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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)**

## **RESULTS OF THE RIGHTS ISSUE ON THE BASIS OF ONE RIGHTS SHARE FOR EVERY ONE SHARE HELD ON THE RECORD DATE AND ADJUSTMENTS TO THE SHARE OPTIONS AND CONVERTIBLE BONDS**

### **RESULTS OF THE RIGHTS ISSUE**

The Board is pleased to announce that as at 4:00 p.m. on Wednesday, 24 June 2015, being the latest time for acceptance of and payment for Rights Shares and application and payment for excess Rights Shares, a total of 308 valid acceptances and applications were received for a total of 13,563,034,956 Rights Shares, which comprise (i) 163 valid acceptances for the provisional allotment under the PALs in respect of a total of 4,581,902,533 Rights Shares, representing approximately 96.84% of the total number of 4,731,504,664 Rights Shares available under the Rights Issue; and (ii) 145 valid applications for excess Rights Shares under the EAFs in respect of a total of 8,981,132,423 Rights Shares, representing approximately 189.82% of the total number of 4,731,504,664 Rights Shares available under the Rights Issue.

The aggregate of 13,563,034,956 Rights Shares validly accepted and applied for under the PALs and EAFs represent approximately 286.65% of the total number of 4,731,504,664 Rights Shares available under the Rights Issue. Accordingly, the Rights Issue was oversubscribed by 8,831,530,292 Rights Shares, representing approximately 186.65% of the total number of 4,731,504,664 Rights Shares available under the Rights Issue.

### **Underwriting Agreement**

As all the conditions set out in the Underwriting Agreement have been fulfilled and the Underwriting Agreement was not terminated by the Underwriter on or before 4:00 p.m. on Wednesday, 1 July 2015, the Underwriting Agreement became unconditional after 4:00 p.m. on the same day. Given the Rights Issue was oversubscribed, the underwriting obligations of the Underwriter under the Underwriting Agreement had been fully discharged.

## **Excess Rights Shares**

The Board has resolved to allot and issue a total of 149,602,131 Rights Shares available for excess application on a fair and equitable basis as set out in this announcement.

## **Despatch of Share certificates for the Rights Shares**

It is expected that Share certificates for all fully-paid Rights Shares and the refund cheques in respect of wholly or partially unsuccessful applications for the excess Rights Shares will be despatched to the allottees of the Rights Shares, and unsuccessful applicants who have applied for, and paid for, excess Rights Shares, by ordinary post at their risks to their registered addresses on Friday, 3 July 2015.

## **Commencement of dealings in the fully-paid Rights Shares**

Dealings in the Rights Shares, in their fully-paid form, on the Stock Exchange are expected to commence at 9:00 a.m. on Monday, 6 July 2015.

## **ADJUSTMENTS TO THE SHARE OPTIONS AND CONVERTIBLE BONDS**

As a result of the Rights Issue, adjustments were made to (i) the exercise price and number of Shares to be allotted and issued under the outstanding Share Options; and (ii) the conversion price of the Convertible Bonds, details of which are set out in this announcement.

Reference is made to the prospectus of the Company dated 9 June 2015 (the “**Prospectus**”) in relation to the Rights Issue. Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as those defined in the Prospectus.

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## Underwriting Agreement

As all the conditions set out in the Underwriting Agreement have been fulfilled and the Underwriting Agreement was not terminated by the Underwriter on or before 4:00 p.m. on Wednesday, 1 July 2015, the Underwriting Agreement became unconditional after 4:00 p.m. on the same day. Given the Rights Issue was oversubscribed, the underwriting obligations of the Underwriter under the Underwriting Agreement had been fully discharged.

## Excess Rights Shares

Based on the number of valid acceptances referred to the above, only 149,602,131 Rights Shares were available for excess application. The Board has resolved to allot and issue a total of 149,602,131 Rights Shares to those Qualifying Shareholders who have applied for excess application on a fair and equitable basis and on a pro-rata basis of approximately 1.666% in proportion to the number of excess Rights Shares applied for under each application.

## Despatch of Share certificates for the Rights Shares

It is expected that Share certificates for all fully-paid Rights Shares and the refund cheques in respect of wholly or partially unsuccessful applications for the excess Rights Shares will be despatched to the allottees of the Rights Shares, and unsuccessful applicants who have applied for, and paid for, excess Rights Shares, by ordinary post at their risks to their registered addresses on Friday, 3 July 2015.

