

# C&G ENVIRONMENTAL PROTECTION HOLDINGS LIMITED

## First Quarter Results and Dividend Announcement for the Period Ended 31 March 2018

The Board of Directors are pleased to announce the consolidated results of the Group for the three months ended 31 March 2018. The figures presented below have not been audited.

### PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

**1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Three months ended 31 March		
			%
	2018	2017	Increase /
	HK\$'000	HK\$'000	(Decrease)
<b>Revenue</b>	-	-	N.M
Cost of sales	-	-	N.M
<b>Gross profit/(loss)</b>	-	-	N.M
Other income	-	-	N.M
Administrative expenses	(482)	(945)	-48.99
<b>Loss from operations</b>	(482)	(945)	-48.99
Finance costs	-	-	N.M
<b>Loss before taxation from continuing operations</b>	(482)	(945)	-48.99
Income tax expense	-	-	N.M
Loss from continuing operations attributable to the owners of the Company	(482)	(945)	-48.99
Loss from discontinuing operations attributable to the owners of the Company	-	(12,405)	-100.00
<b>Net Loss</b>	(482)	(13,350)	
<b>Other comprehensive income, net of tax:</b>			
Total other comprehensive income, net of taxation	-	-	N.M
<b>Total comprehensive loss for the year attributable to the owners of the Company</b>	(482)	(13,350)	-96.39

**1 (a)(ii) Explanatory Notes:**

<b>Other income/(loss) comprises:</b>		
	<b>The Company</b>	
	<b>Continuing / Discontinued operations</b>	
	<b>Three months ended 31 March</b>	Three months ended 31 March
	<b>2018</b>	2017
	<b>HKD'000</b>	HKD'000
Other Income	-	-
<b>Profit/(Loss) before tax is arrived at after charging/(crediting)</b>		
	<b>The Company</b>	
	<b>Continuing / Discontinued operations</b>	
	<b>Three months ended 31 March</b>	Three months ended 31 March
	<b>2018</b>	2017
	<b>HKD'000</b>	HKD'000
Depreciation and amortisation	-	-
Interest on bank loans	-	-

**1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

	<b>The Company</b>	
	<b>31.03.2018</b>	<b>31.12.2017</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Current assets</b>		
Other receivables	-	-
Bank and cash balances	22	641
<b>TOTAL ASSETS</b>	<b>22</b>	<b>641</b>
<b>Capital and reserves</b>		
Share capital	97,776	97,776
Reserves	(97,992)	(97,510)
<b>Equity attributable to owners of the Company</b>	<b>(216)</b>	<b>266</b>
<b>Current liabilities</b>		
Accruals and other payables	238	375
<b>TOTAL LIABILITIES</b>	<b>238</b>	<b>375</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>22</b>	<b>641</b>

**1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year.**

**Amount repayable in one year or less, or on demand**

<b>As at 31 March 2018</b>		<b>As at 31 December 2017</b>	
<b>Secured (HK\$'000)</b>	<b>Unsecured (HK\$'000)</b>	<b>Secured (HK\$'000)</b>	<b>Unsecured (HK\$'000)</b>
<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

**Amount repayable after one year**

<b>As at 31 March 2018</b>		<b>As at 31 December 2017</b>	
<b>Secured (HK\$'000)</b>	<b>Unsecured (HK\$'000)</b>	<b>Secured (HK\$'000)</b>	<b>Unsecured (HK\$'000)</b>
<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

**Details of any collateral**

Not applicable

**1(c)(i) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

		<b>The Company</b>	
		<b>Three months ended 31 March</b>	
		<b>2018</b>	2017
		<b>HK\$'000</b>	HK\$'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Loss before tax			
- Continuing operation		<b>(482)</b>	(945)
- Discontinued operation		-	(12,405)
Operating loss before working capital changes		<b>(482)</b>	(13,350)
Decrease/(increase) in other deposits and other receivables		-	882,487
Decrease/(Increase) in amount due from ultimate holding company		-	(49,216)
Increase/(decrease) in accruals and other payables		<b>(137)</b>	(266)
Cash (used in)/generated from operations		<b>(619)</b>	819,655
Net cash (used in) / generated from operating activities		<b>(619)</b>	819,655
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividend paid		-	(777,736)
Net cash (used in) / generated from financing activities		-	(777,736)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(619)</b>	41,919
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD</b>		<b>641</b>	62
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD</b>		<b>22</b>	41,981
<b>ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Bank and cash balances		<b>22</b>	41,981

