

## C&G ENVIRONMENTAL PROTECTION HOLDINGS LIMITED

### Full Year Results and Dividend Announcement for the Period Ended 31 December 2016

The Board of Directors are pleased to announce the consolidated results of the Group for the fourth quarter and twelve months ended 31 December 2016. 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 December			Twelve months ended 31 December		
	2016	2015	Increase /	2016	2015	Increase /
	HK\$'000	HK\$'000 (Restated)	(Decrease)	HK\$'000	HK\$'000 (Restated)	(Decrease)
<b>Revenue</b>	-	-	N.M	-	-	N.M
Cost of sales	-	-	N.M	-	-	N.M
<b>Gross profit/(loss)</b>	-	-	N.M	-	-	N.M
Other income	-	33	-100.00	-	33	-100.00
Administrative expenses	(1,363)	(14,372)	-90.52	(4,324)	(17,538)	-75.34
<b>Loss from operations</b>	<b>(1,363)</b>	<b>(14,339)</b>	<b>-90.49</b>	<b>(4,324)</b>	<b>(17,505)</b>	<b>-75.30</b>
Finance costs	-	-	N.M	-	-	N.M
<b>Loss before taxation from continuing operations</b>	<b>(1,363)</b>	<b>(14,339)</b>	<b>-90.49</b>	<b>(4,324)</b>	<b>(17,505)</b>	<b>-75.30</b>
Income tax expense	-	-	N.M	-	-	N.M
Loss from continuing operations attributable to the owners of the Company	(1,363)	(14,339)	-90.49	(4,324)	(17,505)	-75.30
Loss from discontinuing operations attributable to the owners of the Company	(594,435)	(196,660)	202.27	(647,561)	(121,046)	434.97
<b>Net Loss</b>	<b>(595,798)</b>	<b>(210,999)</b>		<b>(651,885)</b>	<b>(138,551)</b>	
<b>Other comprehensive income, net of tax:</b>						
Items that may be reclassified to profit or loss:						
Reclassification of foreign currency translation reserve on disposal of subsidiaries	(42,648)	6,102	-798.92	(62,831)	(5,079)	1,137.07
Available-for-sale financial assets: Fair value gains/(losses)	146,007	188,177	-22.41	17,739	(72,356)	-124.52
Total other comprehensive income that will be reclassified to profit or loss, net of taxation	103,359	194,279	-46.80	(45,092)	(77,435)	-41.77
Total other comprehensive income, net of taxation	103,359	194,279	-46.80	(45,092)	(77,435)	-41.77
<b>Total comprehensive loss for the year attributable to the owners of the Company</b>	<b>(492,439)</b>	<b>(16,720)</b>	<b>2,845.21</b>	<b>(696,977)</b>	<b>(215,986)</b>	<b>222.70</b>

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

<b>Other income/(loss) comprises:</b>	The Group		The Group	
	Three months ended 31 December	Three months ended 31 December	Twelve months ended 31 December	Twelve months ended 31 December
	2016	2015	2016	2015
	HKD'000	HKD'000	HKD'000	HKD'000
Interest income	0	33	0	33
Other Income	-	-	-	-
	<b>0</b>	<b>33</b>	<b>0</b>	<b>33</b>
<b>Profit/(Loss) before tax is arrived at after charging/(crediting)</b>				
	The Group		The Group	
	Three months ended 31 December	Three months ended 31 December	Twelve months ended 31 December	Twelve months ended 31 December
	2016	2015	2016	2015
	HKD'000	HKD'000	HKD'000	HKD'000
Depreciation and amortisation	-	-	-	-
Interest on bank loans	-	-	-	-
Interest on finance lease	-	-	-	-
<b>Discontinued operations</b>				
<b>Other income/(loss) comprises:</b>	The Group		The Group	
	Three months ended 31 December	Three months ended 31 December	Twelve months ended 31 December	Twelve months ended 31 December
	2016	2015	2016	2015
	HKD'000	HKD'000	HKD'000	HKD'000
Interest income	43	219	176	500
Other Income	9,509	7,930	12,451	8,915
	<b>9,552</b>	<b>8,149</b>	<b>12,627</b>	<b>9,415</b>
<b>Profit/(Loss) before tax is arrived at after charging/(crediting)</b>				
	The Group		The Group	
	Three months ended 31 December	Three months ended 31 December	Twelve months ended 31 December	Twelve months ended 31 December
	2016	2015	2016	2015
	HKD'000	HKD'000	HKD'000	HKD'000
Depreciation and amortisation	5,403	315	16,578	1,105
Interest on bank loans	389	1,101	4,100	1,478
Interest on finance lease	11	16	49	64

