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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)

INSIDE INFORMATION REDEMPTION OF CUMULATIVE PERPETUAL NON- VOTING AND NON-CONVERTIBLE OFFSHORE PREFERENCE SHARES

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

References are made to the circular of the Company dated 19 October 2020 and the announcement of the Company dated 14 May 2021 in relation to, among other things, the connected transaction in relation to issuance of an aggregate of 16,316,200 cumulative perpetual non-voting and non-convertible offshore preference shares at par value of HK\$100 each (the “**Offshore Preference Shares**”).

As at the date of this announcement, the Company has a total of 16,316,200 Offshore Preference Shares in issue, of which 11,000,000 Offshore Preference Shares are held by Beijing Capital (Hong Kong) Limited (“**Beijing Capital (HK)**”) and 5,316,200 Offshore Preference Shares are held by BCG Chinastar International Investment Limited (“**BCG**”).

After considering the financial position of the Group, the board of directors of the Company (the “**Board**”) has resolved that the Company will exercise the right of optional redemption pursuant to Condition 6.2 of the terms and conditions of the

Offshore Preference Shares (the "**Conditions**"). On the date of this announcement, the Company has issued a redemption notice to each of Beijing Capital (HK) and BCG, respectively to redeem an aggregate of 16,316,200 Offshore Preference Shares with an aggregate par value of HK\$1,631,620,000 (the "**Redemption**").

The Redemption price equals to a sum of approximately HK\$1,762.9 million, which comprised of (a) the total par value of HK\$1,631,620,000 in respect of the 16,316,200 Offshore Preference Shares; and (b) approximately HK\$131.3 million, being the accrued but unpaid dividends in respect of the period from and including 22 December 2020, being the issue date of the Offshore Preference Shares to but excluding the date of Redemption (including any arrears of dividend and any additional dividend amount). Redemption is expected to take place on or about 12 December 2022.

Having considered the total amount of the Redemption and the financial position of the Company, the Board considers that the Redemption will not have any material adverse impact on the financial position of the Group.

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

Hong Kong, 10 November 2022

As at the date of this announcement, the Board comprises three executive directors, namely Mr. Cao Guoxian, Mr. Li Fujing and Mr. Li Qingsong; 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.