

**C&G ENVIRONMENTAL PROTECTION HOLDINGS LIMITED**

(Incorporated in Bermuda on 24 September 2004)

(Company Registration Number: 35842)

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**RESPONSE TO SGX-ST'S QUERY ON THE COMPANY'S ANNOUNCEMENT DATED 29 AUGUST 2016 REGARDING THE PROPOSED DISPOSAL OF THE BUSINESS, ASSETS AND PRINCIPAL OPERATING SUBSIDIARIES OF THE COMPANY THROUGH:**

- I. THE DISPOSAL OF THE ENTIRE ISSUED AND PAID UP CAPITAL OF C&G ENVIRONMENTAL PROTECTION (THAILAND) COMPANY LIMITED; AND**
- II. THE DISPOSAL OF THE ENTIRE ISSUED AND PAID UP CAPITAL OF C&G ENVIRONMENTAL PROTECTION INTERNATIONAL LIMITED,**

**BEING A MAJOR TRANSACTION UNDER CHAPTER 10 OF THE LISTING MANUAL**

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QUERY FROM SGX-ST DATED 30 AUGUST 2016

The Company has today received the following query from SGX-ST:

***"We note the following statement in the Company's announcement in paragraph 3.4 (n) "SGX-ST Approval: The SGX-ST has granted approval for C&G HK, a subsidiary of the Company to sell the C&G Thai Sale Shares, if required."***

***We would like to check what is this approval that we gave as we do not approve sale of business. It is for shareholders to approve. Please make a clarification announcement on this."***

THE COMPANY'S RESPONSE TO SGX-ST'S QUERY

Paragraph 3.4(n) of the Company's announcement dated 29 August 2016 which states that "SGX-ST Approval: The SGX-ST has granted approval for C&G HK, a subsidiary of the Company to sell the C&G Thai Sale Shares, if required." is an extract of the condition precedent set out in the C&G Thai SPA (which is governed by Thai laws).

This is a requirement imposed by New Sky (the potential buyer of the Sale Shares of C&G Thailand).

It was phrased on the basis that if required, the approval of SGX-ST must be obtained as a condition precedent. It did not state that SGX-ST's approval is mandatory.

Under the SGX-ST's listing rules, SGX-ST's approval is not required for disposal of assets by a listed issuer.

**All defined terms used in this announcement shall bear the same meanings as they were defined in the Company's Announcement dated 29 August 2016.**

By Order of the Board

Lam Chik Tsan  
Executive Chairman and Group Chief Executive Officer  
30 August 2016