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)

CONNECTED TRANSACTION — PROVISION OF COLD SUPPLY SERVICES

The Board is pleased to announce that on 29 May 2015, Jiayuanxing and TM Resources entered into the TM Resources Cold Supply Agreement 2015, pursuant to which Jiayuanxing shall provide cold supply services at the underground transportation hub in the Tianjin Cultural Centre during the Service Period.

TM Resources is an indirect wholly-owned subsidiary of Tianjin Infrastructure Construction, the ultimate controller of the Company. As such, TM Resources is an associate of Tianjin Infrastructure Construction and accordingly, is regarded as a connected person of the Company under the Listing Rules. The transaction contemplated under the TM Resources Cold Supply Agreement 2015 constitutes a connected transaction of the Company under the Listing Rules.

INTRODUCTION

Reference is made to the announcement of the Company dated 16 March 2011 in relation to the construction of the Facilities by Jiayuanxing in the Tianjin Cultural Centre under the Exclusive Operation License (the "**Announcement**").

The Board is pleased to announce that on 29 May 2015, Jiayuanxing and TM Resources entered into the TM Resources Cold Supply Agreement 2015, pursuant to which Jiayuanxing shall provide cold supply services at the underground transportation hub in the Tianjin Cultural Centre during the Service Period.

Set out below is a summary of the principal terms of the TM Resources Cold Supply Agreement 2015:

THE TM RESOURCES COLD SUPPLY AGREEMENT 2015

Date

29 May 2015

Parties

(a) Jiayuanxing, as the supplier; and

(b) TM Resources, as the user.

Services to be provided

During the Service Period, Jiayuanxing shall provide cold supply services at the underground transportation hub in the Tianjin Cultural Centre. In case of exceptionally high temperature at Tianjin City, Jiayuanxing shall, according to the decision of the municipal government of Tianjin City, advance the first day or postpone the last day of the Service Period. Further, TM Resources may apply in writing to advance the first day or postpone the last day of the Service Period.

Service fees and payment terms

The unit price for provision of cold supply services is RMB65 per m^2, being the bidding price for the cold supply as disclosed in the Announcement. The cold supply service area of the underground transportation hub in the Tianjin Cultural Centre is 45,218 m^2. The total service fees for the cold supply services under the TM Resources Cold Supply Agreement 2015 shall be RMB2,939,170 (equivalent to approximately HK$3,703,354), which is calculated by multiplying the above cold supply service area (i.e. 45,218 m^2) with the above unit price of RMB65 per m^2. The service fees shall be paid by TM Resources in one-off payment by 15 July 2015. The cold supply service fees for the advanced or extended period as requested by TM Resources (except for the decision made by the municipal government of Tianjin City) shall be calculated by the following formula:

Service fees = A x U x N/122 days

A = Cold supply service area (i.e. 45,218 m^2)

U = Unit price (i.e. RMB65 per m^2)

N = Number of days of the advanced or extended period

REASONS FOR ENTERING INTO THE TM RESOURCES COLD SUPPLY AGREEMENT 2015

Pursuant to the license operation agreement dated 16 March 2011 entered into between TCAC and Jiayuanxing, TCAC has agreed to grant the Exclusive Operation License to Jiayuanxing for the investment in, construction, operation, management, maintenance and renovation of the Facilities as well as for provision of heat and cold supply services in the Tianjin Cultural Centre.

The entering into of the TM Resources Cold Supply Agreement 2015 allows Jiayuanxing to operate the Facilities constructed and provides it with an opportunity to make profit from providing cold supply services in the Tianjin Cultural Centre through the Facilities. The terms of the TM Resources Cold Supply Agreement 2015 were determined after arm's length negotiation between the parties. The Directors (including the independent non-executive Directors) consider that the terms of the TM Resources Cold Supply Agreement 2015 are on normal commercial terms, in the ordinary and usual course of business of the Group, fair and reasonable and in the interest of the Company and the Shareholders as a whole.

