
NEWS RELEASE**C&G REPORTS NET PROFIT OF HK\$113.2 MILLION IN Q1 2015**

- ***Revenue from continuing operations rises to HK\$28.9 million from HK\$3.0 million in Q1 2014***
 - o ***Construction revenue from Thailand continues to kick-in***
 - o ***Recognition of revenue from sales of environmental protection related equipment***
- ***Completion of sale of WTE business and assets in China records a gain on disposal of HK\$113.2 million this quarter***
- ***Broadens business segments – Waste-to-Energy, Engineering Procurement & Construction (EPC), Industrial Services and Environmental Technology Solutions - with a key focus on Asia***

Singapore, May 14, 2015 – SGX Mainboard-listed C&G Environmental Protection Holdings Limited (“C&G” or the “Group”), a leading Waste-to-Energy (“WTE”) investor and operator in Asia, today announced its results for the three months ended March 31, 2015 (“Q1 2015”). The Group reported a surge in net profit to HK\$98.1 million from a net gain of HK\$13.0 million in the previous corresponding period (“Q1 2014”). The rise in net profit was achieved largely due to the gain of HK\$113.2 million from the sale of the Group’s WTE business and assets in China, including concession rights as well as its principal operating subsidiaries in China (“Divestment”) to Grandblue Environment Company Limited (“Grandblue”).

Mr Lin Yan (“林岩”), Executive Chairman and Group CEO, said, “We are pleased with the progress of our four new business segments following the recent successful completion of the disposal of our WTE business and assets in China. In the WTE division, we look forward to the commissioning of our pilot Bangkok Nong Khaem MSW Incineration Power Plant later this year. When fully completed, the plant, which has a BOT concessionary period of 20 years, will have a daily processing capacity of 500 tonnes of municipal waste. Meanwhile, construction revenue for this plant has continued to kick-in, contributing to our topline performance.

“As for our asset-light Industrial Services segment, our newly established subsidiary, C&G Green Energy (Shenzhen) Company Limited, has secured contracts totalling RMB38.3 million in relation to sludge dewatering-related equipment sales, in just a year of incorporation. We have also incorporated two branches in Taipei and Kaohsiung, Taiwan in January this year, as part of our push to grow our other asset-light Environmental Technology Solutions business.

“With our extensive past experience in building and managing WTE plants and our strong related expertise and network in the area of environmental-related solutions, we are confident that we have the foundation to achieve a faster pace of implementation for our next phase of growth.”

Financial Review

The Group’s revenue from continuing operations reached HK\$28.9 million in Q1 2015 which was over nine times higher than the sales of HK\$3.0 achieved in Q1 2014. This was mainly attributable to higher revenue recognition from the construction of C&G’s Bangkok Nong Khaem Municipal Solid Waste Incineration Power Plant (“Bangkok WTE Project”) in Thailand. The quarter’s revenue also consists of equipment sales totalling HK\$1.5 million.

C&G registered a gross profit of HK\$1.0 million, an increase from HK\$0.2 million in Q1 2014, while gross profit margin decreased to 3.5% during the quarter from 7.0% in Q1 2014. The lower gross profit margin was largely due to the lack of gross profit from the construction of the Bangkok WTE Project.

Other income rose to HK\$0.4 million in Q1 2015 mainly due to interest income generated from increased bank balances upon the receipt of the cash consideration from the disposal of subsidiaries.

Mainly in line with business expansion and an exchange loss arising from the repayment to C&G's ultimate holding company, administrative expenses rose to HK\$16.4 million in Q1 2015 from HK\$7.9 million in Q1 2014.

Consequently, the Group recorded a net loss from continuing operations of HK\$15.1 million compared to a net loss from continuing operations of HK\$8.0 million in Q1 2014.

As for discontinued operations, C&G reported a total profit of HK\$113.2 million in Q1 2015, from a net gain from discontinued operations of HK\$20.9 million in Q1 2014. Correspondingly, the Group reported a net profit of HK\$98.1 million as compared to HK\$13.0 million over the same period.

On the balance sheet front, following the disposal of its discontinued operations, gearing as at March 31, 2015 improved to 9.1% from 28.3% as at December 31, 2014.

OUTLOOK

The Group is in progress to fulfil conditions necessary for the commencement of construction works for the Guiyang BOT project and Xiaogan BOT project. Upon the fulfilment of the conditions for these two BOT projects, C&G will be entitled to receive the second tranche of the cash consideration for the Divestment, amounting to RMB200 million. As for the Dalian BOT project, conditions have been fulfilled and the second tranche of RMB100 million has been received.

Commenting on plans following its business diversification, Mr Lin added: "Moving ahead, we are firmly focused on nurturing our four pillars of growth. In the WTE segment, our focus is to invest and operate WTE projects in Southeast Asia, which offer attractive returns relative to the more mature market of China. There are

tremendous opportunities in Southeast Asia's renewable energy market and with the upcoming completion of our Bangkok WTE project, we are confident that this will pave the way for future WTE project investments in the region including Malaysia, Indonesia and the Philippines.

“As for our EPC segment, we will market our services to customers with environment related infrastructure project pipelines in both China and Southeast Asia, tapping on our strong network in these regions.

“In Industrial Services, we intend to leverage on our extensive local network in China to expand our sales of environmental-related equipment and facilities in sludge and waste water treatment to local corporations and government institutions. We will also explore strategic collaboration initiatives with global leaders from North America and Europe to create cross border opportunities. At the same time, we will continue to invest in wastewater and industrial wastewater treatment technology firms with high commercial and investment value, for growth.

“As for Environmental Technology Solutions, we will look into the possibility of forming strategic partnerships with local companies in Taiwan that are aiming to expand into the China waste treatment sector and keep a close lookout for potential investments in waste acid treatment and other environmental related technology companies.”

ABOUT C&G ENVIRONMENTAL PROTECTION HOLDINGS LIMITED

Headquartered in Hong Kong and listed on the SGX Mainboard since April 2005, C&G Environmental Protection Holdings Limited (“C&G” or “the Group”) (formerly C&G Industrial Holdings Limited), is a leading WTE and environmental related player.

Specialising in the investment, construction, operation and maintenance of WTE plants, C&G is led by professional industry veterans with a wealth of experience in WTE technology management, infrastructure development and are well-respected and connected with industry players.

C&G invests in, constructs, operates and maintains waste incineration power plants for the treatment of Municipal Solid Waste (“MSW”) under the Build-Operate-Transfer (“BOT”) investments schemes. Under the BOT scheme, recurring revenue from the Group’s WTE business comprises mainly Power Generation and Waste Handling Fee. C&G is committed to the preservation of its environment and the improvement of quality of living through the latest waste treatment technology.

C&G interest in Southeast Asia includes a WTE plant in Bangkok, Thailand. Apart from WTE, the Group has diversified into Equipment Procurement & Construction (EPC), and asset-light businesses of Environmental Technology Solutions and Industrial Services. EPC services include engineering & design, equipment procurement and installation and project management. In Industrial Services, the Group provides decoking, oil tank cleaning and oil & gas pipeline cleaning services. C&G also provides Environmental Technology Solutions including sludge treatment, waste water treatment, soil remediation and anaerobic digestion.

In December 2014, the C&G completed the divestment of its WTE business and assets in China to Grandblue Environment Company Limited, unlocking value for its shareholders.

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