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CAPITAL ENVIRONMENT HOLDINGS LIMITED

首創環境控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 3989)

INSIDE INFORMATION

PROPOSED DISPOSAL OF 40% EQUITY INTEREST IN A SUBSIDIARY

INTRODUCTION

This announcement is made by the Board pursuant to Rule 13.09(2)(a) of the Listing Rules and the inside information provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong).

THE PROPOSED DISPOSAL

The Board announces that the Company proposes to dispose of the Sale Shares and its relevant indebtedness. The Proposed Disposal will be made by way of public tender auction listing procedures conducted in strict compliance with relevant PRC laws and regulations in relation to transfer of state-owned assets and is subject to approvals from Beijing SASAC and other competent authorities. The reserve price for the Sale Shares will be determined with reference to (among others) the valuation report on BJ Yiqing Biomax to be prepared by an independent and qualified PRC valuer.

INFORMATION ON BJ YIQING BIOMAX

BJ Yiqing Biomax is a limited liability company incorporated in the PRC and is owned as to 60% and 40% by J&B and Environment Sanitation Engineering Group, respectively. BJ Yiqing Biomax is primarily engaged in the municipal solid waste recycling treatment through the operation of its Beijing Dongcun Sorting Comprehensive Treatment Plant.

Pursuant to the relevant PRC laws and regulations, Environment Sanitation Engineering Group, being the 40% shareholder of BJ Yiqing Biomax, is entitled to the pre-emptive rights to purchase the Sale Shares on same terms and conditions.

GENERAL

In the event that the Proposed Disposal materialises and if Environment Sanitation Engineering Group becomes the purchaser of the Sale Shares, the Proposed Disposal will constitute a connected transaction of the Company under Chapter 14A of the Listing Rules. Subject to the consideration for the Sale Shares, the Proposed Disposal may also constitute a notifiable transaction under Chapter 14 of the Listing Rules. The Company will comply with the relevant requirements pursuant to the Listing Rules and will make further disclosures on the Proposed Disposal as and when appropriate.

As the Proposed Disposal may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealings in the Shares of the Company.

DEFINITIONS

In this announcement, unless the context provides otherwise, the following words and expression shall have the meaning ascribed to them below:

“Beijing SASAC”	State-owned Assets Supervision and Administration Commission of People’s Government of Beijing Municipality (北京市人民政府國有資產監督管理委員會)
“Board”	the board of Directors
“BJ Yiqing Biomax”	Beijing Yiqing Biomax Green Energy Park Company Limited* (北京一清百瑪士綠色能源有限公司), a limited liability company incorporated in the PRC and an indirectly non-wholly owned subsidiary of the Company, which is owned as to 60% and 40% by J&B and Environment Sanitation Engineering Group, respectively as at the date of this announcement
“Company”	Capital Environment Holdings Limited (stock code: 3989), a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Director(s)”	the director(s) of the Company
“Environment Sanitation Engineering Group”	Beijing Environment Sanitation Engineering Group Company Limited* (北京環境衛生工程集團有限公司), a limited liability company incorporated in the PRC and a shareholder of BJ Yiqing Biomax holding 40% equity interest in BJ Yiqing Biomax and a connected person of the Company as at the date of this announcement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“J&B”	J&B Environment Limited (安柏環保工程有限公司), a limited liability company incorporated in Hong Kong and a shareholder of BJ Yiqing Biomax holding 60% equity interest in BJ Yiqing Biomax and an indirectly wholly-owned subsidiary of the Company as at the date of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	The People’s Republic of China excluding Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan for the purpose of this announcement
“Proposed Disposal”	the proposed disposal of the Sale Shares by J&B by way of public tender auction listing procedures in accordance with relevant PRC laws and regulations
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Shares”	40% equity interest in BJ Yiqing Biomax
“Shares”	ordinary shares of HK\$0.10 each of the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

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

Hong Kong, 16 March 2015

As at the date of this announcement, the Board comprises four executive Directors, namely Mr. Yu Changjian, Mr. Cao Guoxian, Mr. Liu Xiaoguang 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.

* *The English translation of the company names is for reference only. The official names of these companies are in Chinese.*