**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.**

	The Group		The Company	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Non-current assets</b>				
Fixed assets	-	5,328	-	-
Intangible assets	-	385,128	-	-
Available-for-sale financial assets	-	1,255,926	-	-
Investment in subsidiaries	-	-	-	575,396
Investment in a joint venture	-	71	-	-
	-	1,646,453	-	575,396
<b>Current assets</b>				
Inventories	-	15,965	-	-
Trade receivables	882,487	13,320	882,487	-
Gross amounts due from customers for contract work	-	20,838	-	-
Other deposits and other receivables	-	39,541	-	-
Amount due from ultimate holding company	-	118,773	-	-
Prepayments	-	714	-	-
Due from a subsidiary	-	-	-	1,115,378
Pledged bank deposits	-	32,160	-	9,362
Bank and cash balances	62	13,406	62	252
	882,549	254,717	882,549	1,124,992
<b>TOTAL ASSETS</b>	<b>882,549</b>	<b>1,901,170</b>	<b>882,549</b>	<b>1,700,388</b>
<b>Capital and reserves</b>				
Share capital	97,776	97,776	97,776	97,776
Reserves	734,934	1,431,911	734,934	1,007,077
<b>Equity attributable to owners of the Company</b>	<b>832,710</b>	<b>1,529,687</b>	<b>832,710</b>	<b>1,104,853</b>
<b>Non-current liabilities</b>				
Interest-bearing borrowings	-	159,746	-	-
Finance lease payables	-	538	-	-
	-	160,284	-	-
<b>Current liabilities</b>				
Trade payables	-	51,957	-	-
Accruals and other payables	49,839	158,877	49,839	1,134
Due to a subsidiary	-	-	-	594,401
Finance lease payables	-	365	-	-
	49,839	211,199	49,839	595,535
<b>Total liabilities</b>	<b>49,839</b>	<b>371,483</b>	<b>49,839</b>	<b>595,535</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>882,549</b>	<b>1,901,170</b>	<b>882,549</b>	<b>1,700,388</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 December 2016</b>		<b>As at 31 December 2015</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 December 2016</b>		<b>As at 31 December 2015</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>159,746</b>	<b>Nil</b>

