

**C&G ENVIRONMENTAL PROTECTION HOLDINGS LIMITED**

(Incorporated in Bermuda on 24 September 2004)

(Registration Number 35842)

(the “**Company**”)**C&G secures its first Operation and Maintenance contract****- In line with asset-light strategy to diversify into operational-focused business**

The Board of Directors of C&G Environmental Protection Holdings Limited (“C&G” or the “Group”) is pleased to announce that the Group’s subsidiary, C&G (Xiamen) Environmental Electricity Operation and Management Company Limited (the “O&M Company”) has signed its first Operation and Maintenance (“O&M”) contract agreement with an independent and unrelated Waste-To-Energy (“WTE”) company.

Mr Lin Yan, Executive Chairman & Chief Executive Officer, said: “Signing of C&G’s first O&M contract marks another strategic milestone in our diversification into asset-light and operational-focused business. Given the extensive experience we have gained in operating WTE plants, we are able to offer cost-efficient services and best practices that would help our clients to meet the required environmental standards. As we secure more contracts in the future, the O&M business is expected to enhance our long-term recurring income base.”

Service period of the O&M contract is one year, with effective date from May 20, 2013.

The O&M contract is not expected to have any material impact on the consolidated net tangible assets and earnings per share of the Group for the financial year ending December 31, 2013.

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the above transaction.

**BY ORDER OF THE BOARD****Lin Yan**

Executive Chairman &amp; Chief Executive Officer

May 16, 2013