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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)

POSITIVE PROFIT ALERT

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

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company 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 profit approximately RMB176 million for the six months ended 30 June 2021 as compared to a net loss of approximately RMB74 million for the six months ended 30 June 2020. The expected turnaround from loss to profit is primarily attributable to the recognition of a one-off gain on the waived bond balance of approximately RMB210 million after the redemption of the bonds on 30 March 2021. On 30 March 2021, the Company paid HK\$98,359,241 (equivalent to approximately RMB81,411,000) to the bondholder pursuant to the seventh amendment agreement made between the Company and the bondholder. Such payment was deemed to have satisfied the full redemption amount of HK\$352,446,870.29 (equivalent to approximately RMB291,717,000). For details of the redemption, please refer to the announcement of the Company dated 30 March 2021.

The Company is still in the process of finalising its interim results for the six months ended 30 June 2021. 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 for the six months ended 30 June 2021 and the information currently available to the Board, which have not been reviewed by the auditor of the Company or approved by the audit committee of the Company. Actual financial results of the Group for the six months ended 30 June 2021 may be different from what is disclosed in this announcement. Further details of the Group’s interim results for the six months ended 30 June 2021 will be announced on 30 August 2021.

The Company’s shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

For the purpose of this announcement, conversion of Hong Kong dollars into RMB is based on the approximate exchange rate of HK\$1 to RMB0.82769. Such exchange rate is for the purpose of illustration only and does not constitute a representation that any amounts in Hong Kong dollars or RMB have been, could have been or may be converted at such or any other rate or at all.

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

Hong Kong, 20 August 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.