

C&G ENVIRONMENTAL PROTECTION HOLDINGS LIMITED

Annual General Meeting Presentation

27 April 2015

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RECAP ON THE SUCCESSFUL DIVESTMENT TO GRANDBLUE

Rationale for the Divestment

- To realise C&G's investment in China and unlock value for shareholders
- To focus on WTE projects in Southeast Asia which represent a higher yield relative to the more mature market of China
- To focus on tremendous opportunities in Southeast Asia's renewable energy market
- To become a strategic investor of a state-owned China listed company, Grandblue Environment Co. Ltd ("Grandblue"), which engages in utility and environmental related businesses
- To diversify the business

Current Status of Divestment

- Successfully completed divestment in December 2014
- Consideration received:
 - Shares
91,019,417 shares in Grandblue representing a 12.7% stake, worth **RMB0.75 billion**
 - Cash
Net 1st tranche – **RMB759.5 million**

Initial gross sub-tranche of 2nd tranche – **RMB100 million**
 - Fulfilled conditions for commencement of Dalian BOT project
- Remaining consideration to be received:
 - Cash

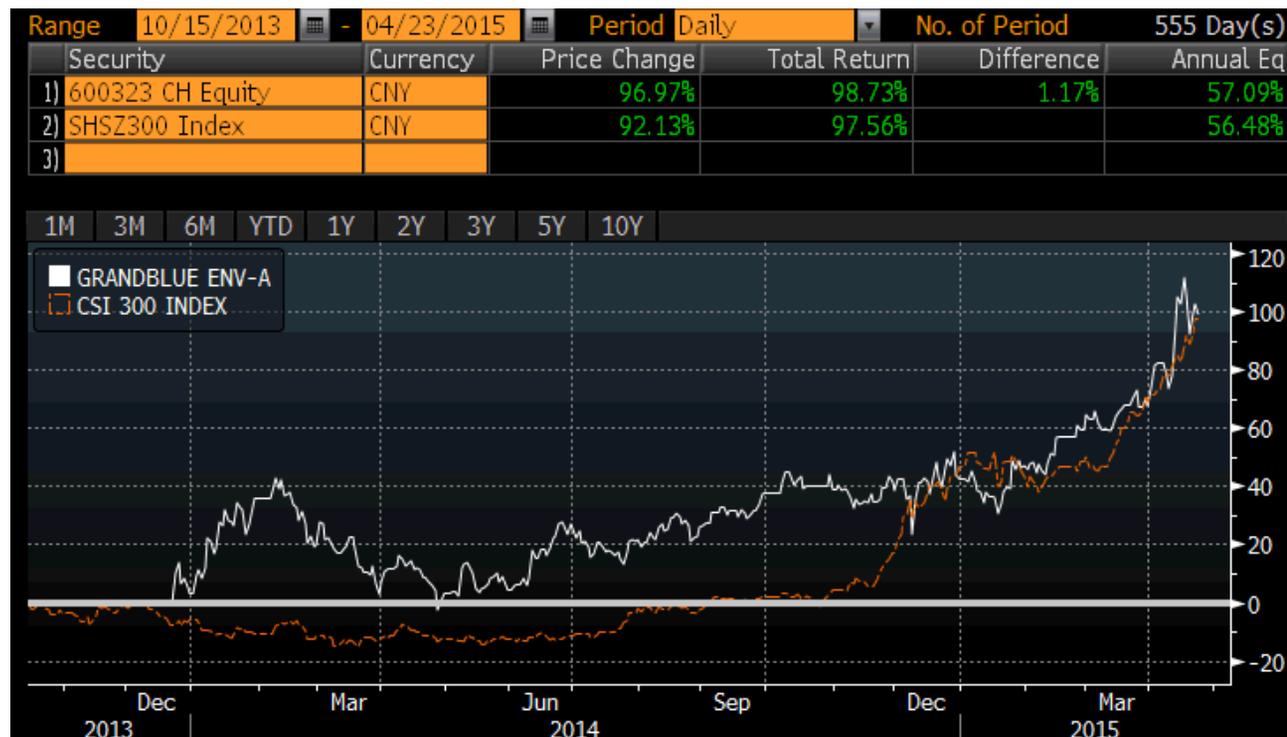
Sub-tranche of 2nd tranche – **RMB 200 million**
 - In process of fulfilling conditions for commencement of Guiyang and Xiaogan BOT projects

Current Status of Divestment (Continued)

