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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)**

### **VOLUNTARY ANNOUNCEMENT ACQUISITION OF SHARES OF THE TARGET COMPANY**

This announcement is made by the Company voluntarily.

On 24 November 2015, the Purchaser entered into an equity transfer agreement with the Vendor, pursuant to which the Purchaser has agreed to acquire and the Vendor has agreed to sell 60% equity interests of the Target Company for a consideration of RMB7.2 million (equivalent to approximately HK\$8.8 million). The consideration of the Acquisition shall be satisfied by cash.

The applicable percentage ratio in respect of the Acquisition does not exceed 5% under Rule 14.07 of the Listing Rules. The Acquisition does not constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules.

This announcement is made by the Company voluntarily.

#### **EQUITY TRANSFER AGREEMENT**

The major terms of the Equity Transfer Agreement are set out as follows:

## **DATE**

24 November 2015

## **PARTIES**

- (i) 北京首創環境投資有限公司 (Beijing Capital Environment Investment Limited\*), as the Purchaser; and
- (ii) 廣東意高能源科技股份有限公司 (Guangdong Eacon Energy Technology Corporation Limited\*), as the Vendor.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendor is third parties independent of the Company and its connected persons (as defined in the Listing Rules).

## **ASSETS TO BE ACQUIRED**

The Vendor has agreed to sell and the Purchaser has agreed to acquire 60% equity interests of the Target Company.

## **CONSIDERATION FOR THE ACQUISITION**

The total consideration for the Acquisition is RMB7.2 million (equivalent to approximately HK\$8.8 million), which was determined after arm's length negotiations between the parties to the Equity Transfer Agreement. Upon completion of the transaction, the Target Company will become a non-wholly owned subsidiary of the Purchaser.

The consideration shall be satisfied by cash in three installments upon signing of the Equity Transfer Agreement, and will be financed by internal funds of the Purchaser.

## **COMPLETION**

After payment of the first installment of the consideration within ten days upon signing the Equity Transfer Agreement, the Purchaser and the Vendor commence to jointly handle the registration of change in shareholders. The equity transfer will be completed on the date of completion of change in the registration of shareholders.

## **INFORMATION OF THE TARGET COMPANY**

The Target Company was established in August 2014 with registered capital of RMB50 million. As at 31 March 2015, the Purchaser has not yet paid up any registered capital, and the Target Company has not generated any asset or liability. The Target Company will inherit all rights and obligations of the Vendor under a concessionary agreement for the Project which was entered into between the Target Company and the People's Government of Gaoan City, Jiangxi Province in March 2013, and will be responsible for investment, construction and operation of the Project.

The total daily treatment capacity of the Project is designed to be 900 tonnes, while 600 tonnes at the first stage. The mechanical grate technology shall be adopted, the waste treatment fee shall be RMB65 per tonne. The total investment cost for the first stage of the Project shall be approximately RMB267 million, and the concessionary period shall be 30 years.

## **REASONS FOR THE ACQUISITION**

As at the date of this announcement, the Group is principally engaged in provision of waste treatment technologies and services which specialises in technology development, design, system integration, project investment, consultancy, operation and maintenance of waste treatment facilities, especially waste-to-energy projects.

Gaoan City is a county-level city of Jiangxi Province, the solid waste collection and logistics system for its administrated towns and villages is relatively comprehensive, which shall provide a guaranteed volume of solid waste for the Project. The Project will be the second solid waste incineration and generation project of the Company in Jiangxi Province, which shall benefit the Company's expansion plan for other projects in Jiangxi Province.

In view of the above, the Directors consider that the terms of the Equity Transfer Agreement are fair and reasonable and the Acquisition is in the interests of the Company and the Shareholders as a whole.

## **GENERAL**

The applicable percentage ratio in respect of the Acquisition does not exceed 5% under Rule 14.07 of the Listing Rules. The Acquisition does not constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules.

**The Acquisition is subject to completion. The Shareholders and potential investors of the Company are advised to exercise caution in dealing in the Shares of the Company.**

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Acquisition”	the acquisition of 60% equity interests from the Vendor by Capital Environment Investment according to the terms and conditions of the Equity Transfer;
“associates”	has the meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors of the Company;

“Capital Environment Investment” or “Purchaser”	北京首創環境投資有限公司 (Beijing Capital Environment Investment Limited*), a company established under the PRC law, being an indirect wholly-owned subsidiary of the Company;
“Company”	Capital Environment Holdings Limited, 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;
“Director(s)”	the director(s) of the Company;
“Equity Transfer Agreement”	the equity transfer agreement dated 24 November 2015 entered into between the Purchaser and the Vendor in relation to the acquisition of the Target Company;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China excluding Hong Kong, Macau Special Administrative Region and Taiwan for the purpose of this announcement;
“Project”	Solid waste incineration and power generation project in Jiangxi Gao An City;
“RMB”	Renminbi, the lawful currency of the PRC and the exchange rate between RMB and HK\$ for the purpose of this announcement is RMB1: HK\$1.22;
“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company;
“Shareholder(s)”	shareholder(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Target Company”	高安意高再生資源熱力發電有限公司(Gaoan Eacon Renewable Resources for Thermal Power Generation Co., Ltd.*), a company established under the PRC law; and

“Vendors”

廣東意高能源科技股份有限公司 (Guangdong Eacon Energy Technology Corporation Limited\*);

*\* For identification purpose only.*

By order of the Board  
Capital Environment Holdings Limited  
**Wang Hao**  
*Chairman*

Hong Kong, 26 November 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.*