INFORMATION OF THE COMPANY, JIAYUANXING AND TM RESOURCES

The Company is principally engaged in the investment, construction, design, management, operation, technical consultation and auxiliary services of treatment facilities of sewage water, tap water and other types of water; design, construction, management, building and operation management of municipal infrastructures; license operation, technical consultation and auxiliary services of Southeastern Half Ring Urban Road of the Middle Ring of Tianjin City; development and operation of environmental protection technology and products; leasing of self-owned properties, etc.

Jiayuanxing is a wholly-owned subsidiary of the Company and its business scope includes development and comprehensive utilization of subsurface thermal systems; research and development and industrialization of technologies, techniques and equipment of clean energy and renewable energy; energy-saving projects, design consultation of park energy center, investment and construction, technical services and operation charge management.

TM Resources is an indirect wholly-owned subsidiary of Tianjin Infrastructure Construction, the ultimate controller of the Company, and is principally engaged in the development and management of properties, leasing of offices and commercial leasing, advertisement operation, property management, car park services, and marketing operation and management, etc.

LISTING RULES IMPLICATIONS

As mentioned above, TM Resources is an indirect wholly-owned subsidiary of Tianjin Infrastructure Construction, the ultimate controller of the Company. As such, TM Resources is an associate of Tianjin Infrastructure Construction and accordingly, is regarded as a connected person of the Company under the Listing Rules. The transaction contemplated under the TM Resources Cold Supply Agreement 2015 constitutes a connected transaction of the Company under the Listing Rules.

Jiayuanxing entered into the TLP Cold Supply Agreement 2015, TLP Cold Supply Supplemental Agreement 2014 and TLP Cold Supply Agreement 2014 with TLP and TYCOM on 16 February 2015, 30 September 2014 and 29 May 2014 respectively. On 29 May 2014, Jiayuanxing also entered into the TM Resources Cold Supply Agreement 2014 with TM Resources. On 14 November 2014, Jiayuanxing entered into the TM Resources Heat Supply Agreement 2014 with TM Resources and TLP Heat Supply Agreement 2014 with TLP and TYCOM. The TM Resources Cold Supply Agreement 2015 should be aggregated with TLP Cold Supply Agreement 2015, TLP Cold Supply Supplemental Agreement 2014, TLP Cold Supply Agreement 2014, TM Resources Cold Supply Agreement 2014, TM Resources Heat Supply Agreement 2014 and TLP Heat Supply Agreement 2014 pursuant to Rule 14A.81 of the Listing Rules. As the applicable percentage ratios for the TM Resources Cold Supply Agreement 2015 (after aggregation) are more than 0.1% but less than 5%, the provision of cold supply services under the TM Resources Cold Supply Agreement 2015 is subject to the reporting and announcement requirements only and is exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Mr. Liu Yujun, 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 TM Resources Cold Supply Agreement 2015 in the Board meeting due to the fact that they are connected with Tianjin Infrastructure Construction or TMICL and are regarded not independent to make any recommendation to the Board.

DEFINITIONS

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

"associate(s)"	has the same meaning as ascribed to it under the Listing Rules
"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
"Directors"	the directors of the Company, including the independent non-executive directors
"Exclusive Operation License"	the exclusive operation license granted by TCAC to Jiayuanxing on 16 March 2011 to invest in, construct, operate, manage, maintain and renovate the Facilities as well as to provide heat and cold supply services in the Tianjin Cultural Centre for a term of 26 years
"Facilities"	the facilities constructed or to be constructed in the Tianjin Cultural Centre, including but not limited to three centralised energy stations, transformer station(s), centralised cooling tower(s), tube well(s), underground well(s) as well as other facilities for heat and cold supplies
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Jiayuanxing"	Tianjin Jiayuanxing Innovative Energy Technology Company Limited* (天津佳源興創新能源科技有限公司), a wholly-owned subsidiary incorporated by the Company in Tianjin City, the PRC, for the investment in and operation of the Facilities as well as provision of heat and cold supply services in the Tianjin Cultural Centre

