

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



CAPITAL ENVIRONMENT HOLDINGS LIMITED

首創環境控股有限公司

(Formerly known as NEW ENVIRONMENTAL ENERGY HOLDINGS LIMITED

新環保能源控股有限公司)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 03989)

ANNOUNCEMENT COOPERATION FRAMEWORK AGREEMENT RESUMPTION OF TRADING

COOPERATION FRAMEWORK AGREEMENT

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

Reference is made to the announcement of the Company dated 8 August 2014 in relation to, among other things, the Company’s intention to cooperate with 黑龍江省雙豐林業局(Heilongjiang Province Shuangfeng Forestry Bureau*) for joint operation of the biomass heat and power co-generation project of Heilongjiang Shuangfeng Forestry Bureau.

In light of the above cooperation, the Company entered into a legally binding Strategic Cooperation Framework Agreement for the Integrated Utilization Project of Biomass Resources in Yichun (the “**Framework Agreement**”) with Yichun People’s Government in Heilongjiang Province, the People’s Republic of China on 26 August 2014, pursuant to which the Company intends to set up a project company for the investment in and construction of the Integrated Utilization Project of Biomass Resources in Yichun (the “**Project**”), so as to invest and construct 3 to 4 biomass power plants with daily processing capacity of 600 tonnes each in Xiaoxinganling Region, Shuangfeng Forestry Bureau and other regions, which are administrated by Yichun People’s Government of Heilongjiang Province. The proposed total investment is approximately RMB1.5 billion with total installed capacity of 120MW and annual power generation of 0.8 billion kWh. The investment of the Project will be implemented phase by phase according to the principle of “constructing project once it is mature”.

Once the Framework Agreement is executed, the Company will immediately carry out the preliminary preparation of the Project, including overall planning, research, information acquisition, analysis, evaluation, design and reporting. Yichun People's Government will assist the Company in carrying out the preliminary preparation in relation to the approval of the Project, including but not limited to the preparation of environmental impact assessment report, safety evaluation report and feasibility report, etc. Yichun People's Government will provide services in all aspects of the preliminary preparation and construction of the Project, assist in the timely commencement of construction and operation of the Project; and protect the legitimate interests of the Company in the course of development, construction and operation of the Project.

TRADING HALT AND RESUMPTION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange was halted with effect from 9:00 a.m. on 27 August 2014 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the shares of the Company from 1:00 p.m. on the same date.

By order of the Board
Capital Environment Holdings Limited
Yu Changjian
Chairman

Hong Kong, 27 August 2014

As at the date of this announcement, the Board comprises five executive directors, namely Mr. Yu Changjian, Mr. Cao Guoxian, Mr. Liu Xiaoguang, Mr. Xue Huixuan and Mr. Shen Jianping, and three independent non-executive directors, namely Mr. Pao Ping Wing, Mr. Cheng Kai Tai, Allen and Ms. Chan Yee Wah, Eva.

* *For identification purpose only*