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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 UPDATES ON THE PROJECTS**

#### **SUIXIAN PROJECT**

The board of directors (the “**Board**”) of Capital Environment Holdings Limited (the “**Company**”) is pleased to announce that a wholly owned subsidiary of the Company, Beijing Capital Environment Investment Limited (北京首創環境投資有限公司) (“**Capital Investment**”) has entered into a concession agreement with the People’s Government of Suixian County, Shangqiu City in respect of the integrated urban and rural sanitation and solid waste incineration project (“**Suixian Project**”) in Suixian County, Shangqiu City, Henan Province, China (“**Suixian Project Concession Agreement**”) as at the date of this announcement.

Pursuant to the Suixian Project Concession Agreement, Capital Investment shall invest and operate (1) the integrated urban and rural solid waste collection and transfer project in Suixian County (“**Suixian Collection and Transfer Project**”); and (2) solid waste incineration project in Suixian County (“**Suixian Incineration Project**”), with a concessionary period of 30 years (with effect from the date of commencing commercial operation). Both Suixian Collection and Transfer Project and Suixian Incineration Project shall be operated under “Build – Operate – Transfer” (BOT) mode.

Pursuant to Suixian Collection and Transfer Project, the urban and rural solid waste collection and transfer system is intended to be built within the administrative regions under Suixian County (all the regions at the county level other than the constructed area of Suixian County), with the total investment of approximately RMB30 million and the collection and transfer scale of 400 tons per day. The average minimum guaranteed volume of the solid waste collection and transfer during the concessionary period shall be not less than 200 tons per day in the first year, not less than 250 tons per day in the second year, not less than 300 tons per day in the third year and not less than 350 tons per day after the third year and onward. The initial waste treatment fee shall be RMB100 per ton.

The total investment in Suixian Incineration Project shall be approximately RMB600 million with a total scale of 1,200 tons per day. The minimum guaranteed volume will be composed of two parts: the urban solid waste and the rural solid waste. The minimum guaranteed volume of the urban solid waste is 150 tons per day; the minimum guaranteed volume of the rural solid waste is determined based on that of Suixian Collection and Transfer Project (it is expected that Suixian Incineration Project will be put into operation in the third or fourth year after the commencement of operation of Suixian Collection and Transfer Project). The initial waste treatment fee is RMB65 per ton.

## **DUYUN PROJECT**

Reference is made to the announcement of the Company dated 4 July 2016, in relation to that Capital Investment has been confirmed to be the successful bidder for the project in respect of the construction and operation of the urban and rural waste collection and transfer system in Duyun City, Guizhou Province, China (“**Duyun Project**”). The Board announces that Capital Investment has entered into a concession agreement with the People’s Government of Duyun City in respect of Duyun Project as at the date of this announcement.

Duyun Project shall be operated under the “Build–Operate–Transfer” (BOT) mode with a concessionary period of 30 years (with effect from the date of commencing commercial operation). The total investment in the project shall be approximately RMB18.25 million; the minimum guaranteed volume of waste is tentatively set for 75 tons per day; the waste treatment fee is tentatively set for RMB150 per ton.

## ZIBO PROJECT

The Board hereby announces, the Government of Linzi District, Zibo City, Shandong Province has decided to set up a project company wholly owned by Capital Investment to invest in the integrated utilization and treatment center for hazardous waste project located in Linzi District, Zibo City, Shandong Province (“**Zibo Project**”), Zibo Project comprises an integrated treatment plant for hazardous waste and a landfill for hazardous waste. The project is constructed by two phases: phase I is for constructing the first stage of the treatment plant (including a incineration system, an integrated utilization system for waste acid and waste alkali, an integrated utilization system for organic solvents and a physical and chemical treatment system), with a designed construction size of 91,000 tons per annum and the maximum capacity of 169,800 tons per annum; phase II is mainly for constructing the landfill with a storage capacity of 500,000m<sup>3</sup> and an annual treatment capacity of 36,400 tons. The total investment of the Zibo Project amounted to approximately RMB536 million, which comprises the investment for the phase I (being the first stage of the treatment plant) and the phase II (being the landfill). The respective construction period for the treatment plant and the landfill will be 2 years, while the operation period will be 15 years and 14 years respectively.

**Shareholders and/or investors should be noted 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, 19 January 2017

*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. Yang Bin; and three independent non-executive directors, namely, Mr. Pao Ping Wing, Mr. Cheng Kai Tai, Allen and Dr. Chan Yee Wah, Eva.*