

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

1. The Company refers to the announcement it had released on 29 August 2016 (the “**Announcement**”) regarding the above-captioned disposals.
2. The Company would like to update Shareholders that, in connection with the C&G Thai SPA, the C&G Group has received approximately THB 930.4 million (equivalent to RMB 179.4 million) up to 30 September 2016, being part of the C&G Group’s aggregate inter-company loans and advances, from New Sky, in partial discharge of the Total Debts.
3. The Company expects to receive the remaining inter-company loans and advances due to the C&G Group from New Sky in due course, in accordance with the C&G Thai SPA. The Company will update Shareholders accordingly.

All defined terms used in this announcement shall bear the same meanings as they were defined in the Announcement.

By Order of the Board

Lam Chik Tsan

Executive Chairman and Group Chief Executive Officer

30 September 2016