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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)

APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

Reference is made to the announcement (the “**Announcement**”) issued by Capital Environment Holdings Limited (the “**Company**”) dated 21 April 2015 in relation to, among other matters, the proposed Rights Issue and the Whitewash Waiver. Terms defined in the Announcement shall have the same meanings when used herein, unless the context requires otherwise.

China Galaxy International Securities (Hong Kong) Co., Limited (“**China Galaxy**”) has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the proposed Rights Issue and the Whitewash Waiver are fair and reasonable and are in the interests of the Company and the Independent Shareholders as a whole, and to advise the Independent Board Committee on their recommendation to the Independent Shareholders on how to vote on the proposed resolutions approving the proposed Rights Issue, the Whitewash Waiver and the transactions contemplated thereunder at the EGM. The letter of advice from China Galaxy in respect of the proposed Rights Issue, the Whitewash Waiver and the transactions contemplated thereunder will be included in the circular to be despatched by the Company in due course.

China Galaxy is a corporation licensed to carry on type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities under the SFO. The said appointment of the independent financial adviser has been approved by the Independent Board Committee pursuant to Rule 2.1 of the Takeovers Code.

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

Hong Kong, 28 April 2015

As at the date of this announcement, the Board comprises four executive Directors, namely Mr. Yu Chang Jian, Mr. Cao Guo Xian, Mr. Liu Xiao Guang 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 Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any such statement contained in this announcement misleading.