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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)**

### **VOLUNTARY ANNOUNCEMENT** **ESTABLISHMENT OF** **THE STRATEGIC COOPERATION RELATIONSHIP**

The board of directors (the “**Board**”) of Capital Environment Holdings Limited (the “**Company**”) is pleased to announce that, on the date of this announcement, the Company and Henan City Development And Investment Co., Ltd. (“**Henan City Investment**”) entered into the cooperation agreement for venous industry park projects in Henan (the “**Framework Agreement**”), for establishing a long-term cooperation relationship. Henan City Investment is a third party independent of the Company and its connected persons (as defined in the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited), as well as a subsidiary of Henan Investment Group Co., Ltd. responsible for the infrastructure segment and the sole provincial-level integrated urban infrastructure investment and financing platform in Henan Province, which engages in investment, construction and operation of infrastructure and public service projects across the province.

The Three-Year Action Plan for Construction of Venous Industry Parks in Henan Province (2018–2020) jointly printed and distributed by five authorities including Henan Province Development and Reform Commission specifies that by 2020, a batch of eco-friendly venous industry parks with first-class technology and significant co-treatment effect will be constructed across the province. Meanwhile, construction of venous industry parks by enterprises in Henan Province and industry-leading enterprises in China in the form of consortium is specified as a requirement for project implementation. To realize resource sharing, complementation and win-win cooperation, the Company and Henan City Investment agreed to establish a strategic cooperation relationship, enter into a long-term cooperation relationship with regard to investment, construction, operation and other matters of venous industry park projects in Henan Province and execute the Framework Agreement.

Pursuant to the Framework Agreement, contents of the initial cooperation between the Company and Henan City Investment include:

- (1) Both parties forming a consortium to jointly invest in venous industry park projects across Henan Province through various methods including bid and equity cooperation. Upon execution of an agreement for a project, both parties will establish a project company, which is responsible for investment, construction, operation and maintenance of the project;
- (2) Henan City Investment proposed to act as the leader of the consortium, responsible for such work as leading the organization of project bid, contract negotiation, establishment of and financing for the project company; the Company as the member of the consortium is responsible for supporting project bid and participating in negotiation, takes charge of project construction, assumes responsibilities and risks as a general contractor, and supports such work as project acceptance inspection and handover. Division of the work between both parties for projects shall be as indicated in the consortium agreement otherwise executed.

**Shareholders and/or investors should note that this announcement is published as a voluntary disclosure aimed to allow the public to acknowledge the latest development of the Company.**

By order of the Board  
**Capital Environment Holdings Limited**  
**Wu Lishun**  
*Chairman*

Hong Kong, 18 April 2018

*As at the date of this announcement, the Board comprises five executive directors, namely Mr. Wu Lishun, Mr. Cao Guoxian, Mr. Liu Yongzheng, Ms. Zhang Meng and Mr. Cheng Jialin; and three independent non-executive directors, namely, Mr. Pao Ping Wing, Mr. Cheng Kai Tai, Allen and Dr. Chan Yee Wah, Eva.*