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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 Cayman Islands with limited liability)

(Stock Code: 03989)

ANNOUNCEMENT UPDATES ON PROJECTS

This voluntary announcement is made by the board of directors (the “**Board**”) of Capital Environment Holdings Limited (the “**Company**”).

Beijing Dongcun Project

The Board is pleased to announce that the Beijing Dongcun Sorting Comprehensive Treatment Plant (“**Beijing Dongcun Project**”), 60% equity interest of which is owned by the Company, is currently put into the debugging stage. It is expected to be put into trial commercial operation at the end of September 2014. The Beijing Dongcun Project is the first waste-to-energy project in the PRC applying the technology of anaerobic digestion (“**ADT Treatment**”). Therefore, the Company’s further development will benefit from the operation of Beijing Dongcun Project. Beijing Dongcun Project will achieve the development strategy of the Company in area of ADT Treatment, will help the Company to establish leadership in the ADT Treatment, and will also help the Company to expand the ADT Treatment market in Yangzhou and Hangzhou as the core of the Yangtze River Delta region.

Nanchang Project

The Board is also pleased to announce that the Nanchang Solid Waste Incineration Power Generation Plant (“**Nanchang Project**”), which is wholly owned by the Company, is also currently put into the debugging stage. It was originally expected to be put into trial commercial operation at the end of October 2014. However, the expected commencing of trial commercial operation is postponed to the end of November 2014 due to the effect of typhoon. The Nanchang Project is one of the representative projects that marks the high starting point of the Company, and it, for the first time, helped build up a whole-chain treatment system, including integrating waste receiving and storage system, waste incineration system, residual heat power generation boiler system, flue gas purification system, leachate treatment system, ash residue removal system and so on. The plant is designed to generate a maximum amount of energy, while reducing waste to the greatest degree. In the operation of the plant, the pollutants such as dioxins and heavy metals could be efficiently removed, as the heavily polluted water produced by the garbage power plant will be fully retreated, realizing harmless target. In addition, the resulting waste residual can be reused by making it into products, such as ceramic tile. Nanchang Project has been approved as an environmental demonstration base by the National Development and Reform Commission.

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 projects of the Company.

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

Hong Kong, 13 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.