

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 STRATEGIC COOPERATIVE** **RELATIONSHIP**

The board of directors (the “**Board**”) of Capital Environment Holdings Limited (the “**Company**”) is pleased to announce that as at 12 July 2018, the Company entered into the Strategic Cooperation Agreement (the “**Cooperation Agreement**”) with Hi-Tech Heavy Industry Co., Ltd. (恒天重工股份有限公司) (“**Hi-Tech Heavy Industry**”) to achieve strategic cooperation. Hi-Tech Heavy Industry is the business unit of manufacturing of automobile and precision devices of China Hi-Tech Group Corporation (中國恒天集團有限公司), and is a third party which is 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). The main products of Hi-Tech Heavy Industry include commercial vehicles, special vehicles and engines, and it has accelerated to the development of the new energy automobile industry.

Complementing each other’s advantages, the Company and Hi-Tech Heavy Industry focus on and facilitate the key projects in rural-urban sanitation integration and solid waste treatment, with a view to achieve mutual benefit on an equal footing, resource sharing and win-win cooperation in such field. By entering into this Cooperation Agreement, both parties will work closely together for win-win development. Pursuant to the Cooperation Agreement, the strategic cooperation between the Company and Hi-Tech Heavy Industry is mainly as follows:

- (1) leveraging on the strengths in their respective field, both parties collaborate in the development, design, exploration and trial implementation of new sanitation integration models in rural-urban sanitation integration projects and formulate relevant standards to improve overall advantages of the rural-urban sanitation integration; and cooperate in the promotion in areas where either party has been granted favorable government resources;

- (2) both parties complement each other by combining the influence and competence of the Company in the waste-to-energy industry and the superiorities of Hi-Tech Heavy Industry in the channel and technologies of equipment processing and manufacturing; work together in the study and exploration of new trends; and strive to achieve in-depth, all-rounded and win-win cooperation in equipment manufacturing;
- (3) both parties join hands in the projects to promote the development of the industry, with the Company responsible for the design, investment, construction, operation while Hi-Tech Heavy Industry being engaged in the manufacturing of ancillary vehicles, technical services and production and maintenance of equipment;
- (4) both parties study the feasibility of other projects nationwide drawing on their advantages.

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

By order of the Board
Capital Environment Holdings Limited
Zhang Meng
Chairlady

Hong Kong, 13 July 2018

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