NEWS RELEASE

C&G REPORTS NET PROFIT OF HK$4.4 MILLION AND REVENUE OF HK$163.7 MILLION IN 3Q 2013

- ***Third consecutive quarter of profitable growth;***
- ***EBITDA increases by 35.8% to HK$76.4 million;***
- ***Recurring revenue from power generation and waste handling, and operation and maintenance service up 22.3% to HK$109.0 million;***
- ***WTE revenue to be boosted by upward adjustment of waste handling fee of Jinjiang, Huian and Anxi plants and waste supply;***
- ***Recently signed letter of intent for a proposed sale of the Group's WTE business and assets.***

Singapore, November 11, 2013 – SGX Mainboard-listed C&G Environmental Protection Holdings Limited ("C&G" or "the Group"), a leading Waste-to-Energy ("WTE") investor and operator in China, today reported a 35.8% increase in the Group's EBITDA to HK$76.4 million on the back of a revenue of HK$163.7 million for the three months ended September 30, 2013 ("3Q 2013"). This was on the back of improved operational efficiency and operating profit.

For the same period, the Group reported net profit of HK$4.4 million. The increase was mainly attributable to the increase in revenue due to upward adjustment of waste handling fee at the Jinjiang, Huian and Anxi plants as well as additional sources of waste from the cities in proximity to the plants. In 3Q 2013, six plants – Jinjiang, Huian, Huangshi, Anxi, Fuqing and Jianyang – were in operation, compared to five plants in the previous corresponding period ("3Q 2012").

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In addition, EBITDA on recurring sources of revenue – power generation and waste handling fees – increased 35.8% from HK$56.3 million in 3Q 2012 to HK$76.4 million in 3Q 2013. EBITDA on recurring basis excludes construction profit (also see “Notes to the Editor”), which fluctuates from quarter to quarter.

During the quarter, the Group processed approximately 429,000 tonnes of waste and sold 104,195,000 kWh of on-grid electricity. This represented an increase of 16.2% and 17.5% respectively, compared with 3Q 2012. From 3Q 2012 to 3Q 2013, the average utilisation rate of waste handling increased from 89.2% to 91.5%; and the average utilisation rate of electricity generation increased from 60.7% to 65.9% respectively.

Mr Lin Yan, Executive Chairman and Group CEO, said, “This quarter marks the third consecutive quarter of profitability for the Group and we are pleased that our efforts have taken off and remains sustainable. We are also delighted to report that efficiencies and utilisation at our plants have increased on a year-on-year basis. We continue to explore further measures to boost our operations and capabilities to bolster our returns.”

Financial Review

Overall revenue was 74.6% higher at HK$163.7 million in 3Q 2013. Operational services revenue, which is mainly derived from power generation and waste handling fees, grew by 22.3% from HK$89.2 million in 3Q 2012 to HK$109.0 million in 3Q 2013. This was mainly attributable to additional sources of waste from cities in proximity to the plants, upward fee adjustments at the Jinjiang, Huian and Anxi plants and contribution from newly-operational plants.

Construction revenue surged approximately 11 times from HK$4.6 million in 3Q 2012 to HK$54.7 million in 3Q 2013. This was mainly due to the recognition of revenue from the phase two construction at the Anxi plant. Less construction revenue from Langfang and Jianyang plants this quarter as they were substantially completed in the prior period.

Other income increased from HK$1.7 million in 3Q 2012 to HK$15.8 million in 3Q 2013. This was mainly due to a HK$6.4 million increase in value added tax refund from the relevant authorities as well as reimbursement income from a contractor for the use of facilities of HK$7.5 million.

Administrative expenses amounted to HK$19.8 million for 3Q 2013, comprising of payroll expenses, legal and professional expenses, travelling and business development-related expenses, which remained relatively constant compared to Q3 2012.

Other operating expenses of HK$3.9 million comprised of write-offs for construction in progress and fixed assets in relation to the deregistration of the Nanping project.

