
PROPOSED CHANGE OF AUDITORS

The Board of Directors (“**Board**”) of C&G Environmental Protection Holdings Limited (“**Company**”) wishes to announce that Messrs Foo Kon Tan Grant Thornton LLP has on 19 March 2012 withdrawn their consent to act as joint auditors of the Company for the financial year ending 31 December 2012. The Company’s existing auditors, Messrs Foo Kon Tan Grant Thornton LLP and RSM Nelson Wheeler, have been the joint auditors of the Group since the financial year ended 31 December 2005.

In accordance with Rule 1203(5) of the Listing Manual, the Company confirms that:

- (a) Messrs Foo Kon Tan Grant Thornton LLP has confirmed, by way of their letter dated 20 March 2012 that they are not aware of any professional reasons, why the new auditors should not accept appointment as auditors of the Company;
- (b) The Company confirms that there were no disagreements with Messrs Foo Kon Tan Grant Thornton LLP on accounting treatments within the last twelve (12) months up to the date of this announcement;
- (c) The Company confirms that it is not aware of any circumstances connected with the change of auditors that should be brought to the attention of the shareholders of the Company which has not been disclosed in this announcement; and
- (d) The Company confirms that it complies with Rule 712 and Rule 716 of the Listing Manual in relation to the appointment of the new auditing firms.

The proposed change of auditors of the Company is due to recommendation by the Audit Committee of the Company that Messrs RSM Chio Lim LLP and Messrs RSM Nelson Wheeler be appointed as the Group’s joint auditors given the current development of the Group. Messrs RSM Chio Lim LLP has on 20 March 2012 provided their consent to act as joint auditors of the Company, subject to the approval of the Company’s shareholders in a general meeting. The Board wishes to express its appreciation for the services rendered by Messrs Foo Kon Tan Grant Thornton LLP in the past.

An appendix to the shareholders of the Company together with a notice of annual general meeting will be dispatched in due course.

By Order of the Board

Mr Lin Yan

Executive Chairman and Group CEO

21 March 2012