

C&G ENVIRONMENTAL PROTECTION HOLDINGS LIMITED

(Incorporated in Bermuda on 24 September 2004)

(Company Registration Number: 35842)

UPDATE IN RELATION TO THE PROPOSED DISPOSAL OF THE BUSINESS, ASSETS AND PRINCIPAL OPERATING SUBSIDIARIES OF THE COMPANY THROUGH:

- I. THE DISPOSAL OF THE ENTIRE ISSUED AND PAID UP CAPITAL OF C&G ENVIRONMENTAL PROTECTION (THAILAND) COMPANY LIMITED; AND**
- II. THE DISPOSAL OF THE ENTIRE ISSUED AND PAID UP CAPITAL OF C&G ENVIRONMENTAL PROTECTION INTERNATIONAL LIMITED,**

BEING A MAJOR TRANSACTION UNDER CHAPTER 10 OF THE LISTING MANUAL

Unless otherwise expressly defined herein, all capitalised terms in this announcement shall bear the same meanings as ascribed to them in the Circular to Shareholders, dated 8 November 2016, issued by the Company (the “Circular”).

1. The Board of Directors of the Company (the “**Board**”) refers to the Circular and the Shareholders’ approval obtained at the Special General Meeting held on 2 December 2016.
2. The Board is pleased to announce that all the conditions precedent (as set out in the C&G Thai SPA) to the completion of the Proposed Disposal of C&G Thailand have been satisfactorily fulfilled or waived and the completion of the Proposed Disposal of C&G Thailand has taken place on 28 December 2016. Following completion of the Proposed Disposal of C&G Thailand, C&G Thailand has ceased to be a subsidiary of the Company.
3. Pursuant to the C&G Thai SPA, the balance Aggregate Payment of RMB320.1 million due from the buyer, New Sky shall be paid within 15 business days from the completion date. The Company will keep Shareholders duly informed of the status of payment.
4. The Board would like to update Shareholders that completion of the Proposed Disposal of All Group Companies (other than C&G Thailand) pursuant to the C&G International SPA is pending the satisfactory fulfilment or waiver of the conditions precedent thereunder. The Company will keep Shareholders duly informed of the status.
5. The Company will make further announcements on this matter as and when there are material updates.

By Order of the Board

Lam Chik Tsan

Executive Chairman and Group Chief Executive Officer

28 December 2016