

C&G ENVIRONMENTAL PROTECTION HOLDINGS LIMITED

(Incorporated in Bermuda on 24 September 2004)

(Company Registration Number: 35842)

UPDATE ON THE ACQUISITION OF THE ENTIRE EQUITY INTERESTS OF THE WASTE-TO-ENERGY BUSINESS, ASSETS (INCLUDING CONCESSIONS RIGHTS) AND PRINCIPAL OPERATING SUBSIDIARIES OF C&G ENVIRONMENTAL PROTECTION HOLDINGS LIMITED IN THE PRC

*Unless otherwise defined herein, all capitalised terms used in this announcement shall bear the same meanings as ascribed to them in the Company's announcements dated 23 October 2013, 24 November 2013, 24 December 2013, 29 January 2014, 8 April 2014, 7 May 2014, 30 June 2014, 7 July 2014, 14 August 2014, 15 September 2014, 22 October 2014, 29 October 2014, 15 December 2014, 22 December 2014 and 29 December 2014 (the "**Previous Announcements**") and its circular to shareholders dated 14 April 2014 (the "**Circular**").*

The Board of C&G Environmental Protection Holdings Limited (the "**Company**") refers to the Previous Announcements and the Circular and wishes to inform Shareholders that out of the 91,019,417 Consideration Shares issued to C&G HK, 30,000,000 shares had been pledged to 佛山市南海供水集团有限公司, which is the designated party appointed by the Purchaser and the controlling shareholder of the Purchaser in accordance with the Acquisition Agreement. Additional 19,800,000 shares had also been pledged to 佛山市南海供水集团有限公司 for certain outstanding commitments and guarantees as agreed prior to closing, which will be released gradually upon the discharge of these commitments and guarantees.

The Board will keep Shareholders informed of further significant developments.

By Order of the Board

Lin Yan
Executive Chairman & Group Chief Executive Officer
5 January 2015