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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)

PROFIT WARNING

This announcement is made by China Dredging Environmental Protection Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to the Inside Information Provisions (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the “**Listing Rules**”) under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and rule 13.09(2) of the Listing Rules.

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary assessment of the latest unaudited financial information of the Group, the Group expects to record a net loss of approximately RMB206 million for the year ended 31 December 2018 as compared to a net profit of approximately RMB72 million for the year ended 31 December 2017. The expected net loss is mainly caused by the recognition of the impairment loss of approximately RMB246 million in respect of the overdue trade receivables and contract assets by taking into consideration of the adoption of the Hong Kong Financial Reporting Standard 9 “Financial Instruments” in replacement of the Hong Kong Accounting Standard 39, as a result of which the Group’s impairment model has changed from “incurred loss model” to “expected credit losses model” for the year ended 2018 whilst there was no such impairment loss for the year ended 31 December 2017.

The Company is still in the process of finalising its annual results of the Group for the year ended 2018. The information contained in this announcement is based on the preliminary assessment made by the Board with reference to the unaudited consolidated management accounts of the Group and the information currently available to the Board, which have not been audited by the auditors of the Company or approved by the audit committee of the Company and are subject to possible adjustments. Further details of the Group’s annual results for the year ended 2018 will be announced on 28 March 2019.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board

China Dredging Environment Protection Holdings Limited

Liu Kaijin

Chairman and executive Director

Hong Kong, 20 March 2019

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; and Mr. Huan Xuedong, Mr. Chan Ming Sun Jonathan and Mr. Liang Zequan as Independent Non-executive Directors.