

C&G ENVIRONMENTAL PROTECTION HOLDINGS LIMITED

(Incorporated in Bermuda on 24 September 2004)

(Registration Number 35842)

(the “**Company**”)**Incorporation of Operation and Maintenance Company
- In line with asset-light strategy and to enhance recurring income**

The Board of Directors of C&G Environmental Protection Holdings Limited (“C&G” or the “Group”) wishes to announce that the Group’s subsidiary, C&G Environmental Protection (China) Company Limited has incorporated a wholly-owned subsidiary in the People’s Republic of China (“PRC”) known as C&G (Xiamen) Environmental Electricity Operation and Management Company Limited (the “Subsidiary”).

The principal activity of the Subsidiary is to provide operation and maintenance services to organisations focusing on Waste-to-Energy (“WTE”) or other electricity generation businesses, such as waste incineration power plants, thermoelectric power plants, thermal power plants and wastewater treatment plants. The registered capital of the Subsidiary is RMB3 million¹.

Mr Lin Yan, Executive Chairman & Chief Executive Officer, said: “The forming of the operation and management company is in line with our strategic growth plans to diversify into asset-light, operational-focused businesses that are less capital-intensive. At the same time, we continue to consolidate our Build-Operate-Transfer (“BOT”) projects, which have given us extensive experience in running WTE plants, thus enabling us to apply our operation and management capability to other similar enterprises. We can offer cost-efficient services and best practices that would help plants meet the required environmental standards. It’s a win-win situation – in offering our services to plants that may lack such expertise, we also enhance our long-term recurring income base.”

¹Approximately S\$0.6 million, based on the exchange rate of RMB1=SGD0.2000 as quoted on Bloomberg L.P. on June 29, 2012

The incorporation of the Subsidiary was funded by internal resources and is not expected to have any material impact on the consolidated net tangible assets and earnings per share of the Group for the financial year ending December 31, 2012.

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the above transaction.

BY ORDER OF THE BOARD

Lin Yan

Executive Chairman & Chief Executive Officer

June 29, 2012

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 (formerly C&G Industrial Holdings Limited), is a leading Waste-to-Energy (“WTE”) investor and operator.

Specialising in the investment, construction, operation and maintenance of WTE plants, the Company 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 Tipping Fee. C&G is committed to the preservation of its environment and the improvement of quality of living through the latest waste treatment technology.

The Company 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 four more plants are slated to commence operations in 2012 - 2013: Jianyang and Nanping in Fujian; Langfang in Hebei; and Xiaogan in Hubei.