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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)**

### **PROPOSED INCREASE OF THE AUTHORISED SHARE CAPITAL**

The current authorised share capital of Capital Environment Holdings Limited (the “**Company**”) is HK\$3,000,000,000. As at the date of this announcement, 14,294,733,167 ordinary shares of par value of HK\$0.10 each (the “**Ordinary Shares**”) and 15,705,200 cumulative perpetual non-voting and non-convertible offshore preference shares of par value HK\$100 each having the rights and privileges as approved by shareholders of the Company at the extraordinary general meeting of the Company held on 4 November 2020 (the “**Preference Shares**”) which, in the case of the Preference Shares, are not listed on The Stock Exchange of Hong Kong Limited or any other securities exchange are in issue.

In order to accommodate future expansion and growth of the Company and its subsidiaries and to provide the Company with greater flexibility to raise funds in the future as and when necessary, the board of directors of the Company proposed an increase of the authorised share capital of the Company from HK\$3,000,000,000 to HK\$5,000,000,000 comprised of 33,683,800,000 Ordinary Shares and 16,316,200 Preference Shares and confirmation of the re-classification of the authorised share capital of the Company by the creation of 16,316,200 Preference Shares (the “**Increase of the Authorised Share Capital**”).

The Increase of the Authorised Share Capital is conditional upon the passing of an ordinary resolution by the holders of the Ordinary Shares (the “**Ordinary Shareholders**”) at an extraordinary general meeting of the Company (the “**EGM**”) to be convened. The relevant resolution to be proposed at the EGM only requires the approval of the Ordinary Shareholders.

The EGM will be convened as soon as practicable at which an ordinary resolution will be proposed for the Ordinary Shareholders to consider, and, if thought fit, to approve the Increase of the Authorised Share Capital. Voting at the EGM will be conducted by poll.

A circular containing (i) details of the Increase of the Authorised Share Capital; and (ii) a notice of the EGM will be dispatched to the shareholders of the Company as soon as practicable.

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

Hong Kong, 15 April 2021

*As at the date of this announcement, the Board comprises four executive directors, namely Mr. Cao Guoxian, Mr. Li Fujing, Ms. Hao Chunmei and Mr. Xiao Yukun; and three independent non-executive directors, namely, Mr. Pao Ping Wing, Mr. Cheng Kai Tai, Allen and Dr. Chan Yee Wah, Eva.*