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China Dredging Environment Protection Holdings Limited

中國疏浚環保控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 871)

FURTHER UPDATE ON THE 2016 BONDS AND THE SHARE PLACING

Reference is made to (i) the Company's announcements dated 28 October 2013 and 8 November 2013 respectively in relation to the issue of the 2016 Bonds, (ii) the Company's announcement dated 7 November 2016 in relation to the maturity of the 2016 Bonds, (iii) the Company's announcements dated 15 November 2016 and 16 November 2016 respectively ("**Framework Agreement Announcements**") in relation to the Framework Agreement (as amended by a supplemental framework agreement and a second supplemental framework agreement), (iv) the Company's announcements dated 16 December 2016 ("**Dec 16 Announcement**"), 22 March 2017 ("**Mar 22 Announcement**"), 5 June 2017 ("**Jun 5 Announcement**"), 22 September 2017 ("**Sep 22 Announcement**") and 15 November 2017 ("**Nov 15 Announcement**") in relation to the various amendment agreements and (v) the Company's circular dated 18 October 2017 (the "**Circular**") in relation to the Share Placing. Terms used in this announcement shall have the same meanings as those defined in the Framework Agreement Announcements, the Dec 16 Announcement, the Mar 22 Announcement, the Jun 5 Announcement, the Sep 22 Announcement, the Nov 15 Announcement and the Circular, unless defined otherwise in this announcement.

THE 2016 BONDS

The Board hereby announces that on 1 December 2017, subject to and on the condition that the Company having paid US\$5 million to the Bondholder (the "**Payment**") on or before 22 December 2017,

- (a) the Bondholder shall release the pledge of the entire 246,000,000 Shares held by Jiangsu Baisite Environmental Engineering Co., Ltd* (江蘇百斯特環境工程有限公司) as security in favour of the Bondholder;
- (b) the Company and the Bondholder shall enter into the fifth amendment agreement and supplemental deed to the Original CB Instrument and the Original Bond Conditions in relation to the 2016

Bonds (the “**Fifth Amendment Agreement**”) in order to, amongst others, extend the payment date of the outstanding balance of the 2016 Bonds for 3 months from 22 December 2017 (the “**New Maturity Date**”); and

- (c) on or before the expiry of the New Maturity Date, the Company shall pay not less than US\$15 million to the Bondholder.

The Company will make further announcement in accordance with the Listing Rules upon the entering into the Fifth Amendment Agreement.

THE SHARE PLACING

As at the date of this announcement, (i) Guotai Junan (as the placing agent) and/or any of its sub-placing agent(s) are still using their best endeavors to procure the subscription of the Placing Shares under the Share Placing; and (ii) no Share Placees have subscribed the Placing Shares under the Share Placing.

As disclosed in the Circular, if Completion does not take place within one month from the date of passing the proposed resolution as set out in the notice of EGM approving the Share Placing and the transactions contemplated thereunder and the allotment and issue of the Placing Shares under the Specific Mandate (i.e. 3 November 2017), the Company will convene another extraordinary general meeting and seek further approval from the Shareholders in accordance with the relevant requirements under the Listing Rules. As such, if the Completion does not take place on or before 2 December 2017, the Company will contemplate if the Share Placing shall still proceed, and if yes, it will convene another extraordinary general meeting and seek further approval from the Shareholders. The Company will make further announcement(s) in accordance with the Listing Rules as and when appropriate.

Shareholders and potential investors of the Company should note that completion of the Share Placing is subject to the fulfillment of the conditions precedent under the Share Placing Agreement and may or may not take place. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

By order of the Board
China Dredging Environment Protection Holdings Limited
Liu Kaijin
Chairman and executive Director

Hong Kong, 1 December 2017

As at the date of this announcement, the Board comprises Mr. Liu Kaijin as chairman and executive Director; Mr. Wu Bin as vice chairman and executive Director; Mr. Wu Xuze as executive Director and chief executive officer; Ms. Zhou Shuhua as executive Director; Mr. Liu Longhua as vice chairman and non-executive Director; and Mr. Huan Xuedong, Mr. Chan Ming Sun Jonathan and Mr. Liang Zequan as independent non-executive Directors.

* *for identification purpose only*