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)

Announcement relating to the pledge of part of shares held by the controlling shareholder of the Company

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.

All members of the board (the "**Board**") of directors (the "**Directors**") of Tianjin Capital Environmental Protection Group Company Limited (the "**Company**") warrant the truthfulness, accuracy and completeness of the contents contained in this announcement, and accept joint and several responsibility for any false information, misleading statements or material omissions in this announcement.

Recently, the Company received a notice from the controlling shareholder of the Company, Tianjin Municipal Investment Company Limited ("**TMICL**", which currently holds 736,499,791 A shares of the Company, representing approximately 51.60% of the total share capital of the Company), that TMICL pledged 100,000,000 shares of the Company held by it to the Tianjin Branch of Industrial Bank Co., Ltd. on 28 December 2011 as a security for its application to the bank for provision of a financing. The term of the pledge is from 29 December 2011 to 15 July 2013. The registration procedure for the pledge mentioned above was made with China Securities Depository and Clearing Corporation Limited, Shanghai Branch on 28 December 2011.

The above pledged shares represent approximately 7.01% of the Company's total share capital. As at the date of this announcement, TMICL has pledged a total of 351,940,000 shares of the Company, representing approximately 47.79% of the shares of the Company held by it and approximately 24.66% of the total share capital of the Company.

By Order of the Board
Zhang Wenhui
Chairman

Tianjin, the PRC
29 December 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.