Gain on Divestment	HK\$'000
Total consideration satisfied by cash receivable	988,705
Total consideration satisfied by shares received	1,273,665
	2,262,370
Net assets derecognised	(1,889,553)
Cumulative exchange differences relating to discontinued operations reclassified from equity to profit or loss	150,215
Costs directly attributable to the disposal	(53,165)
Indemnity liabilities	(66,446)
Gain on disposal of discontinued operations	403,421

Grandblue's share price performance

- Since the trading halt of Grandblue shares following the Letter Of Intent to acquire C&G's business and assets in China, the stock price has outperformed the Shanghai Shenzhen CSI 300 Index (SHSZ) by 4.8%
- On a total returns basis, the stock outperformed the SHSZ by 1.2%



Financials

Financial Highlights

HK\$'000	FY 2014	FY 2013	Change (%)
Equipment sales	2,041	-	N.M.
Construction Revenue ¹	166,501	12,982	1,182.6
TOTAL REVENUE	168,542	12,982	1,198.3
Net loss from continuing operations	(45,625)	(24,197)	(88.6)
Net profit from discontinued operations	486,988	1,421	34,170.8
TOTAL NET PROFIT	441,363	(22,776)	2,037.8
Construction profit ²	8,328	1,104	654.3

Notes

¹ Construction Revenue is the fair value of the facilities under construction as assessed by an external valuer (non-cash), recognised according to the percentage of completion of the plants

² Construction Profit is the difference between external valuation of facilities under construction and cost recognized in the construction of the facilities (non-cash)

Key Financial Ratios

Key Ratios	FY 2014	FY 2013	Change(%)
Current ratio	197.5x	83.0x	N.A.
Gearing ratio (Total liabilities/Total assets)	0.28x	0.65x	N.A.
NAV per share (HK\$ cents)	214.16	179.06	19.6
Basic EPS (HK\$ cents)	45.36	(2.34)	2,038.5

Rewarding our Shareholders

- Shared the monetary fruits of our labour with loyal shareholders via interim special dividend
 - Paid RMB0.225 per share in February 2015, totalling RMB220 million

