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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)

SECOND SUPPLEMENTAL FRAMEWORK STANDSTILL AGREEMENT REGARDING THE 2016 BONDS

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 under the then General Mandate, (ii) the Company's announcement dated 7 November 2016 in relation to the maturity of the 2016 Bonds and (iii) the Company's announcement dated 15 November 2016 (the "**Nov 15 Announcement**") in relation to the Framework Agreement (as amended by a supplemental framework agreement). Terms used in this announcement shall have the same meanings as those defined in the Nov 15 Announcement, unless defined otherwise in this announcement.

As mentioned in the Nov 15 Announcement, other collaterals to the satisfaction of the Bondholder shall be confirmed by the parties on or before 16 November 2016.

The Board would announce that on 16 November 2016, the Company and the Bondholder entered into a second supplemental framework agreement pursuant to which, among other matters, certain Shares, owned or to be owned by a substantial Shareholder (having the meaning ascribed to it under Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)) shall on or before 22 November 2016 (or such later date as may be agreed by the Bondholder) be pledged to the Bondholder to secure the performance of the Company's obligations under the Framework Agreement.

Shareholders and potential investors should note that the Settlement Agreement between the Company and the Bondholder may or may not be entered into. If such agreement is entered into, it will be subject to conditions precedent which may or may not be satisfied within the prescribed time, and such agreement is subject to the risk of not being completed finally. 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, chief executive officer and executive Director

Hong Kong, 16 November 2016

As at the date of this announcement, the Board comprises Mr. Liu Kaijin as Chairman, Executive Director and Chief Executive Officer; and Ms. Zhou Shuhua as executive Director; Mr. Liu Longhua as non-executive Director and Vice Chairman; and Mr. Huan Xuedong, Mr. Chan Ming Sun Jonathan and Mr. Liang Zequan as Independent Non-executive Directors.