

## C&G ENVIRONMENTAL PROTECTION HOLDINGS LIMITED

### Second Quarter Results and Dividend Announcement for the Period Ended 30 June 2018

The Board of Directors are pleased to announce the consolidated results of the Group for the three months ended 30 June 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 30 June			Six months ended 30 June		
	2018 HK\$'000	2017 HK\$'000	% Increase / (Decrease)	2018 HK\$'000	2017 HK\$'000	% Increase / (Decrease)
Revenue	-	-	N.M	-	-	N.M
Cost of sales	-	-	N.M	-	-	N.M
<b>Gross profit/(loss)</b>	-	-	N.M	-	-	N.M
Other income	-	-	N.M	-	-	N.M
Administrative expenses	(694)	(781)	-11.14	(1,176)	(1,726)	-31.87
<b>Loss from operations</b>	<b>(694)</b>	<b>(781)</b>	<b>-11.14</b>	<b>(1,176)</b>	<b>(1,726)</b>	<b>-31.87</b>
Finance costs	-	-	N.M	-	-	N.M
<b>Loss before taxation from continuing operations</b>	<b>(694)</b>	<b>(781)</b>	<b>-11.14</b>	<b>(1,176)</b>	<b>(1,726)</b>	<b>-31.87</b>
Income tax expense	-	-	N.M	-	-	N.M
Loss from continuing operations attributable to the owners of the Company	(694)	(781)	-11.14	(1,176)	(1,726)	-31.87
Loss from discontinuing operations attributable to the owners of the Company	-	-	N.M	-	(12,405)	-100.00
<b>Net Loss</b>	<b>(694)</b>	<b>(781)</b>		<b>(1,176)</b>	<b>(14,131)</b>	
<b>Other comprehensive income, net of tax:</b>						
Total other comprehensive income, net of taxation	-	-	N.M	-	-	N.M
<b>Total comprehensive loss for the year attributable to the owners of the Company</b>	<b>(694)</b>	<b>(781)</b>	<b>-11.14</b>	<b>(1,176)</b>	<b>(14,131)</b>	<b>-91.68</b>

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

<b>Other income/(loss) comprises:</b>	<b>The Company</b>		<b>The Company</b>	
	<b>Continuing / Discontinued operations</b>		<b>Continuing / Discontinued operations</b>	
	<b>Three months ended 30 June</b>	<b>Three months ended 30 June</b>	<b>Six months ended 30 June</b>	<b>Six months ended 30 June</b>
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>HKD'000</b>	<b>HKD'000</b>	<b>HKD'000</b>	<b>HKD'000</b>
Other Income	-	-	-	-
<b>Profit/(Loss) before tax is arrived at after charging/(crediting)</b>				
	<b>The Company</b>		<b>The Company</b>	
	<b>Continuing / Discontinued operations</b>		<b>Continuing / Discontinued operations</b>	
	<b>Three months ended 30 June</b>	<b>Three months ended 30 June</b>	<b>Six months ended 30 June</b>	<b>Six months ended 30 June</b>
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>HKD'000</b>	<b>HKD'000</b>	<b>HKD'000</b>	<b>HKD'000</b>
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>30.06.2018</b>	<b>31.12.2017</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Current assets</b>		
Other receivables	-	-
Bank and cash balances	<b>100</b>	641
<b>TOTAL ASSETS</b>	<b>100</b>	641
<b>Capital and reserves</b>		
Share capital	<b>97,776</b>	97,776
Reserves	<b>(98,686)</b>	(97,510)
<b>Equity attributable to owners of the Company</b>	<b>(910)</b>	266
<b>Current liabilities</b>		
Accruals and other payables	<b>1,010</b>	375
<b>TOTAL LIABILITIES</b>	<b>1,010</b>	375
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>100</b>	641

**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**

As at 30 June 2018		As at 31 December 2017	
Secured (HK\$'000)	Unsecured (HK\$'000)	Secured (HK\$'000)	Unsecured (HK\$'000)
Nil	Nil	Nil	Nil

**Amount repayable after one year**

As at 30 June 2018		As at 31 December 2017	
Secured (HK\$'000)	Unsecured (HK\$'000)	Secured (HK\$'000)	Unsecured (HK\$'000)
Nil	Nil	Nil	Nil

**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 30 June</b>		<b>Six months ended 30 June</b>	
	<b>2018</b>	2017	<b>2018</b>	2017
	<b>HK\$'000</b>	HK\$'000	<b>HK\$'000</b>	HK\$'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Loss before tax				
- Continuing operation	<b>(694)</b>	(781)	<b>(1,176)</b>	(1,726)
- Discontinued operation	-	-	-	(12,405)
Operating loss before working capital changes	<b>(694)</b>	(781)	<b>(1,176)</b>	(14,131)
Decrease/(increase) in other deposits and other receivables	-	-	-	882,487
Increase/(decrease) in amount due to ultimate holding company	<b>560</b>	-	<b>560</b>	(49,216)
Increase/(decrease) in accruals and other payables	<b>212</b>	(357)	<b>75</b>	(623)
Cash (used in)/generated from operations	<b>78</b>	(1,138)	<b>(541)</b>	818,517
Net cash (used in) / generated from operating activities	<b>78</b>	(1,138)	<b>(541)</b>	818,517
<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>78</b>	(1,138)	(541)	40,781
<b>Effect on foreign exchange rate changes</b>	-	1	-	1
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD</b>	<b>22</b>	41,981	641	62
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD</b>	<b>100</b>	40,844	<b>100</b>	40,844
<b>ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS</b>				
Bank and cash balances	<b>100</b>	40,844	<b>100</b>	40,844