**1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Attributable to owners of the Company					Attributable to owners of the Company
	Share capital	Contributed surplus	Share-based payment reserve	Retained earnings	Total reserve	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Company</b>						
<b>For the three months ended</b>						
<b>31 March 2018</b>						
At 1 January 2018	97,776	74,382	29	(171,192)	(97,510)	266
Total comprehensive income for the financial year	-	-	-	(482)	(482)	(482)
Loss for the year	-	-	-	(482)	(482)	(482)
Other comprehensive income:						
Reclassification of foreign currency translation reserve on disposal of subsidiaries	-	-	-	-	-	-
Available-for-sale financial assets:						
Fair value gains	-	-	-	-	-	-
Total other comprehensive income, net of taxation	-	-	-	-	-	-
At 31 March 2018	97,776	74,382	29	(171,674)	(97,263)	(216)
<b>For the three months ended</b>						
<b>31 March 2017</b>						
At 1 January 2017	97,776	890,668	29	(155,763)	734,934	832,710
Dividend paid	-	-	-	(777,736)	(777,736)	(777,736)
Total comprehensive income for the financial year	-	-	-	(13,350)	(13,350)	(13,350)
Loss for the year	-	-	-	(13,350)	(13,350)	(13,350)
Other comprehensive income:						
Reclassification of foreign currency translation reserve on disposal of subsidiaries	-	-	-	-	-	-
Available-for-sale financial assets:						
Fair value gains	-	-	-	-	-	-
Total other comprehensive income, net of taxation	-	-	-	-	-	-
At 31 March 2017	97,776	890,668	29	(946,849)	(56,152)	41,624

**1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

	Par value HK\$	Number of shares	Issued and paid-up share capital HK\$
Issued and fully paid-up ordinary shares and balances as at 31 March 2018	0.10	977,755,354	97,775,535
	Par value HK\$	Number of shares	Issued and paid-up share capital HK\$
Issued and fully paid-up ordinary shares and balances as at 1 January 2018 and 31 March 2018	0.10	977,755,354	97,775,535

**Note:**

The Board of Directors of the Company was authorized to allot and issue new ordinary shares ("new shares") from time to time in the capital of the Company to the exercise of options under the Employee Share Option Scheme ("CG ESOS"), to the vesting of awards under the Performance Share Plan ("CG PSP") and Restricted Share Plan ("CG RSP").

**(i) CG ESOS**

There was no outstanding share options under CG ESOS as at 31 March 2018 and 2017.

**(ii) CG PSP**

There was no outstanding share options under CG ESOS as at 31 March 2018 and 2017.

**(iii) CG RSP**

There was no share vested during Q1 2018. As at 31 March 2018, the number of outstanding shares under CG PSP was 200,000 (31 March 2017: 200,000)

**1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	Par value HK\$	Number of shares	Issued and paid-up share capital HK\$
Issued and fully paid-up ordinary shares and balances as at 1 January 2018 and 31 March 2018	0.10	977,755,354	97,775,535

**1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

**2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

The figures have not been audited nor reviewed by the Company's auditors.

**3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group has applied the same accounting policies and methods of computation adopted in the preparation of financial statements for the year ended 31 December 2017.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

Not applicable.

**6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.  
(a) Based on the weighted average number of ordinary shares on issue; and  
(b) On a fully diluted basis (detailing any adjustments made to the earnings).**

	Three months ended	
	31 March 2018	31 March 2017
	HKD cents	HKD cents
Loss per Share		
- Basic (1)		
Continuing operations	(0.05)	(0.10)
Discontinued operations	N/A	(1.27)
- Diluted (2)		
Continuing operations	N/A	N/A
Discontinued operations	N/A	N/A

**Explanatory notes:**

1. Basic earnings per share ("EPS") is calculated based on the profit attributable to shareholders for the period ended 31 March 2018 and 31 March 2017 and the weighted average number of shares for the period ended 31 March 2018 was 977,755,354 (2017: 977,755,354).

2. No diluted earnings per share for continuing operations were presented as the diluted potential ordinary shares were anti-dilutive during the periods ended 31 March 2018 and 31 March 2017.

**7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:**

- (a) Current financial period reported on; and  
(b) Immediately preceding financial year.

	The Company 31.03.2018	The Company 31.12.2017
Net asset value (HKD'000)	-216	266
Number of issued shares	977,755,354	977,755,354
Net asset value per share (HKD cents)	(0.02)	0.03

**8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the**

group's business. It must include a discussion of the following:

- (a) Any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) Any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

## Review of Operating Results of the Company

### 8.1 Continuing operations

#### 8.1.1 Revenue

Not applicable.

#### 8.1.2 Gross (loss)/profit

Not applicable.

#### 8.1.3 Other income

Not applicable.

