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CAPITAL ENVIRONMENT HOLDINGS LIMITED **首創環境控股有限公司**

(Incorporated in Cayman Islands with limited liability)

(Stock Code: 03989)

CHANGE OF EXECUTIVE DIRECTOR

RESIGNATION OF EXECUTIVE DIRECTOR

The board of directors (the “**Board**”) of Capital Environment Holdings Limited (the “**Company**”) announces that Mr. Cheng Jialin (“**Mr. Cheng**”) has resigned as an executive director of the Company due to his commitment to other career development, with effect from 4 March 2020. Mr. Cheng has confirmed that he has no disagreement with the Board and there is no matter in relation to his resignation that needs to be brought to the attention of the shareholders of the Company.

APPOINTMENT OF EXECUTIVE DIRECTOR

The Board is pleased to announce that, Mr. Xiao Yukun has been appointed as an executive director of the Company, with effect from 4 March 2020.

Mr. Xiao Yukun (“**Mr. Xiao**”), aged 40, holds a bachelor’s degree in economics from China Agricultural University and an MBA from the University of Illinois at Chicago. Mr. Xiao has been the Deputy General Manager, Deputy Secretary of the Party Committee and Secretary of the Disciplinary Committee of Beijing Capital Investment & Guarantee Co., Ltd. (北京首創融資擔保有限公司) since February 2015. Prior to that, he was the principal staff member of the Administrative Politics and Law Department of the Beijing Municipal Bureau of Finance (北京市財政局行政政法處) and the deputy researcher of the Cadre Deployment Office of Organization Department of Beijing Municipal Party Committee (北京市委組織部幹部調配處), and assistant general manager and deputy general manager of Beijing Capital Investment Rail Transit Assets Management Company (北京京投軌道交通資產經營管理有限公司). He has rich experience in human resource management and financial management.

A service contract will be entered into between Mr. Xiao with the Company for a term of three years commencing from 4 March 2020, and will continue thereafter until terminated by both parties' mutual agreement or by either party thereto giving to the other not less than three months' prior notice in writing. However, his appointment is subject to retirement by rotation and/or re-election in accordance with the articles of association of the Company. Mr. Xiao will be entitled to an annual salary of RMB904,400, plus a discretionary year-end bonus as determined by the Board with reference to his duties, responsibilities, performance and the Company's performance.

OTHER INFORMATION

As at the date of this announcement, save as disclosed above, Mr. Xiao confirmed that:

- (a) he has not held any directorship in other listed public companies in the last three years preceding the date of this announcement;
- (b) he does not have any relationship with any directors, senior management, substantial or controlling shareholders of the Company;
- (c) he does not have any interests in the shares or underlying shares of the Company, which is required to be disclosed under Part XV of the Securities and Futures Ordinance;
- (d) there is no other information relating to his appointment which is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited; and
- (e) there are no other matters that need to be brought to the attention of the shareholders of the Company.

The Board wishes to express its sincere gratitude to Mr. Cheng for his valuable contribution to the Company in the past years, and also would like to welcome Mr. Xiao for joining the Company.

By order of the Board
Capital Environment Holdings Limited
Cao Guoxian
Chairman

Hong Kong, 4 March 2020

As at the date of this announcement, the Board comprises four executive directors, namely Mr. Cao Guoxian, Mr. Li Fujing, Ms. Hao Chunmei and Mr. Xiao Yukun; and three independent non-executive directors, namely, Mr. Pao Ping Wing, Mr. Cheng Kai Tai, Allen and Dr. Chan Yee Wah, Eva.