**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.**

	Group		Group	
	Three months ended 31 December		Twelve months ended 31 December	
	2016 HK\$'000	2015 HK\$'000 (restated)	2016 HK\$'000	2015 HK\$'000 (restated)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Loss before tax				
- Continuing operation	(1,363)	(14,339)	(4,324)	(17,505)
- Discontinued operation	(594,435)	(196,660)	(647,561)	(121,046)
Adjustments for:				
Depreciation and amortisation	5,403	311	16,578	1,101
Interest expenses	400	1,117	4,149	1,542
Profit from construction services	-	8	-	(538)
Interest income	(84)	(252)	(176)	(533)
Loss on disposal of discontinued operation	482,488	-	514,649	-
Unamortised upfront fee	-	-	6,446	-
Impairment loss of goodwill	-	22,845	-	22,845
Share based payment expenses	-	(218)	-	(52)
Operating loss before working capital changes	(107,591)	(187,188)	(110,239)	(114,186)
Decrease in inventories	783	49,538	1,997	6,016
(Increase)/decrease in trade receivables	(902,291)	103,052	(924,721)	85,892
Decrease/(increase) in other deposits and other receivables	41,829	(5,870)	79,513	973,738
(Increase)/decrease in trade deposits and prepayments	(42,616)	944	(48,567)	(656)
Decrease/(Increase) in amount due from ultimate holding company	167,989	-	167,989	(118,773)
(Increase)/decrease in trade payables	3,320	(47,005)	(14,884)	(38,198)
Increase/(decrease) in accruals and other payables	1,047,468	57,917	1,009,142	(3,460)
Effect on exchange rate changes	83,074	(71,316)	62,888	(77,375)
Cash (used in)/generated from operations	291,965	(99,928)	223,118	712,998
Interest paid	(400)	(3,420)	(4,149)	(9,152)
Net cash (used in) / generated from operating activities	291,565	(103,348)	218,969	703,846
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payment for construction work for Construction projects	-	3,031	(36,966)	(105,311)
Net cash outflow to acquisition of a subsidiary	-	-	-	(57,635)
Proceeds from disposal of a jointly controlled entity	-	-	71	-
Net cash outflow from disposal of subsidiaries	(38,464)	-	(42,609)	-
Proceeds from sales of a subsidiary	69,497	-	277,458	-
Purchase of fixed assets	712	(2,464)	145	(3,641)
Interest received	84	252	176	533
Net cash from/(to) investing activities	31,829	819	198,275	(166,054)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Dividend paid	-	10,049	-	(339,608)
Share issued upon exercise of share options and share awards	-	(1)	-	1,500
(Repayment to)/borrow from ultimate holding company and a related company	(268,157)	35,450	(296,796)	(242,710)
(Increase)/decrease in pledged bank deposits	23,749	(289)	32,160	2,145
Repayment of finance lease payables	(87)	(58)	(276)	(376)
Repayment of interest-bearing borrowings	(166,192)	(145,507)	(166,192)	(145,507)
Draw down of Interest-bearing borrowings	-	-	-	198,529
Net cash (used in) / generated from financing activities	(410,687)	(100,356)	(431,104)	(526,027)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(87,293)</b>	<b>(202,885)</b>	<b>(13,860)</b>	<b>11,765</b>
<b>Effect on foreign exchange rate changes</b>	<b>7,566</b>	<b>965</b>	<b>516</b>	<b>151</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD</b>	<b>79,789</b>	<b>215,326</b>	<b>13,406</b>	<b>1,490</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD</b>	<b>62</b>	<b>13,406</b>	<b>62</b>	<b>13,406</b>
<b>ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS</b>				
Bank and cash balances	62	13,406	62	13,406

