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

**Cessation of Investment and Construction of Can Tho WTE Project**

The Board of Directors of C&G Environmental Protection Holdings Limited (“C&G” or the “Company”) wishes to inform shareholders that the Company has decided to cease investment and construction of the Waste-to-Energy (“WTE”) project in Can Tho city, Vietnam (“the Project”).

On 24 August 2011, C&G announced that the Company had been selected as the principal investor of the Project, but with the caveat that the Project was still subjected to the negotiation process. Regrettably, the Company and the People’s Committee of Can Tho city were unable to reach a mutual agreement on the terms and conditions of the project during the negotiation process. Thus, the Company has agreed to withdraw from the Project.

The Company continues to undertake prudent measures when investing in projects to ensure that they are in line with the Company’s growth strategy.

The Company would also like to inform that all pre-operating cost relating to this project has been expensed off in the period which they were incurred. The cessation of investment and construction of the Can Tho WTE project is not expected to have any material financial impact on the Company for the financial year ending 31 December 2012.

**BY ORDER OF THE BOARD**

**Lin Yan**

Executive Chairman & Chief Executive Officer

8 June 2012