

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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).

Reference is made to the Company's announcement dated 16 March 2015 in relation to the Company's proposed disposal of 40% equity interest in BJ Yiqing Biomax (the "**Announcement**"). Unless otherwise specified, capitalised terms used herein shall have the same meaning as those defined in the Announcement.

THE PROPOSED DISPOSAL

The Board is pleased to announce that the Proposed Disposal has been approved by Beijing SASAC and other competent authorities. Accordingly, on 9 October 2015, the Company will publish information on the official website of China Beijing Equity Exchange in relation to the public tender auction listing procedures for the transfer of the Sale Shares for a period of 20 business days from the date of announcement of listing at a reserved price of no less than approximately RMB37.48 million.

Upon completion of the Proposed Disposal, BJ Yiqing Biomax will cease to be a subsidiary of the Company and the Company will hold 20% equity interest in BJ Yiqing Biomax.

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, which owns 40% shareholding of BJ Yiqing Biomax, is entitled to the rights of first refusal to purchase the Sale Shares on the same terms and conditions.

GENERAL

As at the date of this announcement, the Company has not entered into any agreement or agreed to any material terms in respect of the Proposed Disposal. 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 of the Company 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 public tender auction listing procedures have yet to be completed and the Proposed Disposal may or may not proceed, Shareholders and potential investors of the Company are advised to exercise caution when dealings in the Shares.

For further information on the Proposed Disposal, please visit the website of China Beijing Equity Exchange (<http://www.cbex.com.cn>).

By Order of the Board
Capital Environment Holdings Limited
Wang Hao
Chairman

Hong Kong, 9 October 2015

As at the date of this announcement, the Board comprises four executive Directors, namely Mr. Wang Hao, Mr. Cao Guoxian, Mr. Shen Jianping and Mr. Liu Yongzheng, and three independent non-executive Directors, namely Mr. Pao Ping Wing, Mr. Cheng Kai Tai, Allen and Dr. Chan Yee Wah, Eva.