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If you have sold or transferred all your shares in **Tianjin Capital Environmental Protection Group Company Limited**, you should at once hand this circular to the purchaser or the transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee(s).

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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)

PROVISION OF GUARANTEES FOR PROJECT COMPANIES' FINANCING AND AUTHORIZATION TO THE BOARD

A notice of EGM to be convened and held at 2:00 p.m. on 16 December 2019 at the conference room of the Company on 5/F, TCEP Building, 76 Weijin South Road, Nankai District, Tianjin, the PRC is set out on pages 9 to 10 of this circular.

A form of proxy for use at the EGM was despatched and also published on the website of the Stock Exchange (<http://www.hkexnews.hk>) on 31 October 2019. Whether or not you intend to attend the EGM, you are required to complete and return the form of proxy in accordance with the instructions printed thereon to the Company's H Share registrar and transfer office, Hong Kong Registrars Limited, address at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, or the Company's principal office address at TCEP Building, 76 Weijin South Road, Nankai District, Tianjin, the PRC, as soon as possible and in any event not less than 24 hours before the time appointed for holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

21 November 2019

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DEFINITIONS

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

“Articles of Association”	the article of association of the Company, as amended, supplemented or otherwise modified from time to time;
“Board”	the board of Directors of the Company;
“Chibi Company”	Chibi Capital Water Company Limited* (赤壁創業水務有限公司), a limited liability company established in the PRC and an indirect wholly owned subsidiary of the Company as at the Latest Practicable Date;
“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;
“Director(s)”	the director(s) of the Company, including the independent non-executive director(s);
“EGM”	the 2019 second extraordinary general meeting of the Company to be convened and held at 2:00 p.m. on 16 December 2019 for the purposes of, among other things, seeking the Shareholders’ approval for the provision of the Guarantees by the Company for the Guaranteed Subsidiaries;
“Fuyang Company”	Fuyang Capital Water Company Limited* (阜陽創業水務有限公司), a limited liability company established in the PRC and a direct wholly owned subsidiary of the Company as at the Latest Practicable Date;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Latest Practicable Date”	18 November 2019, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein;
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange;

DEFINITIONS

“PRC”	The People’s Republic of China which, for the purpose of this circular, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shareholder(s)”	the shareholder(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Upgrade and Expansion of the PPP Project of Chibi Sewage Treatment Plant”	the PPP Project for Upgrading and Expansion of the Sewage Treatment Plant in Chibi City implemented by Chibi and Department of Housing and Urban-rural Development of Chibi* (赤壁市住房和城鄉建設局) under the government and social capital cooperation model (PPP model), including, among others, the continuous operation and the upgrading of the existing Chibi Sewage Treatment Plant Phase 1 project, as well as the new construction of Chibi Sewage Treatment Plant Phase 2, and the ancillary construction of the sewage collection pipeline network and sewage improvement pump station at the Xialuo Port Area;
“Wuhan Company”	Wuhan Tianchuang Capital Environmental Protection Company Limited* (武漢天創環保有限公司), a direct wholly owned subsidiary of the Company and the sole Shareholder of Chibi Company as at the Latest Practicable Date;
“Yingdong Sewage Water Treatment Plant Phase 2 Project”	Fuyang Company and Department of Urban-rural development of Fuyang initiated the negotiations on Yingdong Sewage Treatment Plant Phase 2 Project and proposed to enter into the licensed operation agreement in respect of Yingdong Sewage Treatment Plant Phase 2 Project in April 2019, which is an extension of Yingdong Sewage Treatment Plant Phase 1 Project and newly established project; and
“%”	per cent.

* For identification purpose only

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Liu Yujun (*Chairman*)
Ms. Wang Jing
Mr. Niu Bo

Registered address:

No. 45
Guizhou Road
Heping District
Tianjin, the PRC
Postal Code: 300051

Non-executive Directors:

Mr. Yu Zhongpeng
Mr. Han Wei
Mr. Si Xiaolong

Independent non-executive Directors:

Mr. Di Xiaofeng
Mr. Guo Yongqing
Mr. Wang Xiangfei

21 November 2019

To the Shareholders

PROVISION OF GUARANTEES FOR PROJECT COMPANIES' FINANCING AND AUTHORIZATION TO THE BOARD

I. INTRODUCTION

References are made to (i) the overseas regulatory announcement of the Company dated 13 August 2019 in relation to the increase in the registered capital of Fuyang Company; (ii) the announcement of the Company dated 16 September 2019 in relation to the guarantee for the loan granted to Chibi Company; and (iii) the announcement of the Company dated 25 October 2019 (the “**Date of Announcement**”) in relation to the provision of Guarantees for Project Companies' financing and authorization to the Board.

