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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)

(1) COMPLETION OF CONNECTED TRANSACTION IN RELATION TO SUBSCRIPTION OF NEW CONSOLIDATED SHARES BY THE SUBSTANTIAL SHAREHOLDER UNDER SPECIFIC MANDATE; AND (2) REDEMPTION OF THE 2016 BONDS

COMPLETION OF THE SUBSCRIPTION

References are made to (1) the circular (the “**Circular**”) and the notice of the extraordinary general meeting (the “**EGM**”) of China Dredging Environment Protection Holdings Limited (the “**Company**”) dated 3 February 2021 in relation to, among others, the Subscription and application for the Whitewash Waiver; and (2) the announcement of the Company dated 5 March 2021 in relation to, among others, the poll results of the EGM. Capitalised terms used in this announcement shall have the same meanings as defined in the Circular unless the context requires otherwise.

The Board is pleased to announce that all conditions precedent in respect of the Subscription set out under the paragraph headed “Conditions precedent” under the section headed “**SUBSCRIPTION OF NEW CONSOLIDATED SHARES**” in the “Letter from the Board” in the Circular have been fulfilled and Completion (including completion of the allotment and issue of the Consideration Shares) took place on 30 March 2021. A total of 508,240,000 Subscription Shares, representing approximately 33.80% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares, have been allotted and issued by the Company to the Subscriber at the Subscription Price of HK\$0.20 per Subscription Share. Accordingly, immediately after the Completion, the total number of issued Shares is 1,503,881,500.

Set out below is the shareholding structure of the Company immediately before and after completion of the allotment and issue of the Subscription Shares:

Shareholders	Immediately before the allotment and issue of the Subscription Shares		Immediately after the allotment and issue of the Subscription Shares	
	No. of Shares	Approximate %	No. of Shares	Approximate %
The Subscriber and parties acting in concert with him (<i>Note 1</i>)	193,579,500	19.44	701,819,500	46.67
Public Shareholders				
Yuan Xiangbing	95,958,500	9.64	95,958,500	6.38
Jiangsu Baisite Environment Engineering Co., Ltd (<i>Note 2</i>)	74,090,000	7.44	74,090,000	4.93
Other public Shareholders	<u>632,013,500</u>	<u>63.48</u>	<u>632,013,500</u>	<u>42.03</u>
Total (<i>Note 3</i>)	<u><u>995,641,500</u></u>	<u><u>100.00</u></u>	<u><u>1,503,881,500</u></u>	<u><u>100.00</u></u>

Notes:

- 193,579,500 Shares are held as to 175,800,000 Shares by Wangji Limited and 17,779,500 Shares by the Subscriber as beneficial owner, respectively. The Subscriber is the sole beneficial owner of Wangji Limited. Accordingly, the Subscriber is deemed to be interested in the 175,800,000 Shares. Ms. Zhou Shuhua is the spouse of the Subscriber, therefore, Ms. Zhou Shuhua is deemed to be interested in all interests of the Subscriber in the Company.
- Luck Morgan Investment Limited acts as the nominee for Jiangsu Baisite Environment Engineering Co., Ltd to hold 74,090,000 Shares.
- The percentages may not add up to 100% due to rounding.

REDEMPTION OF THE 2016 BONDS

References are 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 (collectively, "**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, 22 March 2017, 5 June 2017, 22 September 2017, 23 January 2018, 15 March 2019 and 3 December 2020 in relation to the various amendment agreements (collectively, the "**Amendments Announcements**"); and (v) the Company's announcements dated 15 November 2017 and 1 December 2017 in relation to the further updates to the 2016 Bonds (collectively, the "**Updates**").

Announcements”). Terms used in this announcement shall have the same meanings as those defined in the Framework Agreement Announcements, the Amendments Announcements and the Updates Announcements, unless defined otherwise in this announcement.

Pursuant to the Seventh Amendment Agreement, it has been agreed that, among other matters, (a) the principal amount of the 2016 Bonds shall be amended to be HK\$319,482,769.63; (b) the redemption amount of the 2016 Bonds shall be amended to be HK\$352,446,870.29; and (c) the maturity date of the 2016 Bonds shall be amended to be 31 March 2021.

It has also been agreed that the Company shall be deemed to have paid the redemption amount of the 2016 Bonds in full if the Company pays or procures the payment to the Bondholder or its affiliate a sum of RMB equivalent of HK\$98,359,241 on or before the maturity date of the 2016 Bonds. Alternatively speaking, if the Company pays or procures the payment to the Bondholder or its affiliate a sum of RMB equivalent of HK\$98,359,241 on or before the maturity date of the 2016 Bonds, the repayment of HK\$98,359,241 will be treated as the full and final settlement of the 2016 Bonds. For details, please refer to the announcement of the Company dated 3 December 2020.

On 30 March 2021, the Company repaid HK\$98,359,241 to the Bondholder and such payment is treated as the full and final settlement of the 2016 Bonds. The total sum payable by the Company for the redemption of the 2016 Bonds was funded by the proceeds from the Subscription. The Company considers that there will be no material impact on its financial position as a result of the redemption. The 2016 Bonds have been cancelled following the redemption.

By order of the Board
China Dredging Environment Protection Holdings Limited
Wu Xuze
Chief Executive Officer

Hong Kong, 30 March 2021

As at the date of this announcement, the Board comprises Mr. Liu Kaijin as 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.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.