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CAPITAL ENVIRONMENT HOLDINGS LIMITED

首創環境控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 03989)

**(1) RETIREMENT OF EXECUTIVE DIRECTOR;
(2) CHANGE OF CHAIRMAN OF THE BOARD,
COMPOSITION OF THE BOARD COMMITTEES,
AUTHORISED REPRESENTATIVE AND PROCESS AGENT;
AND
(3) CHANGE OF CHIEF EXECUTIVE OFFICER**

The board of directors (the “**Board**”) of Capital Environment Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) hereby announces that:

1. RETIREMENT OF EXECUTIVE DIRECTOR

Mr. Cao Guoxian (“**Mr. Cao**”), being advanced in retirement age, has decided to retire as (i) an executive director of the Company (the “**Director**”); (ii) the chairman of the Board; (iii) the chairman of the nomination committee of the Board (the “**Nomination Committee**”); (iv) a member of the remuneration committee the Board (the “**Remuneration Committee**”); (v) an authorised representative of the Company (the “**Authorised Representative**”) under Rule 3.05 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”); and (vi) an authorised representative of the Company for the acceptance of service of process and notices on behalf of the Company in Hong Kong under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the “**Process Agent**”) with effect from 20 December 2023 and thereafter, Mr. Cao would not hold any positions in the Company.

Mr. Cao has confirmed that he has no disagreement with the Board and there are no other matters in relation to the aforesaid retirement that need to be brought to the attention of the shareholders of the Company. The resignation of Mr. Cao will not result in the number of members of the Board of the Company falling below the minimum quorum as required under the articles of association of the Company.

The Board wishes to express its sincere gratitude and appreciation to Mr. Cao for his dedication and invaluable contributions to the Company during his tenure of office.

2. CHANGE OF CHAIRMAN OF THE BOARD, COMPOSITION OF THE BOARD COMMITTEES, AUTHORISED REPRESENTATIVE AND PROCESS AGENT

Following the retirement of Mr. Cao, Mr. Li Fujing (“**Mr. Li FJ**”), currently an executive Director, has been redesignated from the chief executive officer of the Company (the “**CEO**”) to (i) the chairman of the Board; (ii) the chairman of the Nomination Committee; (iii) a member of the Remuneration Committee; (iv) the Authorised Representative; and (v) the Process Agent with effect from 20 December 2023. Such appointment is coterminous with the term of his appointment as an executive Director of the Company and no additional emolument will be paid to Mr. Li FJ as a result of his appointment as (i) the chairman of the Board; (ii) the chairman of the Nomination Committee; (iii) a member of the Remuneration Committee; (iv) the Authorised Representative; and (v) the Process Agent.

The biographical details of Mr. Li FJ are set out below:

Mr. Li FJ, aged 42, holding a master’s degree, is a senior economist and engineer. He was appointed as an executive Director and the CEO in November 2019. With effect from 20 December 2023, he has been redesignated from the CEO to the chairman of the Board, the chairman of the Nomination Committee, a member of the Remuneration Committee, the Authorised Representative and the Process Agent. Mr. Li FJ is a director and general manager of Beijing Capital Eco-Environment Protection Group Co., Ltd. (stock code on Shanghai Stock Exchange: 600008). Before joining the Company, he worked as assistant to the general manager of the infrastructure department and deputy general manager of the environmental industry department at Beijing Capital Group Co., Ltd.. He has rich experience in enterprise management and operation, investment, financing and risk management and other enterprise management work, as well as work experience at overseas enterprises. He worked as an engineer at Baicheng Engineering Technology (Beijing) Co., Ltd.* (柏誠工程技術(北京)有限公司), and as project manager at the infrastructure consulting department of Beijing Municipal Engineering Consulting Corporation* (北京市工程諮詢公司). He joined Beijing Capital Group Co., Ltd. in May 2013 and successively acted as the assistant to general manager of the infrastructure department, the deputy general manager of the environmental industry department and a director of its certain domestic and foreign subsidiaries.