The purpose of this circular is to provide you with further information relating to the provision of the Guarantees by the Company for the financing of its Guaranteed Subsidiaries, and to give you a notice of the EGM to be convened to consider and if thought fit, approve, among other things, the special resolution in relation to the above matter.

LETTER FROM THE BOARD

II. PROVISION OF GUARANTEES BY THE COMPANY FOR ITS SUBSIDIARIES

The Company intended to provide additional financing guarantees (the “**Guarantees**”) amounting to a total amount of not exceeding RMB2,000,000,000 (the “**Guaranteed Amount**”) to Chibi Company, Fuyang Company, and the new subsidiaries of the Company within the scope of the consolidated financial statements established from the Date of Announcement to the date of the 2019 Annual General Meeting of the Company (collectively, the “**Guaranteed Subsidiaries**” or the “**Project Companies**”).

(i) Reasons for entering into the Guarantees

Respective investments and construction for each of the Guaranteed Subsidiaries have been made or will be made according to the relevant agreements for their respective PPP projects on water utilities business or other projects in environmental business areas. The investment, operation and financing model of the project agreements usually require the Company to fund the establishment of the Guaranteed Subsidiaries and provide guarantees for project financing when the Guaranteed Subsidiaries require. The water utilities business is the principal businesses of the Company and is the key business development area of the Company in the future, therefore, it is expected that the PPP projects on water utilities business will be obtained from time to time, and strategic new businesses, including other environmental protection businesses, will be actively developed. In order to improve efficiency and achieve efficient fundraising for the Guaranteed Subsidiaries, the Board proposed that the Shareholders shall, at the general meeting, consider and approve the above-mentioned Guarantees and authorise the Board to consider and approve the specific matters of the Guarantees within the scope of Guaranteed Amount of the Guarantees.

(ii) Basic information on the Guarantees

Unit: RMB'0,000

Serial No.	Guaranteed Subsidiaries	Project name	Financing amount	Guaranteed amount	Guaranteed percentage
1	Chibi Company	Upgrade and Expansion of the PPP Project of Chibi Sewage Treatment Plant	14,358	14,358	100%, pro rata to the equity interest of Chibi Company indirectly owned by the Company

LETTER FROM THE BOARD

Serial No.	Guaranteed Subsidiaries	Project name	Financing amount	Guaranteed amount	Guaranteed percentage
2	Fuyang Company	Yingdong Sewage Treatment Plant Phase 2 Project	12,280	12,280	100%, pro rata to the equity interest of Fuyang Company directly owned by the Company
Total:			<u>26,638</u>	<u>26,638</u>	

In addition to the above Guarantees, the Company also intends to provide additional guarantees for financing with a total amount of not exceeding RMB1,733,620,000 granted to the new subsidiaries of the Company within the scope of the consolidated financial statements established from the Date of Announcement to the date of the 2019 Annual General Meeting of the Company.

The conclusive financing guarantees, guaranteed parties, guaranteed amounts and guaranteed period of the Guarantees to be provided by the Company for the Guaranteed Subsidiaries are subject to the final guarantee contracts to be signed between the parties thereto. Each of the Guaranteed Subsidiaries shall provide to the Company the respective counter guarantee, which comprises rights to derive income and its revenue from its respective projects, not less than the guaranteed amount in relation to the financing by the Company for such Guaranteed Subsidiary in order to reasonably safeguard the Company from risk taking.

(iii) Approval conditions for the Guarantees

On 25 October 2019, the Board considered and approved that from the date of the EGM in relation to the consideration and approval of the provision of the Guarantees to the date of the 2019 Annual General Meeting of the Company, the Company intended to provide additional financing guarantees within the scope of Guaranteed Amount to the Guaranteed Subsidiaries, subject to the following six conditions:

1. The Guaranteed Subsidiaries and Guaranteed Amount: (1) guaranteed amount for Chibi Company shall amount to RMB143,580,000; (2) guaranteed amount for Fuyang Company shall amount to RMB122,800,000; (3) expected guaranteed amounts for the new subsidiaries of the Company within the scope of the consolidated financial statements established from the Date of Announcement to the date of the 2019 Annual General Meeting of the Company shall not exceed RMB1,733,620,000;
2. The respective Guaranteed Amount shall not exceed the shareholding percentage of the Company in the relevant subsidiaries;

LETTER FROM THE BOARD

3. The subject projects for financing are legally obtained, and have been approved by the authority of the Company that has the right to approve;
4. The income level of each of the subject projects for financing meets investment requirements and standards of the Company;
5. The Guaranteed Subsidiaries have been provided with counter guarantees no less than the Guaranteed Amounts; and
6. The Guaranteed Subsidiaries operate in a regulated manner and the risks are controllable.

