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**NEWS RELEASE****C&G KICKS OFF FIRST PHASE OF OPERATIONS AT ITS FIFTH PLANT IN CHINA**

- ***Plant in Fuqing, Fujian province, will increase total waste treatment capacity by 2.5 times to 4,500 tonnes per day***
- ***C&G continues to benefit from China's goal to become the world's clean-energy powerhouse***

**Singapore, January 5, 2012** - SGX Mainboard-listed and Hong Kong-based C&G Environmental Protection Holdings Limited ("C&G" or "the Group"), a leading Waste-to-Energy ("WTE") investor and operator, has successfully kicked off the first phase of operations at its fifth plant in China. The plant in Fuqing, Fujian province, will add 800 tonnes per day to the Group's waste treatment capacity.

With this new plant, the total capacity of the Group's five plants will increase 2.5 times to 4,500 tonnes per day, as compared to 2010, when only one plant (in Jinqiang, Fujian) operated at 1,800 tonnes per day.

Mr Lin Yan, Executive Chairman and Group CEO, said: "I am pleased that since the transformation of our business in February 2010 to an environmental and clean-energy player, we have made very good progress. The successful opening of our fifth plant in China has marked yet another milestone in this progress. This signals a good start to the new year."

The Build-Operate-Transfer (“BOT”) period for Fuqing is 27 years. Under a contract with the local government, the Fuqing plant will handle 800 tonnes of municipal solid waste (“MSW”) a day. Recurring revenue from power generation and waste handling fees from the plant are expected to contribute positively to the Group starting in 1Q 2012.

Two other plants, Langfang and Jianyang, with a total capacity of another 1,600 tonnes per day, are scheduled for completion in 2012. By the end of 2013, with the completion of phase 1 of all its 10 WTE projects, capacity will be at 8,200 tonnes per day.

“All our plants adhere to the highest environmental standards, as proven by our environmental awards and our commitment to the Kyoto Protocol,” Mr Lin added.

Technologies employed at the Fuqing plant and other C&G plants ensure that dioxin emission is reduced to levels where it not only meets standards stipulated by the European Union, but surpasses them. One of C&G’s patented technologies, the Waste Incineration Heat Recovery Boiler System, ensures that the waste undergoes a complete and stable combustion process, which significantly reduces the harmful substances in the flue gas. Moreover, C&G employs cutting-edge technologies – the Fly Ash Stabilization & Solidification System and the Leachate Treatment Technique – to ensure that all projects meet national environmental standards.

C&G also utilizes technologies that effectively treat China’s domestic waste, which typically contains high moisture content and low calorific value.

Mr Lin said: “China is already outpacing the West in clean-energy spending and is poised to become the world’s clean-energy powerhouse. We see exponential growth in the alternative energy sectors as China urbanises at a rapid rate. The alternative energy, energy conservation and emission reduction sectors are seen as critical industries under the country’s 12th Five-Year Plan (2011-2015). These industries are expected to see total investments grow by twenty-fold in the next decade, and C&G is positioned to benefit from this exciting space.”

## **ABOUT C&G ENVIRONMENTAL PROTECTION HOLDINGS LIMITED**

Headquartered in Hong Kong and listed on the SGX Mainboard since April 2005, C&G Environmental Protection Holdings Limited (“C&G” or “the Group”) (formerly C&G Industrial Holdings Limited), is a leading Waste-to-Energy (“WTE”) investor and operator in China.

Specialising in the investment, construction, operation and maintenance of WTE plants, C&G is led by professional industry veterans with a wealth of experience in WTE technology management, infrastructure development and are well-respected and connected with industry players.

C&G invests in, constructs, operates and maintains waste incineration power plants for the treatment of Municipal Solid Waste (“MSW”) under the Build-Operate-Transfer (“BOT”) investments schemes in China. Under the BOT scheme, recurring revenue from the Group’s WTE business comprises mainly Power Generation and Waste Handling Fee. C&G is committed to the preservation of its environment and the improvement of quality of living through the latest waste treatment technology.

C&G currently operates five WTE plants: Jinjiang, Hui’an, Anxi, Fuqing in Fujian; and Huangshi in Hubei, as well as a sludge treatment plant in Jinjiang. An additional five more plants are slated to commence operation in 2012 – 2013: Jianyang and Nanping in Fujian; Langfang in Hebei; Yingkou in Liaoning; and Xiaogan in Hubei.

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CIMB Bank Berhad, Singapore Branch, was the financial adviser to the Company for the acquisition of the entire issued share capital of C&G Environmental Protection International Limited and its subsidiaries (“**Financial Adviser**”). The Financial Adviser assumes no responsibility for the contents of this announcement.

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