
C&G ENVIRONMENTAL PROTECTION HOLDINGS LIMITED
(Incorporated in Bermuda on 24 September 2004)
(Registration Number 35842)
(the “Company”)

PROFIT GUIDANCE ANNOUNCEMENT

The Board of Directors of C&G Environmental Protection Holdings Ltd (the “Company”) wishes to inform the shareholders of the Company and potential investors that the Group is expected to report a loss for the first quarter ended 31 March 2012 (“1Q 2012”) as compared with a profit for the corresponding period in 2011.

The estimated loss to be recorded in this quarter is mainly attributable to the four new plants, namely Huian, Huangshi, Anxi and Fuqing, which are in the stage of carrying out trial run and fine tuning of the equipment and insufficient of waste supply due to the delay of the construction of the waste collection stations by the government that affected the operation efficiency. After deducting the fixed costs associated with operating the plants, which included payroll, depreciation and interest on borrowing, a loss is expected.

The information contained in this announcement is only based on a preliminary assessment by the Board based on information currently available to it, including the unaudited consolidated management accounts of the Group for the three months ended 31 March 2012, which have not yet been confirmed or reviewed by the Company’s auditors or the audit committee of the Company and finalized as at the date of this announcement.

Further details of the Group’s performance will be made available when it announces its 1Q 2012 results.

Shareholders and potential investors should exercise caution when dealing in securities of the Company.

BY ORDER OF THE BOARD

Lin Yan

Executive Chairman & Chief Executive Officer

4 May 2012