On 25 October 2019, the Board considered and approved to propose that the Shareholders shall, at the general meeting, consider and approve the above-mentioned Guarantees and authorize the Board to consider and approve the following specific matters of the Guarantees within the scope of Guaranteed Amount of the Guarantees, subject to the above-mentioned six conditions and on the premise that the accumulated amount of the guarantees of the Company shall not exceed 100% of the latest audited net assets of the Company:

1. Specifically approve and make disclosure in time for each loan guarantee according to the actual progress of the PPP projects won by the Company and the actual needs of the relevant Guaranteed Subsidiaries; and
2. Specifically approve whether pledge or mortgage shall be provided for the respective loan.

(iv) Basic information and financial conditions of the Guaranteed Subsidiaries

Chibi Company

As at the Latest Practicable Date, the Company indirectly holds 100% equity interest of Chibi Company through an immediate wholly-owned subsidiary, Wuhan Company, Chibi Company was incorporated on 29 June 2005.

As at 31 December 2018, Chibi Company's total assets amounted to RMB82,835,400, with net assets, liabilities, revenue and net profit of RMB55,209,300, RMB27,626,100, RMB14,667,000 and RMB1,816,600 respectively, and its gearing ratio was 33.35%.

As at 30 September 2019, Chibi Company's total assets amounted to RMB260,801,500, with net assets, liabilities, revenue and net profit of RMB117,543,500, RMB143,258,000, RMB11,018,500 and RMB2,101,800, and its gearing ratio was 54.93%.

LETTER FROM THE BOARD

Fuyang Company

As at the Latest Practicable Date, the Company directly holds 100% equity interest of Fuyang Company. Fuyang Company was incorporated on 15 December 2005.

As at 31 December 2018, Fuyang Company's audited total assets amounted to RMB757,090,000, with net assets and liabilities of RMB344,161,000 and RMB412,929,000, respectively, and its revenue and net profit amounted to RMB111,887,500 and RMB32,742,000, respectively, and its gearing ratio was 54.54%.

As at 30 September 2019, Fuyang Company's unaudited total assets amounted to RMB897,294,000, with net assets and liabilities of RMB512,302,600 and RMB384,991,400, respectively, and its revenue and net profit amounted to RMB100,246,400 and RMB30,379,200, respectively, and its gearing ratio was 42.91%.

(v) The Company's decision-making procedures for the Guarantees

As at the Latest Practicable Date, since the total amount of external guarantees of the Company exceeded 50% of the net assets in the consolidated financial statements of the most recent accounting year, in accordance with the Articles of Association, the Guarantees shall be subject to the approval of the Shareholders at the general meeting of the Company.

As at the Latest Practicable Date, the total amount of the external guarantees of the Company amounted to RMB3,943,531,800, all of which were financing guarantees to the wholly-owned and controlling subsidiaries within the scope of the consolidated financial statements, accounting for approximately 67.78% of the latest audited net assets of the Company. As the total amount of the external guarantees of the Company (including the Guarantees) exceeded 50% of the net assets in the consolidated financial statements of the most recent accounting year, in accordance with the Articles of Association, the Guarantees shall be subject to the approval of the Shareholders at the general meeting of the Company. Accordingly, a special resolution will be proposed at the EGM to approve, among other things, the provision of Guarantees to the Guaranteed Subsidiaries and authorization to the Board to consider the specific matters of the Guarantees within the scope of the Guaranteed Amount of the Guarantees.

III. EGM

The Company will convene the EGM to seek approval from the Shareholders for, among others, the provision of Guarantees to the Guaranteed Subsidiaries and authorization to the Board to consider the specific matters of the guarantees within the scope of the Guaranteed Amount of the Guarantees.

The EGM will be held at 2:00 p.m. on 16 December 2019 at the conference room of the Company on 5/F, TCEP Building, 76 Weijin South Road, Nankai District, Tianjin, the PRC. The notice of the EGM is set out on pages 9 to 10 of this circular. At the EGM, voting of the Shareholders will be conducted by way of poll.

LETTER FROM THE BOARD

A form of proxy for use at the EGM was despatched and also published on the website of the Stock Exchange (<http://www.hkexnews.hk>) on 31 October 2019. Whether or not you intend to attend the EGM, you are required to complete and return the form of proxy in accordance with the instructions printed thereon to the Company's H Share registrar and transfer office, Hong Kong Registrars Limited, address at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, or the Company's principal office address at TCEP Building, 76 Weijin South Road, Nankai District, Tianjin, the PRC, as soon as possible and in any event not less than 24 hours before the time appointed for holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish. The Company will make an announcement after the EGM to inform the Shareholders of the results thereof.

IV. RECOMMENDATIONS

The provision of the proposed Guarantees by the Company to the Guaranteed Subsidiaries mainly aims to satisfy the actual capital needs for the production and operation of the Guaranteed Subsidiaries in their respective PPP projects, which is in line with the operation and development requirements of the Company.

