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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 EXPANSION PROJECT OF QUANLING DOMESTIC WASTE INCINERATION POWER PLANT IN NANCHANG CITY, JIANGXI PROVINCE

Capital Environment Holdings Limited (the “**Company**”) is pleased to announce that Nanchang Capital Environment Energy Co., Ltd. (南昌首創環保能源有限公司) (“**Nanchang Capital**”), an indirect wholly owned subsidiary of the Company has received a written reply from Nanchang Municipal Development and Reform Commission (南昌市發改委) regarding the reserved construction project (the “**Project**”) for the expansion of Quanling Domestic Waste Incineration Power Plant in Nanchang City, Jiangxi Province (the “**Nanchang Quanling Project**”)

Nanchang Quanling Project is an existing project of the Company. In March 2011, Nanchang Capital and Nanchang City Appearance and Environment Administration (南昌市市容環境管理局) (renamed as Nanchang City Administration Bureau (南昌市城市管理局)) entered into a franchise agreement for the BOT project of Nanchang Quanling Domestic Waste Incineration Power Plant (“**Phase I Project**”). Nanchang Capital is responsible for investment, construction, operation, maintenance and handover. The total investment of the Phase I Project is approximately RMB 560 million; the designed processing capacity is 1,200 tons per day; and the franchise period is 27 years, of which the construction period is 2 years. It has been officially entered into commercial operation since October 2016. In April 2020, Nanchang Capital entered into a supplementary agreement with Nanchang City Administration Bureau (南昌市城市管理局) in respect of the expansion of the Nanchang Quanling Project (“**Phase II Project**”) which has a designed long-term scale of 1,800 tons per day while an implementation scale of 1,200 tons per day and a reserved expansion scale of 600 tons per day. The franchise period of Phase II Project is 30 years, of which the construction period is 2 years. Phase II Project has entered into trial operation in June 2022.

The Project is a reserved expansion of Phase II Project, with a designed processing capacity of 600 tons per day. It adopts the BOT mode (build-operate-transfer) for operation. The total investment is approximately RMB 469.54 million. The franchise period is 27 years, of which the construction period is 2 years. The scope of the franchise covers Nanchang City area, and the Project occupies an area of about 44.4 mu.

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
Cao Guoxian
Chairman

Hong Kong, 12 April 2023

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.