As advised by Mr. Li FJ, save as disclosed above, Mr. Li FJ confirmed that: (i) as at the date of this announcement, he does not hold any other positions with the Company or other members of the Group; (ii) he has not held any directorships in the last three years in any public companies, the securities of which are listed on any securities market in Hong Kong and/or overseas, nor held any other major appointments or professional qualifications; (iii) as at the date of this announcement, he does not have any interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong); (iv) as at the date of this announcement, he has no relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company; (v) there is no other information that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules; and (vi) there are no other matters that need to be brought to the attention of the shareholders of the Company.

Mr. Li FJ has entered into a service contract with the Company, for a term of three years commencing from 25 November 2019, and will continue thereafter until terminated by both parties mutually agreed or by either party thereto giving to the other not less than three months' prior notice in writing. Mr. Li FJ is entitled to an annual salary of RMB1,208,000 and a year-end bonus determined by the Board with reference to his duties, responsibilities, performance and the Company's performance. Mr. Li FJ has taken the initiative to waive the above mentioned remuneration.

3. CHANGE OF CHIEF EXECUTIVE OFFICER

In replacement of Mr. Li FJ, Mr. Li Qingsong (“**Mr. Li QS**”), currently an executive Director, has been redesignated from the executive general manager of the Company to the CEO with effect from 20 December 2023. Such appointment is coterminous with the term of his appointment as an executive Director of the Company and no additional emolument will be paid to Mr. Li QS as a result of his appointment as the CEO.

The biographical details of Mr. Li QS are set out below:

Mr. Li QS, aged 51, is a senior engineer and economist. He holds a bachelor's degree in port and waterway engineering from the Department of Geography of Zhejiang University, a master's degree in hydraulics and river dynamics from the Department of Water Conservancy of Tsinghua University and a master's degree in business administration from the School of Business Administration of the Chinese University of Hong Kong. He was appointed as an executive Director and executive general manager of the Company in August 2021. With effect from 20 December 2023, he has been redesignated from the executive general manager to the CEO. Mr. Li QS had successively acted as an engineer at the Institute of Environmental and Sanitary Engineering Technology* (環衛工程技術研究所) of the Urban Construction Design and Research Institute* (城市建設研究院) of the Ministry of Construction, the investment manager of the investment and development department, the deputy general manager of Nanjing branch, the general manager of Nanjing branch and the general manager of the investment and development department of southern region, assistant to general manager of Beijing Capital Eco-Environment Protection Group Co., Ltd., the general manager of Hunan Capital Investment Co., Ltd.* (湖南首創投資有限責任公司). He has extensive experience in investment and financing management.

As advised by Mr. Li QS, save as disclosed above, Mr. Li QS confirmed that: (i) as at the date of this announcement, he does not hold any other positions with the Company or other members of the Group; (ii) he has not held any directorships in the last three years in any public companies, the securities of which are listed on any securities market in Hong Kong and/or overseas, nor held any other major appointments or professional qualifications; (iii) as at the date of this announcement, he does not have any interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong); (iv) as at the date of this announcement, he has no relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company; (v) there is no other information that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules; and (vi) there are no other matters that need to be brought to the attention of the shareholders of the Company.

Mr. Li QS has entered into a service contract with the Company, for a term of three years commencing from 26 August 2021, and will continue thereafter until terminated by both parties mutually agreed or by either party thereto giving to the other not less than three months' prior notice in writing. Mr. Li QS is entitled to a fixed monthly salary of HK\$30,000 for 13 months per year and a year-end bonus at the discretion of the Board with reference to his duties and responsibilities and performance of the Company. Mr. Li QS has taken the initiative to waive his remuneration for services rendered by him as executive Director.

The Board would like to extend its warm welcome to Mr. Li FJ and Mr. Li QS on taking up the new positions in the Company.

By order of the Board of
Capital Environment Holdings Limited
Li Fujing
Chairman

Hong Kong, 20 December 2023

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

* *For identification purpose only*