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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)

POSITIVE PROFIT ALERT

This announcement is made by Capital Environment Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 (2) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) would like to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on preliminary review of the unaudited management accounts of the Group for the six months ended 30 June 2021, it is expected that the Group will record an increase in the profit attributable to equity holders for the six months ended 30 June 2021 of not less than 30% as compared with the profit attributable to equity holders for the same period of 2020, which is mainly due to the increase in the number of projects put into operation, the substantial increase in operating profit brought about by the improvement of operating efficiency, and the increase in construction service revenue driven by the smooth progress of projects under construction.

The information contained in this announcement is only based on the preliminary assessment by the management of the Group according to the unaudited management accounts of the Group for the six months ended 30 June 2021 and is subject to finalization and necessary adjustments, which have not been confirmed, audited nor reviewed by the Company’s auditor. The results announcement of the Group for the six months ended 30 June 2021 is expected to be published in mid or late August 2021.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Capital Environment Holdings Limited
Cao Guoxian
Chairman

Hong Kong, 7 July 2021

As at the date of this announcement, the Board comprises three executive directors, namely Mr. Cao Guoxian, Mr. Li Fujing and Mr. Xiao Yukun; one non-executive director, namely 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.