

C&G ENVIRONMENTAL PROTECTION HOLDINGS LIMITED

(Incorporated in Bermuda on 24 September 2004)

(Company Registration Number: 35842)

RESPONSE TO SGX QUERY REGARDING ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

The Board of Directors (the “Board”) of C&G Environmental Protection Holdings Limited (the “Company” and together with its subsidiaries, the “Group”) refers to the following query raised by the Singapore Exchange Securities Trading Limited on 21 April 2014 and would like to provide additional information in relation to the Company’s Annual Report for the financial year ended 31 December 2013 as follows:

SGX Query:

Paragraph 11.3 of the Code of Corporate Governance 2012 states that the Board should comment on the adequacy and effectiveness of the internal controls, including financial, operational, compliance and information technology controls, and risk management systems, in the company's Annual Report. The Board's commentary should include information needed by stakeholders to make an informed assessment of the company's internal control and risk management systems. On page 39 of the Company's annual report, we note that the Board has commented on the adequacy of the internal controls, however, there was no commentary on the adequacy and effectiveness of the risk management systems. In this respect, please disclose or explain the reason(s) for the deviation from the code.

Company's Response:

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, and reviews performed by management, various Board Committees and the Board, the Board, with the concurrence of the Audit Committee, is of the opinion that the Group's internal control and risk management systems in place as at 31 December 2013 are adequate and effective to address the financial, operational, compliance and information technology risks within the current scope of the Group's business operations.

BY ORDER OF THE BOARD

Lee Wei Hsiung
Company Secretary
22 April 2014