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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 the third parties which are 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) (collectively the “**Bidder Consortium**”) have submitted tender for the Venous Industry Eco Park PPP Project in Wulingshan, Jishou City, Hunan Province (“**Wulingshan PPP Project**”). Recently, the Bidder Consortium has received a notification from the tender, Administrative Department of Public Utilities of Jishou City (吉首市公用事業管理局) that the Bidder Consortium has been confirmed as successful bidder of Wulingshan PPP Project and will negotiate with Administrative Department of Public Utilities of Jishou City (吉首市公用事業管理局) and enter into an agreement as soon as possible.

Parties of the Bidder Consortium shall set up a project company (“**Project Company**”) together. Capital Investment shall hold the majority shareholding in the Project Company. The Project Company shall be responsible for the investment, construction and operation of Wulingshan PPP Project, including construction of a waste incineration plant for a scale of 1000 tons per day, a municipal sludge centralised handling facility for a scale of 60 tons per day, the park entrance roads and the fly ash landfills facility, and be responsible for the operation of the newly constructed facilities and the existing landfill leachate treatment facility. The concessionary period is 30 years (including construction period). The total investment of Wulingshan PPP Project is approximately RMB 590 million.

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, 27 May 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.