#### 8.1.4 Administrative expenses

	Three months ended	Three months ended		
	31 March 2018	31 March 2017	Increase / (Decrease)	
	HK\$'000	HK\$'000	HK\$'000	%
Exchange loss	8	81	(73)	-90%
Legal and Professional	175	282	(107)	-38%
Bank charges	1	4	(3)	-75%
Other expense	6	-	6	0%
Staff cost and welfare	292	565	(273)	-48%
Travelling	-	13	(13)	-100%
	<b>482</b>	<b>945</b>	<b>(463)</b>	<b>-49%</b>

Administrative expenses decreased 49% in Q1 2018, due to the decrease in the staff cost and legal and professional cost which mainly comprised the SGX listing fee and company secretarial fee.

### 8.2 Discontinued operations

Loss from discontinuing operations of HK\$12.4 million for the year ended 31 March 2017 represented the foreign exchange different arose from the receipt of the consideration receivables of the abovementioned Proposed Disposal Transactions.

## 8.3 Financial Position of the Company

### ASSETS

#### 8.3.1 Bank and cash balances

For details of the cash movement, please refer to the Statement of Cash Flows and the explanation notes below.

### LIABILITIES

#### 8.3.2 Accruals and other payables

The accruals and other payable mainly comprised accrued audit fee and professional fee.



## 8.4 Statement of Cash Flows

### Net cash generated from operating activities

The Group recorded a net cash outflow in operating activities for this quarter for general expense.

### Net cash used in investing activities

There is no net cash used in investing activities in this quarter.

### Net cash used in financing activities

There is no net cash used in financing activities in this quarter.

## **9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

The current results are in line with the Company's commentary on previous quarter outlook in paragraph 10 of its previous quarterly results announcement.

## **10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

After the completion of the disposal subsidiaries in 2016, the Company ceased to have any operating business and is deemed to be a cash company under Rule 1018 of the Listing Manual ("Rule 1018"). The Company intends to maintain its listing status on the SGX-ST as a cash company to seek a suitable new business to be injected.

On 28 December 2017, the Company announced that it has entered into a non-binding term sheet (the "Term Sheet") in relation to the Proposed Transaction by the Company of all of the issued and paid-up share capital in 1) Param Mitra Coal Resources One Pte. Limited ("PMCR1"), (2) Param Mitra Coal Resources Two Pte. Limited. ("PMCR2"), and (3) Dragon Power Investments Limited. ("DPIL") and 76% of the issued and paid-up share capital in (4) Unity Holding Business Singapore Pte. Ltd. ("UHBS") (collectively, the "Target Companies" and each a "Target Company") together with its subsidiaries, (collectively, the "Target Group") from Param Mitra Coal Resources Pte. Limited. (the "Vendor" and together with the Target Companies and the Company, the "Parties") (hereinafter referred to as the "Proposed Transaction"). The Proposed Transaction, if undertaken and completed, is expected to result in a reverse takeover of the Company under Rule 1015 of the Listing Manual (the "Listing Rules") of the Singapore Exchange Securities Trading Limited (the "SGX-ST").

The Proposed Transaction is at the stage of due diligence and the deadline for the execution of a definitive agreement is by 31 May 2018. On 23 March 2018, the SGX-ST granted the Company an extension till 31 May 2018 (being a period of 5 months commencing from 31 December 2017) to sign a definitive agreement and finalise the appointment of a financial adviser in respect of the Proposed Transaction. Following the signing of a definitive agreement, the Company intends to make a further application to the SGX-ST for extension of time pursuant to Rule 1018(2) of the Listing Manual to complete the Proposed Transaction.

The Company will update the shareholders by making further announcements according to the Listing Rules.

## **11. If a decision regarding dividend has been made:—**

### **(a) Whether an interim (final) ordinary dividend has been declared (recommended).**

None.

### **(b) (i) Amount per share and (ii) previous corresponding period.**

None.

### **(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).**

Not applicable.

**(d) The date the dividend is payable.**

Not applicable.

**(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.**

Not applicable.

**12. If no dividend has been declared (recommended), a statement to that effect.**

No dividend has been declared.

**13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

There is no general mandate obtained from shareholders on Interested Person Transactions.

**14. Negative confirmation pursuant to Rule 705(5).**

Confirmation by the Board We, Lam Chik Tsan and Tam Sau Fung being two Directors of C&G Environmental Protection Holdings Limited (the "Company"), do hereby confirm on behalf of the Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the 1Q FY2018 financial statements to be materially false or misleading in any material aspect.

**15. Confirmation pursuant to Rule 720(1).**

The Company has procured undertakings from all its directors and executive officers under Rule 720(1) of the Listing Manual.

**BY ORDER OF THE BOARD**

Lam Chik Tsan  
Director

Tam Sau Fung  
Director

15 May 2018