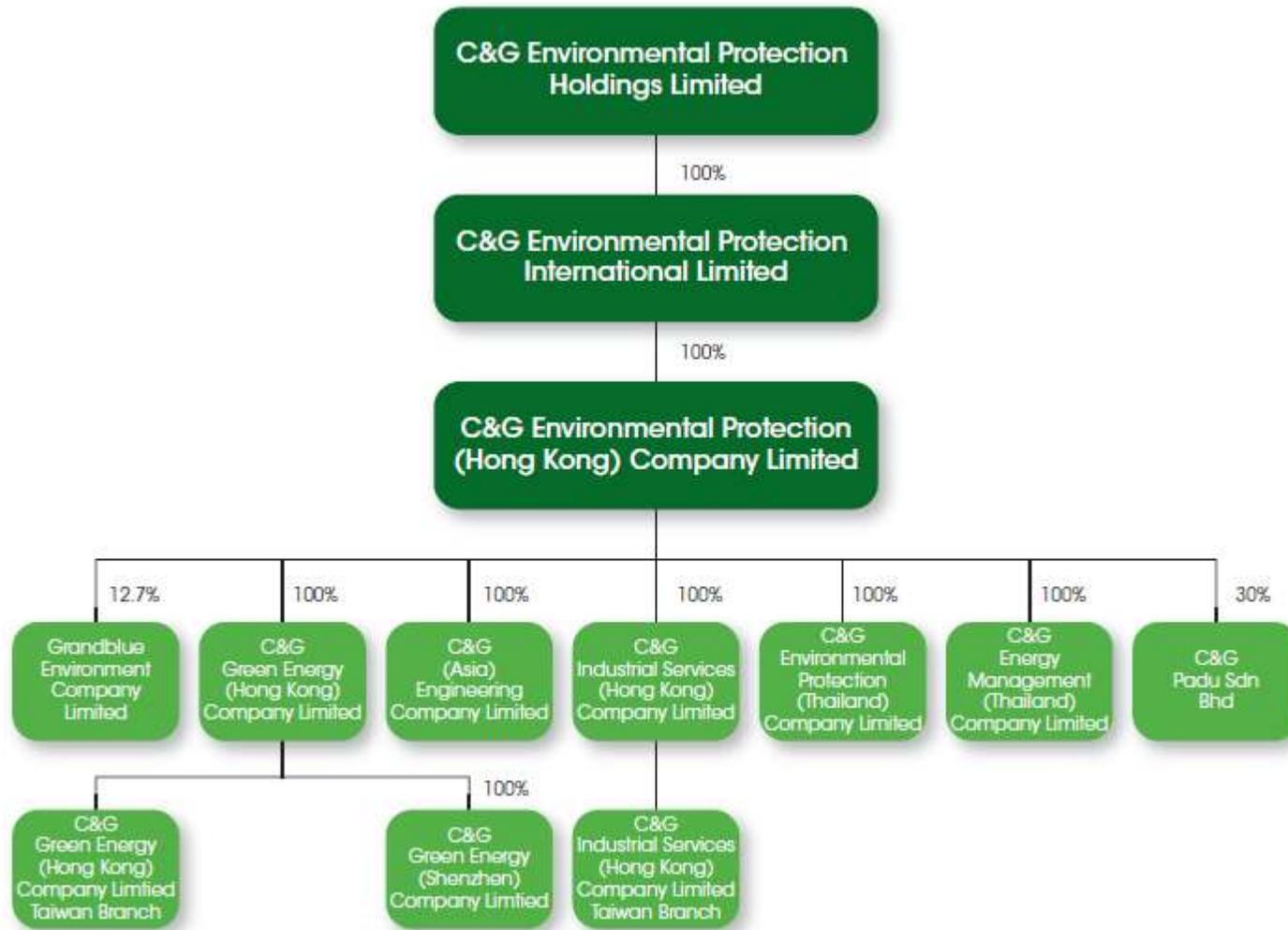
Share Price Performance

- In the past year, although C&G's share price underperformed the Straits Times Index (STI) by 9.6%, on a total return basis including dividends, C&G's outperformed the STI by 5.3%

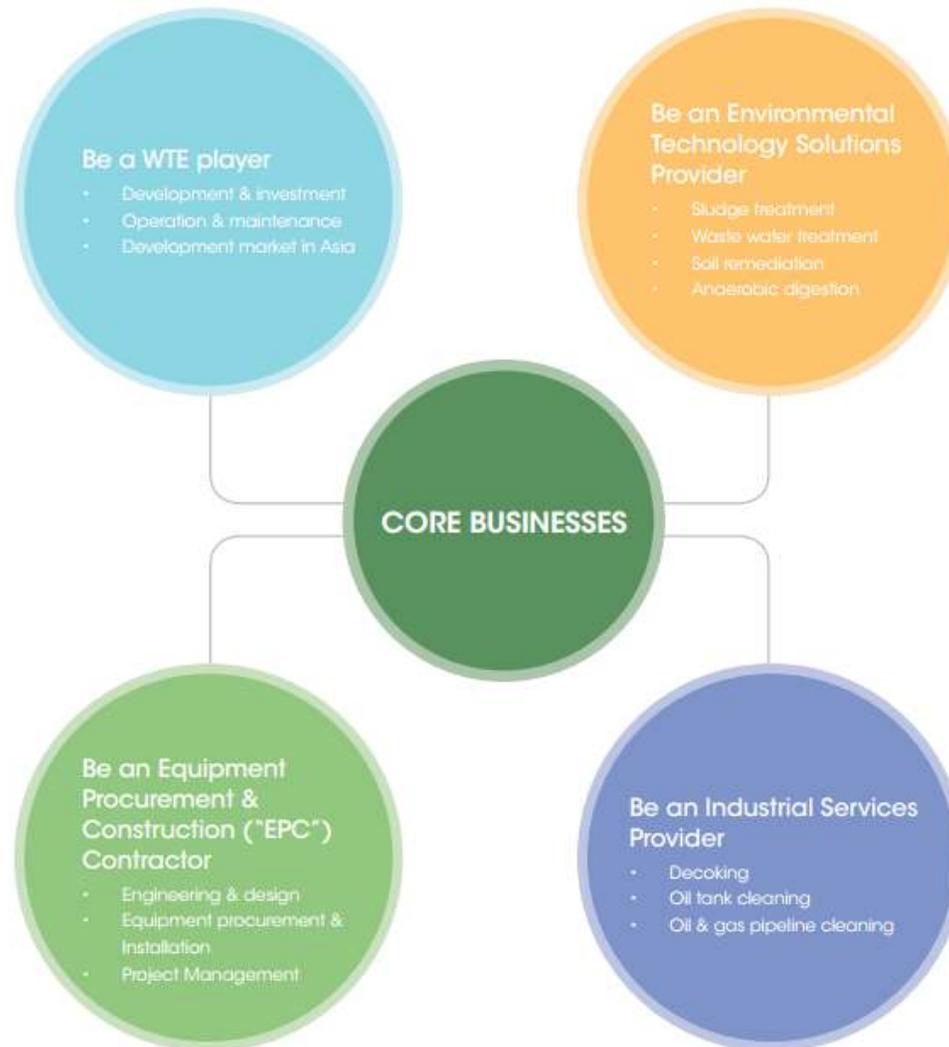


C&G Post-divestment

Current Group Structure



Core Businesses



Core Businesses (Continued)