Finance costs increased from HK$27.3 million in 3Q 2012 to HK$31.3 million in 3Q 2013. This was mainly due to cessation of capitalisation of interest of Jianyang project with the completion of construction work.

As a result, the Group achieved a net profit of HK$4.4 million for 3Q 2013, compared to a net profit of HK$2.5 million for 3Q 2012.

Outlook

In September 2013, Nanping project was put through the process of deregistration following an internal review and it is expected to complete the deregistration within the next few months.

On October 22, 2013, the Group signed a letter of intent with a potential purchaser, a company listed on a stock exchange in the PRC, to facilitate the negotiation and finalisation of a definitive sale and purchase agreement (“SPA”) in respect of a proposed sale of the Group’s waste-to-energy business and assets (including concession rights) and the principal operating subsidiaries of the Company in the PRC. The Group will make an announcement disclosing further details of the proposed sale upon execution of the SPA and will make appropriate update announcements on the proposed sale in the next 12 months.

In Thailand, the Group has received and signed the term sheet with a development financial institution for its Bangkok project and is in the process of final negotiation and preparation of loan documentation for project financing.

In the PRC, phase two of the Group's Anxi plant commenced operation in November 2013, adding an additional daily waste treatment capacity of 300 tonnes. In addition to bringing the Anxi plant's total daily waste treatment capacity to 600 tonnes, the new facilities are expected to improve the overall operational efficiency there.

Construction for phase two of the Group's Huian plant has already commenced and is expected to complete by 2014, bringing the Huian plant's total daily waste treatment capacity to 1,200 tonnes. The new facilities are also expected to improve the overall operational efficiency for the Huian plant.

Mr. Lin concludes, "As China and South East Asia countries realise the importance of environmental protection, the WTE industry in the regions is expected to gain more prominence. Being investors and operators of six WTE plants in China, we have gained a vast amount of experience which will prove useful in our expansion into new markets. Nonetheless, we will continue innovating and learning from more established practices in other developed nations to improve our efficiency and play a growing part in the region's drive towards environmental sustainability."

"We are encouraged by the interest shown by a potential acquirer of our China assets and will exercise due diligence in assessing the potential sale from the standpoint of unlocking value for our valued shareholders who have been very supportive over the years."

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.

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. 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 six WTE plants: Jinjiang, Hui'an, Anxi, Fuqing, Jianyang in Fujian; and Huangshi in Hubei, as well as a sludge treatment plant in Jinjiang. An additional three projects are in the pipeline gradually commissioning in China and Asia.

Notes to the Editor

C&G Environmental Protection Holdings Limited (formerly C&G Industrial Holdings Limited) was listed on the Singapore Stock Exchange in April 2005 as a manufacturer of differential PET chips, polyester short fiber, bi-component short fiber and functional yarns.

In February 2010, the Group successfully acquired C&G Environment Protection International Limited ("C&G EPIL") to diversify into the fast growing Waste-to-Energy ("WTE") business.

The Group generates revenue from WTE as well as Construction Services. Revenue from the Group's WTE business comprises Power Generation and Waste Handling Fee. *Construction revenue is the fair value of the facilities under construction as assessed by an external valuer. This is a non-cash item.

At the profit level, the Group derives recurring income from the WTE segment. As for **Construction Services, profit is derived from the difference between external valuation of facilities under construction and cost recognised in the construction of the facilities. This is a non-cash item.

For simple illustrative purposes, the breakdown of the Group's revenue and EBITDA is outlined as follows:

	3Q 2013 (HK$'000)	3Q 2012 (HK$'000)	% Change
Revenue comprises:			
Operation Services	109.0	89.5	22.3
Construction Services*	54.7	4.6	1,082.8
Total	163.7	93.8	74.6
EBITDA on recurring basis (exclude construction profit)	76.4	56.3	35.8

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