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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)

VOLUNTARY ANNOUNCEMENT: UPDATES REGARDING THE PROPOSED FORMATION OF JOINT VENTURE

Reference is made to the Company's announcement dated 16 May 2015 of a discloseable transaction regarding the proposed formation of a joint venture ("**May Announcement**"). Unless otherwise stated, capitalised terms used in this announcement have the same meanings as defined in the May Announcement.

The board of directors of the Company ("**Board**") is pleased to announce that recently the Jiangsu Province Finance Office* (江蘇省人民政府金融工作辦公室) has approved the formation of the JV by the JV Parties. The JV's scope of business includes lending money to small and medium-sized technology companies, venture capital financing, guaranteeing or providing security for loan, acting as agent of financial institutions for their business and other business as approved by the relevant regulatory authority. The JV has been established and is owned as to 80%, 10% and 10% by the Company, Shanghai Property and Fundway Investment as disclosed in the May Announcement. However, the total registered capital of the JV initially approved by the Jiangsu Province Finance Office is US\$20 million, instead of the proposed RMB400 million as disclosed in the May Announcement. The Company, Shanghai Property and Fundway Investment shall contribute capital in the JV in proportion to their respective holdings in the JV in the adjusted amount of US\$16 million, US\$2 million, and US\$2 million accordingly. As at the date of this announcement, the registered capital has not been injected by the JV Parties.

By order of the Board

China Dredging Environment Protection Holdings Limited

Liu Kaijin

Joint Chairman, Executive Director and Chief Executive Officer

Hong Kong, 18 September 2015

As at the date of this announcement, the Board comprises Mr. Liu Kaijin as Joint Chairman, Executive Director and Chief Executive Officer; Ms. Zhou Shuhua as an Executive Director; Mr. Liu Longhua as a Non-executive Director and Joint Chairman; and Mr. Huan Xue Dong, Mr. Chan Ming Sun Jonathan and Mr. Xu Hengju as Independent Non-executive Directors.

** for identification purposes only*