"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"percentage ratio(s)"	has the same meaning as ascribed to it under the Listing Rules, as applicable to a transaction
"PRC"	The People's Republic of China which, for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
"RMB"	Renminbi, the lawful currency of the PRC
"Service Period"	the service period for cold supply under the TM Resources Cold Supply Agreement 2015 commencing from 1 June 2015 to 30 September 2015
"Share(s)"	ordinary share(s) of nominal value of RMB1.00 each in the existing share capital of the Company
"Shareholder(s)"	holder(s) of the Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"TCAC"	Tianjin Construction Administration Committee* (天津市城鄉建設和交通委員會), a governmental agency for the People's Government of Tianjin City
"Tianjin Cultural Centre"	Tianjin Cultural Centre* (天津市文化中心), located at Hexi District of Tianjin City, the PRC, with a total area of approximately 90 hectares
"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
"TLP"	Tianjin Lecheng Properties Company Limited* (天津樂城置業有限公司), a wholly-owned subsidiary of TMICL
"TLP Cold Supply Agreement 2014"	an agreement dated 29 May 2014 entered into between Jiayuanxing, TLP and TYCOM in respect of the supply of cold by Jiayuanxing to TLP for the period from 1 June 2014 to 30 September 2014, details of which were set out in the Company's announcement dated 29 May 2014

"TLP Cold Supply Agreement 2015"	an agreement dated 16 February 2015 entered into between Jiayuanxing, TLP and TYCOM in respect of the supply of cold by Jiayuanxing to TLP for the period from 1 June 2015 to 30 September 2015, details of which were set out in the Company's announcement dated 16 February 2015
"TLP Cold Supply Supplemental Agreement 2014"	a supplemental agreement to the TLP Cold Supply Agreement 2014 dated 30 September 2014 entered into between Jiayuanxing, TLP and TYCOM in respect of extension of the supply of cold by Jiayuanxing to TLP for the period from 1 October 2014 to 7 October 2014 and from 11 October 2014 to 12 October 2014, for a total service fee of RMB870,408
"TLP Heat Supply Agreement 2014"	an agreement dated 14 November 2014 entered into between Jiayuanxing, TLP and TYCOM in respect of the supply of heat by Jiayuanxing to TLP for the period from 15 November 2014 to 15 March 2015, details of which were set out in the Company's announcement dated 14 November 2014
"TMICL"	Tianjin Municipal Investment Company Limited* (天津市政投資有限公司), the controlling Shareholder of the Company, holding 50.14% equity interest in the Company
"TM Resources"	Tianjin Metro Resources Investment Company Limited* (天津地鐵資源投資有限公司), an indirect wholly-owned subsidiary of Tianjin Infrastructure Construction
"TM Resources Cold Supply Agreement 2014"	an agreement dated 29 May 2014 entered into between Jiayuanxing and TM Resources in respect of the supply of cold by Jiayuanxing to TM Resources for the period from 1 June 2014 to 30 September 2014, details of which were set out in the Company's announcement dated 29 May 2014
"TM Resources Cold Supply Agreement 2015"	an agreement dated 29 May 2015 entered into between Jiayuanxing and TM Resources in respect of the supply of cold by Jiayuanxing to TM Resources during the Service Period

"TM Resources Heat Supply Agreement 2014"	an agreement dated 14 November 2014 entered into between Jiayuanxing and TM Resources in respect of the supply of heat by Jiayuanxing to TM Resources for the period from 15 November 2014 to 15 March 2015, details of which were set out in the Company's announcement dated 14 November 2014
"TYCOM"	Tianjin Yuanyicheng Commercial Operation Management Company Limited* (天津元易誠商業運營管理有限公司), a limited liability company incorporated in the PRC and owned as to 40% by TMICL

By Order of the Board
Liu Yujun
Chairman

Tianjin, the PRC

29 May 2015

As at the date of this announcement, the Board comprises four executive Directors: Mr. Liu Yujun, Mr. Lin Wenbo, Ms. Fu Yana and Ms. Cao Shuo; two non-executive Directors: Mr. An Pindong and Ms. Chen Yinxing; and three independent non-executive Directors: Ms. Lee Kit Ying, Karen, Mr. Gao Zongze and Mr. Guan Yimin.

For the purposes of this announcement, the following exchange rate is used:-
RMB1.00= HK$1.26

* *For identification purposes only*