executive Directors of the Company, have abstained from voting to approve the New Tenancy Agreement 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 Tenancy Agreement”	a tenancy agreement and its supplemental agreement both dated 15 April 2011 entered into between the Company and Tianjin Environmental Investment in respect of certain area of 11th floor and 12th floor of TCEP Building and 14 car parking spaces
“Old Tenancy Agreements”	the two tenancy agreements and their supplemental agreements both dated 4 March 2011 entered into by the Company with Tianjin Infrastructure Construction and Tianjin City Resources respectively, as well as the fitness club tenancy agreement dated 4 March 2011 entered into between the Company and Tianjin Infrastructure Construction, details of all of which were announced by the Company in its announcement dated 4 March 2011
“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
“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 Environmental Investment”	Tianjin Environmental Construction and Investment Company Limited (天津市環境建設投資有限公司), a wholly-owned subsidiary of Tianjin Infrastructure Construction
“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
15 April 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.