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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: 03989)**

## **NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting of Capital Environment Holdings Limited (the “Company”) will be held at 11:00 a.m. on 27 May, 2015, at Unit 1613–1618, 16/F, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong for the purposes of considering and, if thought fit, passing with or without modifications the following resolutions as ordinary resolutions of the Company:

### **ORDINARY RESOLUTIONS**

1. **“THAT** subject to and conditional upon the fulfilment or waiver (as applicable) of the conditions set out in the underwriting agreement dated 21 April 2015 (the “Underwriting Agreement”) made between the Company and Beijing Capital (Hong Kong) Limited as the underwriter (the “Underwriter”), a copy of which has been produced to this meeting marked “A” and signed by the Chairman of this meeting for the purpose of identification, and the Underwriting Agreement not being terminated in accordance with its terms:
  - (a) the issue by way of rights (the “Rights Issue”) of not less than 4,731,504,664 and not more than 5,003,173,469 new shares of par value of HK\$0.10 each in the share capital of the Company (the “Rights Share(s)”) to the shareholders of the Company (the “Shareholders”) whose names appear on the register of members of the Company at the close of business on Record Date (as defined in the circular of the Company dated 11 May, 2015 (“Circular”)) other than those Shareholders (the “Excluded Shareholders”) whose registered addresses as shown on the register of members of the Company are outside Hong Kong and whom the directors of the Company, after making such enquiries, consider it is necessary or expedient not to offer the Rights Shares to them on account either of the legal restrictions under the laws of the relevant places or the requirements of the relevant regulatory bodies or stock exchanges in those places, in the proportion of three Rights Shares for every two existing shares of the Company then held on the Record Date at the subscription price of HK\$0.45 per Rights Share and otherwise on the terms and conditions as set out in the Circular despatched to the Shareholders containing the notice convening this meeting, a copy of the Circular has been produced to this meeting marked “B” and signed by the Chairman of this meeting for the purpose of identification, be and is hereby approved; and

- (b) any director(s) of the Company be and is hereby authorised to allot and issue the Rights Shares pursuant to or in connection with the Rights Issue on the terms and conditions set out in the Circular and any director(s) of the Company be and is hereby authorised to make such exclusions or other arrangements in relation to the Excluded Shareholders and/or fractional entitlements as he/she may, at his/her absolute discretion, deem necessary, desirable or expedient, and the arrangement for application by the Shareholders (other than the Excluded Shareholders) for the Rights Shares in excess of their entitlements under the Rights Issue and the performance of all transactions contemplated under the Rights Issue, including but not limited to effect and implement the Underwriting Agreement and the transactions contemplated thereunder, be and is hereby approved, confirmed and ratified and any director(s) of the Company be and is hereby authorised to do all acts, deeds and things and to sign, seal and execute all documents as he/she may, at his/her absolute discretion, deem necessary, desirable or expedient to carry out or to give effect to the Rights Issue and any or all transactions contemplated in this resolution.”
2. “**THAT** the waiver (the “Whitewash Waiver”) granted or to be granted by the Executive (as defined in the Circular, which term is defined in the ordinary resolution numbered 1 set out in the notice convening this meeting) or any delegate of the Executive to BCG Chinastar International Investment Limited as underwriter, (the “Underwriter”), Beijing Capital (Hong Kong) Limited and BC Water Investments Co., Ltd. pursuant to Note 1 on dispensations from Rule 26 of the Hong Kong Code on Takeovers and Mergers (the “Takeovers Code”) (as defined in the Underwriting Agreement, which term is defined in the ordinary resolution numbered 1 set out in the notice convening this meeting) be and is hereby approved and **THAT** any one director of the Company be and is hereby authorized to do all acts, deeds and things and to sign and execute all documents as he/she may, at his/her absolute discretion, deem necessary, desirable or expedient to carry out or to give effect to any matters relating to or in connection with the Whitewash Waiver.”

### **SPECIAL RESOLUTION**

3. “**THAT** the authorised share capital of the Company be and is hereby increased from HK\$600,000,000 divided into 6,000,000,000 Shares of a par value of HK\$0.1 each to HK\$1,500,000,000 divided into 15,000,000,000 Shares, by the creation of an additional 9,000,000,000 unissued Shares (“Increase in Authorised Share Capital”) any one or more of the Directors be and is/are hereby authorised for and on behalf of the Company to sign, execute, perfect and deliver all such documents, instruments and agreements and to do all such acts or things deemed by him/them to be incidental to, ancillary to or in connection with the matters contemplated in and for the completion of the Increase in Authorised Share Capital.”

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

Hong Kong, 11 May 2015

*Principal Office:*  
Unit 1613–1618, 16/F.,  
Bank of America Tower,  
12 Harcourt Road,  
Central, Hong Kong

*Notes:*

1. Any member of the Company entitled to attend and vote at the meeting is entitled to appoint one or, where that member holds two or more shares, more proxies to attend and vote instead of him. A proxy need not be a shareholder of the Company.
2. To be valid, a proxy form, together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of that power or authority, must be deposited at the branch share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time fixed for the holding of the meeting or any adjournment thereof.
3. Where there are joint holders of any ordinary share of the Company, any one of such holders may vote at the meeting, in person or by proxy, in respect of such share as if he or she was solely entitled thereto, but if more than one of such holders be present at the meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding. Several executors or administrators of a deceased shareholder in whose name any share stands shall for this purpose be deemed joint holders thereof.
4. In accordance with the Listing Rules or the Takeovers Code as defined in the circular of the Company dated 11 May, 2015, BCG Chinastar International Investment Limited and parties acting in concert with any of them and their respective associates shall abstain from voting in respect of the resolutions as set out above in this notice which shall be voted only by way of poll.

*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 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.*