- **Waste-to-Energy (“WTE”) player**
 - Invest and operate WTE plants in the Southeast Asia to achieve attractive investment returns (i.e. Thailand & Malaysia)
 - Develop local network in potential markets (i.e. Indonesia and Philippines) to pave way for future WTE project investments
- **Equipment Procurement & Construction (“EPC”) Contractor**
 - EPC services to customers with strong environmental related infrastructure project pipelines (i.e. China & Southeast Asia)
 - Reduce reliance on 3rd party EPC contractors to obtain better control on cost and project timing
 - Focus on the asset-light aspect, i.e. engineering and design, equipment procurement and installation as well as project management to achieve better returns

Core Businesses (Continued)

- **Industrial Services Provider**

- Sales and marketing of environmental-related equipment and facilities involved in sludge and waste water treatment
- Provision of industrial services to the oil and gas and process industries
- Exploring strategic collaboration initiatives with global leaders in the field

- **Environmental Technology Solutions Provider**

- Invest in sludge and industrial wastewater treatment technology firms with high commercial value in Asia
- Environmental remediation services for soil remediation or restoration of contaminated ground, restoration of contaminated or polluted underground water and in situ treatment of contaminated factory sites
- Resource renewals and recovery, including generation of biogas and compost from poultry and organic wastes through advanced anaerobic digestion technologies

Geographical Focus

- **Thailand and Malaysia**
- **Taiwan**
- **China**
- **North America and Europe**

Geographical Focus (Continued)

- **Thailand and Malaysia**
 - Commissioning of C&G's pilot WTE plant in Thailand by 2015
 - Leverage on existing local network to identify attractive investment opportunities in the WTE sector
- **Taiwan**
 - Form strategic partnerships with local companies aiming to expand into the China waste treatment sector (i.e. sludge treatment sector)
 - Acquire equity stake in waste acid treatment company and other environmental related technology companies

Geographical Focus (Continued)

- **China**
 - Leverage on extensive local network to increase sales of environmental-related equipment and facilities (i.e. sludge and waste water treatment) to local corporations and government institutions
- **North America and Europe**
 - Form strategic partnership with reputable foreign companies to create cross border business opportunities
 - Invest in wastewater and industrial waste water treatment technology firms with high commercial and investment value

Corporate Developments

WTE Project

Project	Location	BOT Period	Capacity	Status
Bangkok Project	Nongkangploo sub-district, Nong Khaem district, Bangkok	20 years	500T/D	Construction is expected to be completed by 2015

Corporate Developments

Asset-light businesses

- Established subsidiary, C&G Green Energy (Shenzhen) Company Limited, in May 2014
 - To provide technical advisory and services and conduct research and development on waste water, clean water, sludge and air pollution treatments
 - July 2014 - First sales contract of the Deep Dewatering Double-membrane Filter Press for Sludge worth RMB1 million
 - February 2015 - Won bid for an equipment sales contract of sludge dewatering system worth RMB37.3 million
- Incorporated two branches in Taipei, Taiwan and Kaohsiung, Taiwan, in January 2015
 - To grow business as an environmental technology solutions and industrial services provider

Outlook and Growth Strategy

Outlook

Industry:

- Cities around the world are projected to generate approximately 2.2 billion tonnes of solid waste in 2022, up from 1.3 billion tonnes per year
- WTE industry in Thailand is expected to surge, with plants anticipated to generate 160MW by 2022 from just 13MW currently

Company:

- Recognition of operating results from Bangkok project when fully constructed in 2015
- Continue to secure contracts for equipment sales contract and entry into new core businesses of providing environmental technology solutions, EPC and industrial services

Growth Strategy

- Enhance core businesses through strategic alliances such as joint venture, licensing and investment with technology providers outside China
- Provide partners with market access in China where C&G has a strong network of sales and marketing channels
- Opportunities in collaborating with partners to recalibrate technologies to meet local regulations and cost considerations