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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

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") had submitted its bid proposal for the project in respect of the construction and operation of the villages and towns wastes collection and transfer system in Duyun City, Guizhou Province, China (the "Project"). After evaluation by way of competitive and consultative mode, Capital Investment has been confirmed to be the successful candidate for the Project.

The Project shall be operated under franchising mode (Build — Operate — Transfer) with a concessionary period of 30 years. The designed waste collection scale of the Project shall be 150 tons per day. Upon completion of the construction of the Project, there shall be a full coverage of the collection and transfer of villages and towns wastes in Duyun City, Guizhou Province, the pollution of solid wastes shall be significantly reduced, the environmental health conditions of the villages and towns shall be improved, this is a strategic need in order to implement the integration of urban and rural development and sustainable development.

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

Wang Hao

Chairman

Hong Kong, 4 July 2016

As at the date of this announcement, the Board comprises four executive directors, namely Mr. Wang Hao, Mr. Cao Guoxian, Mr. Shen Jianping and Mr. Liu Yongzheng, and three independent non-executive directors, namely Mr. Pao Ping Wing, Mr. Cheng Kai Tai, Allen and Dr. Chan Yee Wah, Eva.