**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	Share premium	Contributed surplus	Share-based payment reserve	Foreign currency translation reserve	Available-for-sale reserve	Retained earnings	Total reserve	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
<b>Group</b>									
<b>For the three months ended</b>									
<b>31 December 2016</b>									
At 1 Oct 2016	97,776	188,517	702,151	29	42,648	(146,007)	440,035	1,227,373	1,325,149
Dividend paid	-	-	-	-	-	-	-	-	-
Share based payment	-	-	-	-	-	-	-	-	-
Transfer to contributed surplus	-	(188,517)	188,517	-	-	-	-	-	-
Share issued upon exercise of share options and share awards	-	-	-	-	-	-	-	-	-
Total comprehensive income for the financial year	-	-	-	-	(42,648)	146,007	(595,798)	(492,439)	(492,439)
Loss for the year	-	-	-	-	-	-	(595,798)	(595,798)	(595,798)
Other comprehensive income:									
Reclassification of foreign currency translation reserve on disposal of subsidiaries	-	-	-	-	(42,648)	-	-	(42,648)	(42,648)
Available-for-sale financial assets:									
Fair value gains	-	-	-	-	-	146,007	-	146,007	146,007
Total other comprehensive income, net of taxation	-	-	-	-	(42,648)	146,007	-	103,359	103,359
At 31 December 2016	97,776	-	890,668	29	-	-	(155,763)	734,934	832,710
<b>For the three months ended</b>									
<b>31 December 2015</b>									
At 1 Oct 2015	97,776	188,517	702,151	248	56,729	(205,915)	697,072	1,438,802	1,536,578
Dividend paid	-	-	-	-	-	-	10,051	10,051	10,051
Share based payment	-	-	-	(219)	-	-	-	(219)	(219)
Share issued upon exercise of share options and share awards	-	-	-	-	-	-	-	-	-
Total comprehensive income for the financial year	-	-	-	-	6,100	188,177	(211,000)	(16,723)	(16,723)
Loss for the year	-	-	-	-	-	-	(211,000)	(211,000)	(211,000)
Other comprehensive income:									
Reclassification of foreign currency translation reserve on disposal of subsidiaries	-	-	-	-	6,100	-	-	6,100	6,100
Available-for-sale financial assets:									
Fair value gains	-	-	-	-	-	188,177	-	188,177	188,177
Total other comprehensive income, net of taxation	-	-	-	-	6,100	188,177	-	194,277	194,277
At 31 December 2015	97,776	188,517	702,151	29	62,829	(17,738)	496,123	1,431,911	1,529,687
<b>For the year ended</b>									
<b>31 December 2016</b>									
At 1 January 2016	97,776	188,517	702,151	29	62,831	(17,739)	496,122	1,431,911	1,529,687
Dividend paid	-	-	-	-	-	-	-	-	-
Share-based payment	-	-	-	-	-	-	-	-	-
Transfer to contributed surplus	-	(188,517)	188,517	-	-	-	-	-	-
Share issued upon exercise of share options and share awards	-	-	-	-	-	-	-	-	-
Total comprehensive income for the financial year	-	-	-	-	(62,831)	17,739	(651,885)	(696,977)	(696,977)
Loss for the year	-	-	-	-	-	-	(651,885)	(651,885)	(651,885)
Other comprehensive income:									
Reclassification of foreign currency translation reserve on disposal of subsidiaries	-	-	-	-	(62,831)	-	-	(62,831)	(62,831)
Available-for-sale financial assets:									
Fair value gains	-	-	-	-	-	17,739	-	17,739	17,739
Total other comprehensive income, net of taxation	-	-	-	-	(62,831)	17,739	-	(45,092)	(45,092)
At 31 December 2016	97,776	-	890,668	29	-	-	(155,763)	734,934	832,710
<b>For the year ended</b>									
<b>31 December 2015</b>									
At 1 January 2015	97,302	186,115	702,151	1,457	67,909	54,618	974,281	1,986,531	2,083,833
Dividend paid	-	-	-	-	-	-	(339,608)	(339,608)	(339,608)
Share-based payment	-	-	-	(52)	-	-	-	(52)	(52)
Share issued upon exercise of share options and share awards	474	2,402	-	(1,376)	-	-	-	1,026	1,500
Total comprehensive income for the financial year	-	-	-	-	(5,079)	(72,356)	(138,551)	(215,986)	(215,986)
Loss for the year	-	-	-	-	-	-	(138,551)	(138,551)	(138,551)
Other comprehensive income:									
Reclassification of foreign currency translation reserve on disposal of subsidiaries	-	-	-	-	(5,079)	-	-	(5,079)	(5,079)
Available-for-sale financial assets:									
Fair value gains	-	-	-	-	-	(72,356)	-	(72,356)	(72,356)
Total other comprehensive income, net of taxation	-	-	-	-	(5,079)	(72,356)	-	(77,435)	(77,435)
At 31 December 2015	97,776	188,517	702,151	29	62,830	(17,738)	496,122	1,431,911	1,529,687

