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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)

Announcement in respect of Dividend Distribution

The board (the “**Board**”) of directors (“**Directors**”) of Tianjin Capital Environmental Protection Group Company Limited (the “**Company**”) announces that as audited by PricewaterhouseCoopers Zhong Tian LLP and PricewaterhouseCoopers respectively, the net profit attributable to the Company in 2018 amounted to RMB501.17 million. After deduction of the statutory common reserve of RMB37.20 million drawn in accordance with the relevant requirements of the Company Law of the PRC and the Articles of Association of the Company, adding the retained profit of RMB2,978.88 million at the beginning of the year, the actual profit distributable to the shareholders for this year amounted to RMB3,442.85 million. According to the profit appropriation policy of the Company, it will be proposed that a cash dividend for 2018 of RMB1.06 (gross tax) per ten shares will be distributed to all shareholders, with the cash dividend amount in the sum of RMB151.29 million, which is subject to the approval of the shareholders at the forthcoming 2018 annual general meeting of the Company to be held on 14 May 2019.

In respect of the dividend distribution for holders of H shares, the record date shall fall on 27 May 2019. In order to determine the list of holders of H shares who are entitled to receive the dividend, the H share register of members of the Company will be closed from 22 May 2019 to 27 May 2019, both days inclusive, during which period no transfer of the Company’s H shares will be effected. All transfers, accompanied by the relevant share certificates, must be lodged for registration with the Company’s H shares registrar and transfer office, Hong Kong Registrars Limited, at Shops 1712 -1716, 17/F, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, not later than 4:30 pm on 21 May 2019. Therefore, holders of H shares whose names appear on the H share register of members of the Company on 22 May 2019 will be entitled to receive the above dividend. Please note that the ex-entitlement date shall be 20 May 2019. It is expected that the dividend will be paid on or before 10 July 2019.

In accordance with “Enterprise Income Tax Law of the People’s Republic of China (revised in 2017)* (《中華人民共和國企業所得稅法》(2017年修訂))” which took into effect since 24 February 2017 and “Implementation Regulations of Enterprise Income Tax Law of the People’s Republic of China* (《中華人民共和國企業所得稅法實施條例》)” which took into effect since 1 January 2008, the Company is required to withhold corporate income tax at the rate of 10% before distributing the dividend to non-resident enterprise (as defined in the Corporate Income Tax Law of the PRC) shareholders whose names appear on the H share register of members of the Company on 22 May 2019. Any H shares registered in the name of non-individual shareholders, including HKSCC Nominees Limited, other nominees, trustees or other groups and organizations will be treated as being held by non-resident enterprise shareholders, thus, the Company will distribute the dividend to such non-individual shareholders after withholding the 10% corporate income tax. No personal income tax will be withheld or paid from the dividend payable to any natural person shareholders whose names appear on the H share register of members of the Company on 22 May 2019.

Any natural person investor whose H shares are registered under the name of any such non-individual shareholders and who does not wish to have any corporate income tax to be withheld by the Company may consider transferring the legal title of the relevant H shares into his or her name and duly lodge all transfer documents with the relevant H share certificates with the Company’s H share registrar for registration. All investors should consider the above contents carefully. The Company will strictly comply with the relevant PRC tax laws and regulations to withhold for payment of the 10% corporate income tax; and the dividend will only be payable to the shareholders whose names appear on the H share register of members of the Company on 22 May 2019. The Company assumes no responsibility or liability whatsoever for confirming the identity of the shareholders of the Company and for any claims arising from any delay in or inaccurate determination of the identity of shareholders of the Company or any disputes over the withholding mechanism.

Pursuant to the “Notice on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect (Cai Shui [2014] No. 81)* (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2014]81號))”, for dividends received by domestic individual investors from investing in H shares listed on the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) through Shanghai-Hong Kong Stock Connect, the company of such H shares shall withhold and pay individual income tax at the rate of 20% on behalf of the investors. For dividends received by domestic securities investment funds from investing in H shares listed on the Stock Exchange through Shanghai-Hong Kong Stock Connect,

the tax payable shall be the same as that for domestic individual investors. The company of such H shares will not withhold and pay the income tax of dividends for domestic enterprise investors and those domestic enterprise investors shall report and pay the relevant tax themselves.

Pursuant to the “Notice on the Tax Policies for Shenzhen-Hong Kong Stock Connect Pilot Program (Cai Shui [2016] No. 127)* (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016]127號))”, for dividends received by domestic individual investors from investing in H shares listed on the Stock Exchange through Shenzhen-Hong Kong Stock Connect, the company of such H shares shall withhold and pay individual income tax at the rate of 20% on behalf of the investors. For dividends received by domestic securities investment funds from investing in H shares listed on the Stock Exchange through Shenzhen-Hong Kong Stock Connect, the tax payable shall be the same as that for domestic individual investors. The company of such H shares will not withhold and pay the income tax of dividends for domestic enterprise investors and those domestic enterprise investors shall report and pay the relevant tax themselves.

Should the holders of H Shares of the Company have any doubts in relation to the aforesaid arrangements, they are recommended to consult their tax advisors regarding the relevant tax impacts in mainland China, Hong Kong and other countries (regions) on the possession and disposal of H Shares of the Company.

Shareholders are advised that the aforesaid arrangements are not applicable in relation to the time and arrangements for distribution of the final dividend in respect of domestic A Shares of the Company, which however will be published in a separate announcement at Shanghai Stock Exchange by the Company.

By Order of the Board

Liu Yujun
Chairman

Tianjin, the PRC
3 April 2019

As at the date of this announcement, the Board comprises three executive Directors: Mr. Liu Yujun, Ms. Wang Jing and Mr. Niu Bo; three non-executive Directors: Mr. Yu Zhongpeng, Mr. Han Wei and Mr. Si Xiaolong; and three independent non-executive Directors: Mr. Di Xiaofeng, Mr. Guo Yongqing and Mr. Wang Xiangfei.

** For identification purposes only*