

C&G Environmental Protection Holdings Limited

Incorporated in Bermuda

(Registered Number: 35842)

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RESPONSE TO SGX-ST'S QUERIES ON Q3 2014 RESULTS ANNOUNCEMENT

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The board of directors (the "Board") of C&G Environmental Protection Holdings Limited (the "Company") refers to the query received from the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 21 November 2014 in relation to the Company's Q3 2014 results announcement.

Query 1:

We note that non-recurring expenses of HK\$8 million (approximately RMB6.35 million) was incurred as a result of an industrial accident in C&G Environmental Protection (Anxi) Company Limited. What is the nature of the non-recurring expenses? What is the nature of the accident? What is the extent of the accident and quantify where possible.

Company's response:

C&G Environmental Protection (Anxi) Company Limited (hereinafter "Anxi Plant") (600t/d WTE project), a wholly-owned subsidiary of the Group had an industrial accident on 7 July 2014. Part of the leachate (i.e. waste water) pool within the Anxi Plant exploded causing three deaths and damages to certain plant and equipment. The accident prompted the Group to launch a comprehensive review of the plant-level safety procedures and protocol of all our six operating plants in China and brought forward a plant-wide overhaul and maintenance scheduled for the Anxi plant, which resumed normal operation by end of August 2014 after obtaining all necessary permits and approvals from relevant authorizes in Anxi.

Financially, Anxi plant has incurred approximately non-recurring expenses of RMB3million and RMB3.35million for employee compensation and repair and maintenance respectively. As the plant was insured against damages and loss from such an accident, an insurance claim of RMB 5million representing approximately 80% of the direct financial damages, had been filed against insurance companies. As of the date of the Q3 results announcement, RMB0.96million was recovered from the insurance companies, and approximately RMB3.2million would likely be further

recovered (i.e. contingent assets) from insurance companies. The final amount of the claims can be recovered is still under assessment and will be credited to the Income Statement according to IAS 37 until it is virtually certain.

Query 2:

We refer to paragraph 9 of the Results Announcement. Please comment whether the current results are in line with the Company's commentary on previous quarter outlook in paragraph 10 of its previous quarterly results announcement.

Company's response:

The current results are in line with the Company's commentary on previous quarter outlook in paragraph 10 of its previous quarterly results announcement in terms of the approval status for the Proposed Sales of the WTE business in the People's Republic of China (the "PRC"), construction progress of the new project and the development progress of new business in Shenzhen, PRC.

BY ORDER OF THE BOARD

LIN YAN

Executive Chairman & CEO

24 November 2014