	Attributable to owners of the Company								Attributable to owners of the Company
	Share capital	Share premium	Contributed surplus	Share-based payment reserve	Foreign currency translation reserve	Available-for-sale reserve	Retained earnings	Total reserve	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Company</b>									
<b>For the three months ended</b>									
<b>31 December 2016</b>									
At 1 Oct 2016	97,776	188,517	702,151	29	125,747	-	(10,624)	1,005,820	1,103,596
Transfer to contributed surplus	-	(188,517)	188,517	-	-	-	-	-	-
Share-based payment	-	-	-	-	-	-	-	-	-
Share issued upon exercise of share options and share awards	-	-	-	-	-	-	-	-	-
Total comprehensive income for the financial year	-	-	-	-	(125,747)	-	(145,139)	(270,886)	(270,886)
At 31 December 2016	97,776	-	890,668	29	-	-	(155,763)	734,934	832,710
<b>For the three months ended</b>									
<b>31 December 2015</b>									
At 1 Oct 2015	97,776	188,517	702,151	248	125,747	-	(5,079)	1,011,584	1,109,360
Dividend paid	-	-	-	-	-	-	10,050	10,050	10,050
Share-based payment	-	-	-	(219)	-	-	-	(219)	(219)
Share issued upon exercise of share options and share awards	-	-	-	-	-	-	-	-	-
Total comprehensive income for the financial year	-	-	-	-	-	-	(14,338)	(14,338)	(14,338)
At 31 December 2015	97,776	188,517	702,151	29	125,747	-	(9,367)	1,007,077	1,104,853
<b>For the year ended</b>									
<b>31 December 2016</b>									
At 1 January 2016	97,776	188,517	702,151	29	125,747	-	(9,367)	1,007,077	1,104,853
Transfer to contributed surplus	-	(188,517)	188,517	-	-	-	-	-	-
Share-based payment	-	-	-	-	-	-	-	-	-
Share issued upon exercise of share options and share awards	-	-	-	-	-	-	-	-	-
Total comprehensive income for the financial year	-	-	-	-	(125,747)	-	(146,396)	(272,143)	(272,143)
At 31 December 2016	97,776	-	890,668	29	-	-	(155,763)	734,934	832,710
<b>For the year ended</b>									
<b>31 December 2015</b>									
At 1 January 2015	97,302	186,115	702,151	1,457	125,753	-	347,746	1,363,222	1,460,524
Dividend paid	-	-	-	-	-	-	(339,608)	(339,608)	(339,608)
Share-based payment	-	-	-	(52)	-	-	-	(52)	(52)
Share issued upon exercise of share options and share awards	474	2,402	-	(1,376)	-	-	-	1,026	1,500
Total comprehensive income for the financial year	-	-	-	-	(6)	-	(17,505)	(17,511)	(17,511)
At 31 December 2015	97,776	188,517	702,151	29	125,747	-	(9,367)	1,007,077	1,104,853

**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.**

	<b>Par value HK\$</b>	<b>Number of shares</b>	<b>Issued and paid-up share capital HK\$</b>
Issued and fully paid-up ordinary shares and balances as at 31 December 2015	0.10	977,755,354	97,775,535
	<b>Par value HK\$</b>	<b>Number of shares</b>	<b>Issued and paid-up share capital HK\$</b>
Issued and fully paid-up ordinary shares and balances as at 1 January 2016 and 31 December 2016	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"). On 14 January 2015, there were 2,585,000 shares, 1,550,000 shares and 597,000 shares allotted and issued under CG ESOS, CG PSP and CG RSP respectively.

(i) CG ESOS

As at 31 December 2016, there was no outstanding share options under CG ESOS (31 December 2015: 193,000)

(ii) CG PSP

As at 31 December 2016, there was no outstanding shares options under CG PSP (31 December 2015: 115,800)

(iii) CG RSP

There was 142,000 shares lapsed during Q4 2016. As at 31 December 2016, the number of outstanding shares under CG RSP was 200,000 (31 December 2015: 342,000)

**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.**

	<b>Par value HK\$</b>	<b>Number of shares</b>	<b>Issued and paid-up share capital HK\$</b>
Issued and fully paid-up ordinary shares and balances as at 1 January 2016 and 31 December 2016	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 2015.

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		Twelve months ended	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
	HKD cents	HKD cents	HKD cents	HKD cents
Earnings per Share				
- Basic (1)				
Continuing operations	(0.14)	(1.46)	(0.44)	(1.78)
Discontinued operations	(60.80)	(20.10)	(66.23)	(12.38)
- Diluted (2)				
Continuing operations	N/A	N/A	N/A	N/A
Discontinued operations	N/A	N/A	N/A	N/A
Shares issued as at year end	977,755,354	977,755,354	977,755,354	977,755,354
Shares options and awards outstanding as at year end	-	-	-	-

**Explanatory notes:**

- Basic earnings per share ("EPS") is calculated based on the profit attributable to shareholders for the year ended 31 December 2016 and 31 December 2015 and the weighted average number of shares for the year ended 31 December 2016 was 977,755,354 (2015: 977,755,354).
- No diluted earnings per share for continuing operations were presented as the diluted potential ordinary shares were anti-dilutive during the year ended 31 December 2016 and 31 December 2015.

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 Group 31.12.2016	The Group 31.12.2015	The Company 31.12.2016	The Company 31.12.2015
Net asset value (HKD'000)	832,710	1,529,687	832,710	1,104,853
Number of issued shares	977,755,354	977,755,354	977,755,354	977,755,354
Net asset value per share (HKD cents)	85.17	156.45	85.17	113.00

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 Group

### 8.1 Continuing operations

#### 8.1.1 Revenue

Not applicable as the Company is deemed a cash company under Rule 1018 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST Listing Manual”).

