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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 NEW PROJECT**

Capital Environment Holdings Limited (the “**Company**”) is pleased to announce that Beijing Capital Environment Investment Limited (北京首創環境投資有限公司) (“**Capital Investment**”), a wholly owned subsidiary of the Company together with Beijing Capital Co., Ltd (北京首創股份有限公司), an indirect controlling shareholder of the Company, had formed a consortium (the “**Bidder Consortium**”) to submit tender for the pioneering project for integrated system for treatment of the environmental problems of sewage, solid waste, toilet in Baiyangdian Village, Xiongan New District, China (“**Xiongan New District Project**”). Recently, the Bidder Consortium receives a notification from the tender, Housing and Urban-Rural Construction Department of Anxin County (安新縣住房和城鄉建設局) that the Bidder Consortium has been confirmed as successful bidder of Xiongan New District Project and will negotiate with Housing and Urban-Rural Construction Department of Anxin County (安新縣住房和城鄉建設局) and enter into an agreement as soon as possible.

The Bidder Consortium shall set up a project company (“**Project Company**”), less than 50% of which shall be held by Capital Investment, Capital Investment shall be a minority shareholder. The Company shall make appropriate disclosure pursuant to the requirement of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited when a decision for forming the Project Company is made. The Project Company shall be responsible for the treatment of environmental problems of sewage, solid waste and toilet, and shall be independently responsible for investment, design, reconstruction, construction and operation etc. of the Xiongan New District Project. Xiongan New District Project shall be located in Baiyangdian Village, Xiongan New District, and shall be operated under the “Rebuild—Operate—Transfer” and “Build—Own—Operate—Transfer” modes. The construction period is 9 months (started from the date of successful bidder) and the concessionary period is 20 years (started from the date of operation). The total investment is approximately RMB 57.95 million. Xiongan New District Project shall cover 23 villages, sewage treatment facilities (2,325 tons built, 2,881 tons to be built) , sewage pipelines (152,886 metres built, 127,381 metres to be built), toilet building and transforming (64 to be built, 39 to be transformed) and the purchase of equipment for solid waste cleaning and transferring.

**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**  
**Zhang Meng**  
*Chairlady*

Hong Kong, 19 March 2019

*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.*