
NEWS RELEASE**C&G REPORTS REVENUE OF HK\$94.5 MILLION FOR 2Q2015**

- ***Revenue from continuing operations surges over eight times to HK\$94.5 million for 2Q2015 on higher construction revenue from Thailand and contributions from equipment sales***
- ***Newly acquired New Sky contributes HK\$20.4 million to revenue***
- ***Continues to pursue Waste-to-Energy (“WTE”) and related opportunities in Engineering Procurement & Construction (“EPC”), Industrial Services and Environmental Technology Solutions in Asia***

Singapore, August 12, 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 June 30, 2015 (“Q2 2015”).

Mr. Lin Yan (“林岩”), Executive Chairman and Group CEO, said, “2015 continues to present itself as a year of transformation, investments and exciting developments for C&G. We started the year strongly with the successful disposal of our WTE operations in China to Grandblue Environment Company Limited, which in turn unlocked a special dividend payout totalling RMB220 million for shareholders.”

“During the year, we made further operational strides with a RMB37 million equipment sales contract and the acquisition of a Thailand-based EPC and project management company, New Sky (Thailand) Company Limited. Construction of our first overseas incineration power plant in Bangkok is also well on track, with completion slated by the end of this year,” Mr. Lin added.

Financial Review

The Group reported a surge in revenue of over eight times to HK\$94.5 million for Q2 2015, compared to HK\$11.6 million in the previous corresponding period (“Q2 2014”). The higher revenue was backed by an eight-time jump in contributions from construction services to HK\$92.0 million in Q2 2015, compared to HK\$11.6 million a year ago, and maiden contributions of HK\$2.5 million from its wholly-owned subsidiary, C&G Green Energy (Shenzhen) Company Limited.

Other income rose 7.7% to HK\$0.1 million in Q2 2015, backed by a higher interest income generated from the Group’s increased bank balances upon the receipt of the cash consideration associated with the disposal of subsidiaries.

Administrative expenses rose 88.0% to HK\$15.8 million in Q2 2015, from HK\$8.4 million in Q2 2014, largely due to payroll expenses, legal and professional expenses, travelling and business development-related expenses, which is associated with the Group’s strategic diversification of its business operations and geographical focus.

As a result of the above, the Group reported a loss from continuing operations in Q2 2015 to HK\$15.0 million, from HK\$7.5 million in Q2 2014.

The Group remains in a healthy financial position as at June 30, 2015, with bank and cash balances of HK\$110.9 million and total borrowings amounting to HK\$145.5 million.

For the six months ended June 30, 2015 (“H1 2015”), C&G reported a jump in revenue of over eight times to HK\$123.5 million, from HK\$14.6 million in the corresponding financial period (“H1 2014”). Net loss from continuing operations were HK\$30.0 million in H1 2015, compared to HK\$15.5 million in H1 2014. The Group also recorded a HK\$113.2 million gain from discontinuing operations during the review period, having fulfilled the completion conditions for C&G’s Dalian project as stated in the Acquisition Agreement.

OUTLOOK & STRATEGY

The Group is in progress to fulfil conditions necessary for the commencement of construction works for the Guiyang Build-Operate-Transfer (“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, which is estimated at RMB200 million.

Commenting on C&G’s outlook and strategy ahead, Mr. Lin commented: “With our wealth of experiences and technical capabilities accumulated from the operation of WTE plants in the PRC and Thailand, we are now moving into our next phase of growth as a regional environment technology solutions and industrial services provider. We have strategically decided to focus on Asia, home to some of the world’s fastest growing economies, where we believe the Group will be able to leverage our knowledge and expertise for further growth.

“We are looking at opportunities in markets such as Taiwan and China for a start. We believe these markets possess buoyant conditions for environmental protection related businesses. For the WTE segment, we are looking forward to new recurring revenues over the mid-term when our Bangkok incineration power plant is completed by the end of 2015. Further, the Group is seeking to move deeper into Thailand as well as neighbouring countries for new WTE investment opportunities. We are pleased that our newly acquired indirect wholly-owned subsidiary, New Sky Thailand, will commence the construction of a medical waste incineration plant in this country within the next 12 months.

“With these growth strategies in place, as well as progressive returns from the disposal of our WTE operations in China, we believe that C&G is well-positioned to deliver growth for shareholders over the mid and longer-term.”

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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