

C&G ENVIRONMENTAL PROTECTION HOLDINGS LIMITED

Incorporated in Bermuda
(Registered Number: 35842)

RESPONSE TO SGX-ST'S QUERY ON ANNUAL REPORT 2015

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 April 2016 in relation to the Company's Annual Report for the financial year ended 31 December 2015 as follows:

Query:

We note on page 30 of the Company's annual report the Company's statement that there were no reportable interested person transactions for the financial year ended 31 December 2015. Please clarify what is the "Amount due from the ultimate holding company – compensation receivable" of HK\$118.773 million on page 106 of the Company's annual report and reconcile with the Company's statement on page 30 of the Company's annual report that there were no interested person transactions.

Company's response:

As disclosed in Note 22 Amount due from Ultimate holding company, the Group has terminated the contracts with a contractor for the construction projects in Xiaogan, Dalian and Guiyang as a result of the disposal of the WTE businesses in China. In January 2015, the Group has signed the compensation agreement with the contractor and the amount of RMB96,000,000 (approximately HK\$118.8 million) was fully paid. The ultimate holding company has confirmed via an undertaking letter to undertake the compensation. The balance represented the compensation receivable from the ultimate holding company. However, it is not a transaction between the Group and the ultimate holding company. Therefore, we reported there were no interested person transactions in the Annual Report on page 30.

BY ORDER OF THE BOARD

Lam Chik Tsan
Director
22 April 2016