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**NEWS RELEASE****C&G TO PLACE OUT OVER 34 MILLION UNLISTED WARRANTS TO STRATEGIC INVESTOR INTERNATIONAL FINANCE CORPORATION**

- ***To raise proceeds of about US\$5 million for additional working capital to support Waste-to-Energy project developments;***
- ***Presence of global development institution to enhance C&G's ability to secure financing for overseas projects; Further strengthens corporate governance and risk management.***

**Singapore, March 5, 2012** – Singapore 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, today announced it has entered into a conditional agreement with International Finance Corporation (“IFC”) to issue 34,008,108 unlisted warrants at an exercise price of S\$0.185 per share. IFC is a World Bank Group member and the largest global development institution focused exclusively on the private sector in developing countries.

Each unlisted warrant will carry the right to subscribe for one new ordinary share in the capital of the company. Upon exercise of all the warrants, 34,008,108 new shares will be issued, representing 3.5% of the Group’s existing issued share capital of 973,023,354 and 3.38% of its enlarged issued share capital. The warrant shares, when issued and allocated, shall rank *pari passu* in all respect with the then-existing shares. Upon approval by the SGX-ST, the warrants may be exercised at any time within 18 months of the warrants issue date (three business days after SGX-ST approval).

The exercise price of S\$0.185 per share represents a premium of about S\$0.045, or 32.1%, over the weighted average price of shares of S\$0.14 traded on March 2, 2012.

Proceeds for the placement, assuming full exercise of the warrants at S\$0.185, are estimated to be about US\$5 million, will be used as additional working capital to support WTE project developments.

Mr Lin Yan, Executive Chairman and Group CEO, said: “We are delighted to welcome on board IFC, a blue-chip strategic investor. This transaction marks a strategic and crucial step towards us expanding our footprint in the regional market, and especially in the Asian emerging countries that we have identified as core growth markets for the WTE business. The presence of a reputable, strategic investor like IFC, which has more than 180 member countries and a track record of more than 50 years of assisting private sectors to succeed in emerging markets, will enhance our profile with international financial institutions. Moreover, because IFC is keen on supporting overseas ventures, we will be able to broaden our financing alternatives in this area.

“Having IFC as an investor also strengthens our corporate governance and risk management system, because we will have to comply with a list of IFC policy covenants to secure and maintain the deal. These requirements include the procurement of comprehensive insurance coverage for all projects, whether they are in operation or under construction, and adhering to environmental, health and social standards.”

The issue of warrants will provide opportunities for the Group to strengthen its capital base and financial position, therefore better equipping the Group with financial flexibility to develop its business.

The issue of warrants is not expected to have a material impact on C&G's financial position and does not have any immediate dilutive effect on the shareholding of the existing shareholders.

The proposed issue of the unlisted warrants is subject to, inter alia, the receipt of the approval-in-principle of the SGX-ST for the dealing in, listing of and quotation for the warrant shares on the SGX-ST.

## **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.

## ABOUT INTERNATIONAL FINANCE CORPORATION

International Finance Corporation is a member of the World Bank Group and is established by its Articles of Agreement among over 180 member countries, including the People's Republic of China. IFC fosters sustainable economic growth in developing countries by financing private sector investment, mobilising capital in the international financial markets and providing advisory services to businesses and governments. Since 1985, IFC has financed about 200 projects in the People's Republic of China to support sustainable private sector development in a wide range of industry including manufacturing and services sector, banking and financial market, infrastructure, agriculture, health and education, and private equity funds.

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