**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 HK\$'000
	Share capital HK\$'000	Contributed surplus HK\$'000	Share-based payment reserve HK\$'000	Retained earnings HK\$'000	Total reserve HK\$'000	
<b>Company</b>						
<b>For the three months ended</b>						
<b>30 June 2018</b>						
At 1 April 2018	97,776	74,382	29	(171,674)	(97,263)	(216)
Total comprehensive income for the financial year	-	-	-	(694)	(694)	(694)
At 30 June 2018	<u>97,776</u>	<u>74,382</u>	<u>29</u>	<u>(172,368)</u>	<u>(97,957)</u>	<u>(910)</u>
<b>For the three months ended</b>						
<b>30 June 2017</b>						
At 1 April 2017	97,776	112,932	29	(169,113)	(56,152)	41,624
Total comprehensive income for the financial year	-	-	-	(781)	(781)	(781)
At 30 June 2017	<u>97,776</u>	<u>112,932</u>	<u>29</u>	<u>(169,894)</u>	<u>(56,933)</u>	<u>40,843</u>
<b>For the six months ended</b>						
<b>30 June 2018</b>						
At 1 January 2018	97,776	74,382	29	(171,192)	(97,510)	266
Total comprehensive income for the financial year	-	-	-	(1,176)	(1,176)	(1,176)
At 30 June 2018	<u>97,776</u>	<u>74,382</u>	<u>29</u>	<u>(172,368)</u>	<u>(98,686)</u>	<u>(910)</u>
<b>For the six months ended</b>						
<b>30 June 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	-	-	-	(14,131)	(14,131)	(14,131)
At 30 June 2017	<u>97,776</u>	<u>112,932</u>	<u>29</u>	<u>(169,894)</u>	<u>(56,933)</u>	<u>40,843</u>

**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 30 June 2017	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 30 June 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 30 June 2018 and 2017.

(ii) CG PSP

There was no outstanding share options under CG ESOS as at 30 June 2018 and 2017.

(iii) CG RSP

There was no share vested during Q2 2018. As at 30 June 2018, the number of outstanding shares under CG PSP was 200,000 (30 June 2017: 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.**

	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 30 June 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		Six months ended	
	30 June 2018	30 June 2017	30 June 2018	30 June 2017
	HKD cents	HKD cents	HKD cents	HKD cents
Loss per Share				
- Basic (1)				
Continuing operations	(0.07)	(0.08)	(0.12)	(0.18)
Discontinued operations	N/A	0.00	0.00	(1.27)
- Diluted (2)				
Continuing operations	N/A	N/A	N/A	N/A
Discontinued operations	N/A	N/A	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 30 June 2018 and 30 June 2017 and the weighted average number of shares for the period ended 30 June 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 30 June 2018 and 30 June 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 30.06.2018	The Company 31.12.2017
Net asset value (HKD'000)	(910)	266
Number of issued shares	977,755,354	977,755,354
Net asset value per share (HKD cents)	(0.09)	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 Group

### 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	Increase / (Decrease)	
	30 June 2018	30 June 2017		
	HK\$'000	HK\$'000	HK\$'000	%
Exchange loss	4	(34)	38	-112%
Legal and Professional	194	81	113	140%
Bank charges	1	2	(1)	-50%
Other expense	96	130	(34)	0%
Staff cost and welfare	380	563	(183)	-33%
Travelling	19	39	(20)	-51%
	<b>694</b>	<b>781</b>	<b>(87)</b>	<b>-11%</b>

Administrative expenses decreased 11% in Q2 2018, due to the decrease in the staff cost. The legal and professional cost 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 period ended 30 June 2017 represented the foreign exchange different arose from the receipt of the consideration receivables of the disposal of the businesses.

## 8.3 Financial Position of the Group

### 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 amount due to ultimate holding company and payables for 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, 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.

On 31 May 2018, the Company has entered into a sale and purchase agreement (the "Sale and Purchase Agreement") with Param Mitra Coal Resources Pte. Limited. (the "Vendor"), pursuant to which the Company shall acquire 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"), (3) Dragon Power Investments Limited. ("DPIL"), (4) Unity Holding Business Singapore Pte. Ltd. ("UHBS") and where applicable, the Target Company Additional Shares (as defined below) where any of PMCR1, PMCR2, UHBS and DPIL ("PMCR Target Companies") and their subsidiaries ("PMCR Target Group" and each a "PMCR Target Group Company") undertakes fund-raising activity pursuant to which the investor shall be allotted and issued shares in the PMCR Target Group ("Target Company Additional Shares"), (collectively the "PMCR Sale Shares") from the Vendor and the PMCR Shareholder Loans (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. On 3 August, the SGX-ST granted the Company an extension of time (i) till 31 July 2018 to finalise the appointment of the financial adviser; (ii) till 31 August 2018 to finalise the appointment of the independent financial adviser to the Proposed Transaction; and (iii) till 30 November 2018 to submit the circular to shareholders of the Company in relation to the Proposed Transaction and listing application pursuant to Rule 1018(2) of the Listing Manual. On 31 July 2018, the Company had appointed PrimePartners Corporate Finance Pte. Ltd. as financial adviser to the Proposed Acquisition.

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

Shareholders are advised to exercise caution in trading their CGE Shares as the Proposed Transaction is subject to numerous conditions and there is no certainty or assurance as at the date of this announcement that the Proposed Transaction will be completed. The Company will make the necessary announcements when there are further developments on the Proposed Transaction. Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

**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 2Q 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

14 August 2018