

C&G ENVIRONMENTAL PROTECTION HOLDINGS LIMITED

(Incorporated in Bermuda on 24 September 2004)

(Company Registration Number: 35842)

UPDATE ON PROPOSED SALE 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 (the "Previous Announcements") and its circular to shareholders dated 14 April 2014 (the "Circular").

1. 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 it has received the following updates from Grandblue Environment Co. Ltd (the "**Purchaser**") regarding the status of the Purchaser's application (the "**CSRC Application**") to the China Securities Regulatory Commission of the PRC (the "**CSRC**") for the issue and allotment of its shares to C&G (HK) as part consideration for the acquisition of C&G (China):-
 - 1.1 the Purchaser had on 11 April 2014 received queries from the CSRC in relation to the CSRC Application;
 - 1.2 however as C&G (HK)'s application to the Ministry of Commerce of the PRC ("**MOC**") to be a strategic foreign investor of the Purchaser (the "**Strategic Investor Application**") has yet to be approved, the Purchaser had applied to the CSRC for an extension to respond to its queries;
 - 1.3 as at the date of this announcement, the proposed Strategic Investor Application is still under review by the MOC; and
 - 1.4 the Purchaser will be making a request for the CSRC to suspend its review of the CSRC Application pending the outcome of the Strategic Investors Application. The Purchaser intends to make further request for the CSRC to resume its review of the CSRC Application once the approval of the Strategic Investor Application has been obtained.
2. Shareholders please note that the proposed acquisition of C&G (China) by the Purchaser is still subject to the approvals of the MOC and the CSRC.
3. The Board will keep Shareholders informed of further significant developments.

By Order of the Board

Lin Yan
Executive Chairman & Group Chief Executive Officer
7 July 2014