The Directors consider that the provision of the proposed Guarantees by the Company to the Guaranteed Subsidiaries and the relevant matters relating to the authorization to the Board are in the interests of the Company and the Shareholders as a whole.

In light of the above, the Board recommends the Shareholders to vote in favour of the special resolution in respect of the proposed Guarantees to be proposed at the EGM.

V. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein misleading.

By order of the Board of
**TIANJIN CAPITAL ENVIRONMENTAL PROTECTION
GROUP COMPANY LIMITED**
Liu Yujun
Chairman

NOTICE OF EGM

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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)

NOTICE OF 2019 SECOND EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2019 second extraordinary general meeting of Tianjin Capital Environmental Protection Group Company Limited (the “**Company**”) will be held at the conference room of the Company on 5/F, TCEP Building, 76 Weijin South Road, Nankai District, Tianjin, the People's Republic of China (the “**PRC**”) on 16 December 2019 at 2:00 p.m. for the purpose of considering the resolutions as listed below:

*Unless otherwise indicated, capitalized terms used herein shall have the same meanings as those defined in the announcement of the Company dated 16 September 2019 in relation to the guarantee for the loan granted to Chibi Company and the announcement of the Company dated 25 October 2019 in relation to the guarantee for Project Companies' financing and the authorization to the Board (the “**Announcements**”).*

I. As special resolution:

1. To consider the additional Guarantees of the Company for the loans granted to its subsidiaries not exceeding the total amount of RMB2,000,000,000 and the matters relating to the authorization to the Board:
 - (i) To consider the guarantee for the loan granted to Chibi Company not exceeding the amount of RMB143,580,000;
 - (ii) To consider the guarantee for the loan granted to Fuyang Company not exceeding the amount of RMB122,800,000; and
 - (iii) To consider the guarantees of the Company for the loan granted to its new subsidiaries within the scope of the consolidated financial statements established from 25 October 2019 to the date of the 2019 Annual General Meeting of the Company not exceeding the amount of RMB1,733,620,000.

(For details of the above resolution, please refer to the Announcements of the Company)

By order of the Board
Liu Yujun
Chairman

Tianjin, the PRC
31 October 2019

As at the date of this notice, 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.

NOTICE OF EGM

Notes:

- (1) The holders of shares (the “**Shareholders**”) whose names appear on the register of members at 4:30 p.m. on 15 November 2019 will be entitled to attend the general meeting. The holders of H shares of the Company (“**H Shares**”) are reminded that the register of members of the Company’s H Shares will be closed from 16 November 2019 to 16 December 2019, both days inclusive, during the period no transfer of H Shares will be effected. All transfers, accompanied by the relevant share certificates, must be lodged for registration with the Company’s Share registrar and transfer office, Hong Kong Registrars Limited at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong, not later than 4:30 p.m. on 15 November 2019. The holder of H Shares and whose name appears on the register of members of the Company’s H Shares at 4:30 p.m. on 15 November 2019 or his/her proxy may attend the general meeting by bringing his/her own identity card or passport.
- (2) Each Shareholder having the rights to attend and vote at the general meeting is entitled to appoint in written form one or more than one proxies (whether a Shareholder or not) as his proxy to attend and vote on his behalf at the general meeting. If more than one proxy is appointed by a Shareholder, such proxy shall only exercise his voting rights on a poll.
- (3) The principal Shareholders shall appoint a proxy by an instrument in writing (i.e. by using the enclosed form of proxy). The form of proxy shall be signed by the principal or his attorney as authorized. In the event that the form of proxy is signed by the attorney of the principal, the power of attorney or other authorization documents must be notarised by notary public. To be valid, the power of attorney or other authorization documents as notarised and the form of proxy must be deposited at the Company’s H Share registrar and transfer office, Hong Kong Registrars Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong, or the Company’s principal office address at TCEP Building, 76 Weijin South Road, Nankai District, Tianjin, the PRC as soon as possible but in any event not less than 24 hours before the time scheduled for the holding of the general meeting.
- (4) Shareholders who intend to attend the general meeting should complete and return the completed and signed reply slip for attendance to the Company’s H Share registrar and transfer office, Hong Kong Registrars Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong, or the office of the secretary of the Board at the Company’s principal office address on or before 25 November 2019 by hand, by post or by facsimile. Please use the enclosed reply slip or its copy for the purpose of confirmation.
- (5) Shareholders or their proxies shall present proofs of their identities upon attending the general meeting. Should a proxy be appointed, the proxy shall also present the form of proxy signed by the principal or his attorney.
- (6) The general meeting is expected to last for about half a day. The Shareholders and their proxies attending the general meeting shall be responsible for their own travelling and accommodation expenses.

Principal office address of the Company: TCEP Building,
76 Weijin South Road,
Nankai District,
Tianjin, the PRC

Postal Code: 300381
Telephone: 86-22-23930128
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