#### 8.1.2 Gross profit/(loss)

Not applicable as the Company is deemed a cash company under Rule 1018 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST Listing Manual”).

#### 8.1.3 Other income

Other income was decreased mainly interest income.

#### 8.1.4 Administrative expenses

	Three months ended 31 Dec	Three months ended 31 Dec	Increase / (Decrease)	
	2016	2015		
	HK\$'000	HK\$'000	HK\$'000	%
Audit fee	400	765	(365)	-48%
Exchange loss	(178)	(97)	(81)	83%
Legal and Professional	698	(148)	845	-573%
Bank charges	1	2,883	(2,882)	-100%
Insurance	106	10,879	(10,773)	-99%
Other expense	40	-	40	0%
Staff cost and welfare	292	76	216	286%
Travelling	5	14	(9)	-63%
	1,363	14,372	(13,008)	-91%

Administrative expenses fell 90% from HK\$14.4million in Q4 2015 to HK\$1.4 million in Q4 2016, because as at 31 Dec 2015, the Group paid HK\$10.8million insurance and HK\$2.7million bank charge for the CDB bank loan with WTE Construction projects.

### 8.2 Discontinued operations

On 17 August 2016, the Group had through its wholly-owned subsidiary, C&G Environmental Protection (Hong Kong) Company Limited and Huang Yong Pu (the “Purchaser”), had entered into a share sale and purchase agreement in relation to dispose of its principal operating and wholly-owned subsidiary, Sun Harbour (Asia) Engineering Company Limited (formerly known as C&G (Asia) Engineering Company Limited) which is engaged in investment holding and its subsidiary is engaged in the business of engineering, procurement and construction and project management services and specializes in waste disposal and management, sustainable energy technology and environmental protection projects. The aggregate consideration for the disposal is the sum of HK\$2million.

On 26 August 2016, the Group has through its wholly-owned subsidiary, C&G HK entered into C&G Thai SPA with New Sky to dispose of its principal operating and wholly-owned subsidiary, C&G Thailand through the sale of 75,184,000 entire issued and paid-up ordinary shares of C&G Thailand owned by the Company (“C&G Thai Sale Shares”), for a consideration of RMB187,654,229. In addition to the aforesaid consideration, New Sky had also agreed to assume and discharge, for and on behalf of C&G Thailand (a) all the debts recorded in the books of C&G Thailand (including but not limited to inter-company loans and advances made by the Group to C&G Thailand of approximately THB1,327.9 million (equivalent to RMB248.6 million) as at 29 February 2016 amounting to approximately THB1,668.2 million (equivalent to RMB312.3 million); and (b) all payables arising from all uncompleted construction contracts entered into by C&G Thailand on or before 29 February 2016, on or before the completion date of the C&G Thai SPA.

In connection with the Proposed Disposal of the C&G Thailand, the Company had also on 26 August 2016 entered into a conditional sale and purchase agreement (“C&G International SPA”) with Ahead Auto Limited (“Ahead Auto”) pursuant to which the Company had agreed to dispose of all its group companies (other than C&G Thailand) through the sale of 85,868,000 issued and paid-up ordinary shares of par value of US\$1.00 each (“C&G International Sale Shares”) in the capital of C&G Environmental Protection International Limited (“C&G International”) owned by the Company, comprising the entire issued and paid-up share capital of C&G International, on the terms and subject to the conditions of the C&G International SPA (the “Proposed Disposal of All Group Companies (other than C&G Thailand)”), for an aggregate purchase consideration of HK\$600,000,000.

The results of discontinued operations for the period from 1 January 2016 to date of disposal were as follows.

