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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)

CHANGE OF PRESENTATION CURRENCY

The board of directors (the “**Board**”) of Capital Environment Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) hereby announces that the Company has adopted the Renminbi (“**RMB**”) as its presentation currency for its consolidated financial statements (the “**Change of Presentation Currency**”).

The consolidated financial statements of the Group have been presented in the Hong Kong Dollar (“**HKD**”). Having considered that (i) most of the Group’s transactions are denominated and settled in RMB; and (ii) the change in the presentation currency could also reduce the impact of any fluctuations in the exchange rate of the HKD against the RMB, which is not due to the operations and beyond the control of the Group, on the consolidated financial statements of the Group, enabling the shareholders of the Company to have a more accurate picture of the Group’s financial performance, the Board considers that it is more appropriate to use RMB as its presentation currency for its consolidated financial statements.

The Change of Presentation Currency has taken effect from 1 January 2017. The first set of consolidated financial statements of the Group with RMB as its presentation currency will be the annual results of the Group for the year ended 31 December 2016. The comparative figures as at 31 December 2015 will be restated in RMB and presented in the annual results.

As most of the Group’s transactions are denominated and settled in RMB and the respective functional currency of the Company and its subsidiaries remains unchanged, the Change of Presentation Currency and restatement of the comparative figures from HKD to RMB are not expected to have material impact on the consolidated financial statements of the Group.

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

Hong Kong, 19 January 2017

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