

## **C&G ENVIRONMENTAL PROTECTION HOLDINGS LIMITED**

(Incorporated in Bermuda on 24 September 2004)

(Company Registration Number: 35842)

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### **ACQUISITION OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF NEW SKY (THAILAND) COMPANY LIMITED**

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#### **1. INTRODUCTION**

The board of directors (the “**Directors**” or the “**Board**”) of C&G Environmental Protection Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that its indirect wholly-owned subsidiary, C&G (Asia) Engineering Company Limited, has acquired the entire issued and paid-up share capital of New Sky (Thailand) Company Limited (“**NSTH**”) from the New Sky (Hong Kong) Environmental Limited (the “**Acquisition**”) for a cash consideration of RMB50 million (the “**Consideration**”) on 28 May 2015. Following the Acquisition, NSTH has become an indirect wholly-owned subsidiary of the Company.

#### **2. INFORMATION ON NSTH**

NSTH was incorporated in Thailand in September 2012 and is an EPC (engineering, procurement, construction) and project management company. NSTH specialises in waste disposal and management, sustainable energy technology and environmental protection project. NSTH provides the service for all EPC implementation phases, including waste to energy technology, procurement of environmental protection equipment, environmental project solution, project management in a more economical, professional and effective way.

Currently, NSTH is the existing EPC contractor for our 500 tonnes Nong Khaem MSW Incineration Power Plant in Bangkok, Thailand.

Based on the unaudited management account of NSTH as at 30 April 2015, the net tangible asset value of NSTH is approximately THB87.7million (equivalent to RMB16.1million). No independent valuation was conducted on NSTH.

#### **3. THE RATIONALE FOR THE ACQUISITION**

The management believes that the Acquisition will:

- (i) enhance the cost efficiency for the construction of the Group’s Waste-to-energy plant;
- (ii) increase the revenue stream of the Group. The government of Thailand commences to emphasis on waste management and environmental issues. The Company anticipate there is tremendous opportunities; and
- (iii) be in line with one of the Group’s business development strategy which focus on diversifying into asset-light business.

#### **4. CONSIDERATION**

The Consideration was arrived at on a willing seller and willing buyer basis, after negotiations which were conducted at arm's length between the parties, and takes into account, the projects pipeline, profits forecast, the net asset value and net profit of NSTH based on its management accounts as at 30 April 2015.

The Consideration is funded using internal resources. The Acquisition is not expected to have any material impact on the consolidated net tangible assets and earnings per share of the Group for the current financial year ending 31 December 2015.

As none of the relative figures computed based on Rule 1006 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "Listing Manual") exceeds 5%, the Acquisition constitutes a non-discloseable transaction under Chapter 10 of the Listing Manual.

#### **5. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

None of the Directors or the controlling shareholders of the Company or their respective associates has any interest, direct or indirect, in the Acquisition.

By Order of the Board

Lin Yan  
Executive Chairman & Group Chief Executive Officer  
29 May 2015