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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)

RESIGNATION OF EXECUTIVE DIRECTOR AND PROPOSED CHANGE OF AUDITOR

RESIGNATION OF EXECUTIVE DIRECTOR

The Board announces that Mr. Yang Bin has tendered his resignation as an executive director of the Company with effect from 25 May 2017 so as to concentrate on his other career development.

PROPOSED CHANGE OF AUDITOR

The Board announces that Deloitte will retire as the auditor of the Company with effect from the conclusion of the AGM and the Board proposes to appoint Ernst & Young as the new auditor of the Company, subject to the approval of the Shareholders at the AGM.

RESIGNATION OF EXECUTIVE DIRECTOR

The board of directors (the “**Board**”) of Capital Environment Holdings Limited (the “**Company**”) announces that Mr. Yang Bin has tendered his resignation as an executive director of the Company with effect from 25 May 2017 so as to concentrate on his other career development.

Mr. Yang Bin has confirmed that he has no disagreement with the Board and there is no matter in relation to his resignation that needs to be brought to the attention of the shareholders of the Company (the “**Shareholders**”). The Board wishes to express its sincere gratitude to Mr. Yang Bin for his valuable contribution to the Company during his tenure of service.

PROPOSED CHANGE OF AUDITOR

The Board announces that Deloitte Touche Tohmatsu (the “**Deloitte**”) will retire as auditor of the Company with effect from the conclusion of the forthcoming annual general meeting of the Company to be held on 29 June 2017 (the “**AGM**”). As Deloitte has been the auditor of the Company for a long period of time, the Board proposes, with the selection and recommendation of the audit committee of the Company (the “**Audit Committee**”), to appoint Ernst & Young Certified Public Accountants as the new auditor of the Company following the retirement of Deloitte and such proposed appointment is subject to the approval of Shareholders at the AGM.

Deloitte has confirmed that there are no circumstances in connection with its retirement which should be brought to the attention of the Shareholders. The Board and the Audit Committee confirm that there is no disagreement between Deloitte and the Company, and there is no other matter in respect of the proposed change of auditor that need to be brought to the attention of the Shareholders.

During the period acting as the auditor of the Company, Deloitte has been diligent and conscientious in providing a high level of professional services to support the Company's development with compliance, the Board would like to take this opportunity to express its sincere gratitude to Deloitte.

A circular containing, among other matters, the details of the proposed change of auditor of the Company together with the notice of the AGM is to be despatched to the Shareholders in late May 2017.

By order of the Board
Capital Environment Holdings Limited
Wu Lishun
Chairman

Hong Kong, 25 May 2017

As at the date of this announcement, the Board comprises four executive directors, namely Mr. Wu Lishun, Mr. Cao Guoxian, Mr. Liu Yongzheng and Ms. Zhang Meng; and three independent non-executive directors, namely, Mr. Pao Ping Wing, Mr. Cheng Kai Tai, Allen and Dr. Chan Yee Wah, Eva.