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Dealings in the Rights Shares, in their fully-paid form, on the Stock Exchange are expected to commence at 9:00 a.m. on Monday, 6 July 2015.

## SHAREHOLDING STRUCTURE OF THE COMPANY

To the best of the Director's knowledge, information and belief after having made all reasonable enquiries, the shareholding structures of the Company immediately before and immediately after the completion of the Rights Issue are as follows:

Shareholders	Immediately before completion of the Rights Issue		Immediately after completion of the Rights Issue	
	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>
Beijing Capital (HK) and BC Water <i>(Note)</i>	<u>2,342,128,286</u>	<u>49.50</u>	<u>4,734,069,969</u>	<u>50.03</u>
Subtotal of the Underwriter and parties acting in concert with it <i>(Note)</i>	2,342,128,286	49.50	4,734,069,969	50.03
Other Public Shareholders	<u>2,389,376,378</u>	<u>50.50</u>	<u>4,728,939,413</u>	<u>49.97</u>
<b>Total</b>	<u><u>4,731,504,664</u></u>	<u><u>100.00</u></u>	<u><u>9,463,009,328</u></u>	<u><u>100.00</u></u>

*Note:* Beijing Capital (HK) and BC Water, are both wholly-owned by Beijing Capital. Immediately before completion of the Rights Issue, Beijing Capital (HK) and BC Water hold 2,318,918,286 Shares and 23,210,000 Shares respectively and Beijing Capital (HK) is also interested in 268,965,517 Shares which are issuable upon conversion of the Convertible Bonds. Given the Rights Issue was oversubscribed, the underwriting obligations of the Underwriter under the Underwriting Agreement had been fully discharged. Beijing Capital (HK) and BC Water, together with the Underwriter which is wholly-owned by Beijing Capital Group, the controlling shareholder of Beijing Capital, are parties acting in concert.

## **ADJUSTMENTS TO THE SHARE OPTIONS AND CONVERTIBLE BONDS**

As a result of the Rights Issue, adjustments were made to (i) the exercise price and number of Shares to be allotted and issued under the outstanding Share Options; and (ii) the conversion price of the Convertible Bonds.

### **Adjustments to the Share Options**

Pursuant to the Company's share option scheme, the requirements of Chapter 17 of the Listing Rules and the supplementary guidance issued by the Stock Exchange on 5 September 2005, the exercise price and number of Shares to be allotted and issued upon exercise of the subscription rights attaching to the outstanding Share Options would be adjusted as follows:

<b>Share Options</b>	<b>Date of grant of the Share Options</b>	<b>Exercise period</b>	<b>Exercise price per Share before adjustment (HK\$)</b>	<b>Adjusted exercise price per Share (HK\$)</b>	<b>Number of Share Options before adjustment</b>	<b>Adjusted number of Shares Options</b>
Employees in aggregate	6 September 2010	06/09/2010–05/09/2015	0.4448	0.3950	2,703,288	3,044,480

### **Adjustments to the Convertible Bonds**

Pursuant to the terms and conditions of the Convertible Bonds, the conversion price of the Convertible Bonds would be adjusted from RMB0.229 per Share to RMB0.212 per Share as a result of the Rights Issue. Based on the outstanding Convertible Bonds in the aggregate principal amount of the equivalent RMB amount HK\$78,000,000, as at the date of this announcement, the number of Shares to be allotted and issued to the respective holders of the outstanding Convertible Bonds upon exercise of the conversion rights attaching thereto would be adjusted from approximately 269 million Shares to approximately 290 million Shares as a result of the adjustments.

The Company's auditor, Deloitte Touche Tohmatsu, has reviewed the basis of the above adjustments and certified that the above adjustments are in accordance with the respective terms and conditions of the Share Options and the Convertible Bonds and the supplementary guidance issued by the Stock Exchange on 5 September 2005 regarding adjustment of share options under Rule 17.03(13) of the Listing Rules. The adjustments to the Share Options and the Convertible Bonds will be effective from 1 July 2015 and 9 June 2015 respectively. Separate notification regarding the adjustments will be sent to each of the holders of the Share Options and Convertible Bonds.

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

Hong Kong, 2 July 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 Dr. 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.*