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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)**

### **SUPPLEMENTAL ANNOUNCEMENT CONNECTED TRANSACTION**

Reference is made to the announcement of the Company dated 16 July 2024 in respect of the entering into of the Loan Extension Agreement (the “**Announcement**”). Terms defined in the Announcement shall have the same meanings when used herein unless otherwise stated.

The Board would like to supplement that during the course of the capital budget planning process of Capital Environmental Sanitation, it has come to the attention of the management of the Company that the Previous Loan, which was entered into when Capital Environmental Sanitation was still a wholly-owned subsidiary of the Company, had due on 26 June 2024. Once became aware of the same, the management immediately prepared for the draft agreement, and further to the negotiation between the parties and the internal approval procedures, the terms of the Loan Extension Agreement were eventually finalised on 16 July 2024 where the Announcement was published on the same day in compliance with Rule 14A.35 of the Listing Rules. However, during the period when the remaining balance of the Previous Loan fell due and up until the Loan Extension Agreement was entered into and the Announcement was published (the “**relevant period**”), the Company should enter into a written agreement upon the loan was due (Rule 14A.34 of the Listing Rules) and publish an announcement as soon as practicable after becoming aware of the relevant fact (Rule 14A.60 of the Listing Rules) so as to comply with the requirements for conducting the relevant connected transactions.

While technically the Company was unable to issue announcement during the relevant period and the relevant period only lasted for about three weeks, the Company takes the incident cautiously. The Company will review, strengthen and continue to monitor the relevant internal policies, procedures and measures of the Group, including contract reporting and signing procedures, and the maintaining and timely update of the list of the connected persons of the Group, the same of which shall be re-circulated upon any changes with an internal memo addressing to all related personnel and the relevant Listing Rules regarding identification of connected persons to strengthen and reinforce their knowledge with respect to the compliance requirements for connected transactions, so as to ensure refinement of current and future transactions being adhere to the applicable requirements under the Listing Rules.

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

Hong Kong, 8 August 2024

*As of 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 and Dr. Cao Fuguo.*