	<b>2016</b>	2015
	<b>HK\$'000</b>	HK\$'000
<b>Revenue</b>	99,061	287,477
Cost of sales	(61,512)	(308,650)
<b>Gross profit</b>	37,549	(21,174)
Other income	12,627	9,415
Administrative expenses	(178,938)	(107,699)
Other operating expense	-	-
<b>Profit from discontinued operations</b>	(128,762)	(119,457)
Finance costs	(4,149)	(1,542)
<b>(Loss)/profit before tax</b>	(132,911)	(120,999)
Income tax expense	-	-
<b>(Loss)/profit for the period attributable to the owners of the Company</b>	(132,911)	(120,999)
The (loss)/profit for the period from the discontinued operations is analysed as follows:		
	<b>2016</b>	2015
	<b>HK\$'000</b>	HK\$'000
(Loss)/profit from discontinued operations	(132,911)	(120,999)
(Loss)/gain on disposal of discontinued operations	(514,649)	(47)
	(647,560)	(121,046)

Loss on disposal of subsidiaries of HK\$514.7million are calculated at the cash consideration less net assets of the discontinued operations as at date of disposal and reclassification adjustments of exchange reserve of discontinued operations;

## **8.3 Financial Position of the Group**

### **ASSETS**

#### **8.3.1 Intangible assets**

Not applicable.

#### **8.3.3 Inventories**

Not applicable.

#### **8.3.4 Trade receivables**

Trade receivables represented the outstanding consideration from Ahead Auto Limited and New Sky Energy (Thailand) Company Limited.

#### **8.3.5 Gross amounts due from/to customers for contract work**

Not applicable.

#### **8.3.6 Other deposits and other receivables**

Not applicable.

#### **8.3.7 Amount due from ultimate holding company**

Not applicable.

#### **8.3.8 Pledged bank deposits**

Not applicable.

#### **8.3.9 Bank and cash balances**

Bank and cash balances decreased from HK\$13.4 million to HK\$0.06 million as at 31 December 2016. For details of the cash movement, please refer to the Statement of Cash Flows and the explanation notes in page 14.

## LIABILITIES

### 8.3.10 Trade payables

Not applicable.

### 8.3.11 Accruals and other payables

	31.12.2016	31.12.2015	Changes
	HK\$'000	HK\$'000	
Indemnity liabilities	-	87,524	-100.0%
Amounts due to contractors	-	3,947	-100.0%
Due to the ultimate holding company	49,216	36,706	34.1%
Others	623	30,700	-98.0%
	<b>49,839</b>	<b>158,877</b>	<b>-68.6%</b>

### 8.3.12 Finance lease payables

Not applicable.

### 8.3.13 Interest-bearing borrowings

Not applicable.

## 8.4 Statement of Cash Flows

### Net cash used in operating activities

The Group recorded a net cash outflow in operating activities for the period mainly because of increase of account receivable.

### Net cash generated from investing activities

Net cash generated from investing activities in this quarter mainly represented the received sales of a subsidiary.

### Net cash used in financing activities

Net cash used in financing activities in this quarter mainly represented the repayment to ultimate holding company and refund of pledged bank deposit.

## **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, the Company will cease to have any operating business and will be 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 following the completion of the abovementioned Proposed Transactions to seek a suitable new business to be injected.

The Company is currently considering various options available to the Company after it becomes a cash company and Shareholders will be informed in due course once a definitive decision has been made. Although the Company will be actively pursuing the acquisition of a new business following completion of the Proposed Transactions, there is no assurance that this will be achieved or that it will be achieved within the timeframes prescribed in Rule 1018(2) of the Listing Manual and there is a risk that the Company may be delisted if it is unable to meet the applicable requirements for the listing of a new business.

## **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. 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.

**Part II Additional Information Required for Full Year Announcement**

**15. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

Not applicable as the Company is deemed a cash company under Rule 1018 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST Listing Manual").

**16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Please refer to note 15.

**17. A breakdown of sales as follows:—**

Not applicable as the Company is deemed a cash company under Rule 1018 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST Listing Manual").

**18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:—**

	<b>31.12.2016</b>	31.12.2015
	<b>HK\$'000</b>	HK\$'000
Ordinary	-	339,608
Preference	-	-
Total	-	339,608

**19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

The Company confirms that there is no person occupying any managerial positions in the Company, or any of its principal subsidiaries who is a relative of a director, chief executive officer or substantial shareholder of the Company.

**BY ORDER OF THE BOARD**

Lam Chik Tsan  
Director  
27 February 2017

Tam Sau Fung  
Director