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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)**

**RE-DESIGNATION OF CHAIRMAN**  
**RE-DESIGNATION OF VICE CHAIRMAN**  
**CHANGE OF INDEPENDENT NON-EXECUTIVE DIRECTOR**  
**AND**  
**CHANGE OF COMPOSITION OF BOARD COMMITTEES**

The Board announces that with effect from 23 September 2016:

- (i) Mr. Liu Kaijin (劉開進先生), currently an executive Director, the chief executive officer and a joint chairman of the Board has been re-designated as the chairman of the Board;
- (ii) Mr. Liu Longhua (劉龍華先生), currently a non-executive Director and a joint chairman of the Board has been re-designated as the vice chairman of the Board;
- (iii) Mr. Xu Hengju (徐恒菊先生) has resigned as an independent non-executive Director, a member of the Audit Committee, the chairman of Remuneration Committee and a member of the Nomination Committee; and
- (iv) Mr. Liang Zequan (梁澤泉先生) has been appointed as an independent non-executive Director, a member of the Audit Committee, the chairman of Remuneration Committee and a member of the Nomination Committee.

Notwithstanding the aforesaid re-designations, Mr. Liu Kaijin (劉開進先生) will remain as an executive Director and the chief executive officer of the Company and Mr. Liu Longhua (劉龍華先生) will remain as a non-executive Director and the chairman of the Nomination Committee and a member of the Remuneration Committee.

**Re-designation of Chairman**

The board (the "**Board**") of directors (the "**Directors**") of China Dredging Environment Protection Holdings Limited (the "**Company**" and together with its subsidiaries, the "**Group**") announces that Mr. Liu Kaijin (劉開進先生) ("**Mr. KJ Liu**"), an executive Director, the chief executive officer of the Company and the joint chairman of the Board has been re-designated as the chairman of the Board with effect from 23 September 2016. Mr. KJ Liu will continue to serve as an executive Director and the chief executive officer of the Company.

Mr. KJ Liu, aged 56, is the founder of the Group. Mr. KJ Liu was appointed as a Director on 31 May 2010, and was re-designated as an executive Director and chief executive officer of the Company on 24 May 2011 and was appointed as the joint chairman of the Board on 5 March 2012.

Mr. KJ Liu completed his secondary education in 1977. In 2003, Mr. KJ Liu obtained a certificate as a senior construction engineer from the Human Resources Bureau of Yancheng City\* (鹽城市人事局). Mr. KJ Liu worked in the dredging industry of the People's Republic of China (the "PRC") for over 20 years. As his experience and knowledge in the PRC dredging business grew, Mr. KJ Liu established Jiangsu Xingyu Holdings Group Limited\* (江蘇興宇控股集團有限公司) ("**Jiangsu Xingyu**") in 2007.

Mr. KJ Liu is a member of the 7th session of the committee of the Chinese People's Political Consultative Conference of Yancheng City, Jiangsu Province \* (中國人民政治協商會議江蘇省鹽城市第七屆委員會委員).

Mr. KJ Liu is the chairman of Jiangsu Xingyu and Huaian Shi Xiangyu Technology Microfinance Ltd.\* (淮安市翔宇科技小額貸款有限公司) and the chairman and general manager of Jiangsu Xiangyu Port Constructing Project Administration Co. Ltd.\* (江蘇翔宇港建工程管理有限公司), Jiangsu Xiangyu Water Management Company Limited\* (江蘇翔宇水務有限公司), Jiangsu Xiangyu Environment Protection Equipment Company Limited\* (江蘇翔宇環保設備有限公司), Jiangsu Fengyu Property Development Co. Ltd.\* (江蘇豐宇置業有限公司), Jiangsu Xingyu Commerce Co. Ltd.\* (江蘇興宇商務有限公司), Jiangsu Lifu Infrastructure Construction Co., Ltd.\* (江蘇力富基礎設施建設有限公司), Jiangsu Xiangyu Environmental Protection Industry Development Ltd.\* (江蘇翔宇環保產業發展有限公司) and Jiangsu Xingyu Environment Protection Company Limited\* (江蘇興宇疏浚環保有限公司); and has been responsible for overseeing their daily operations and planning their business strategies. Other than the above mentioned companies, Mr. KJ Liu is the director of Power Wealth Group (BVI) Limited, Xiangyu Dredging Company Limited, Ever Universe Holdings Limited, Power Wealth Engineering Limited and Million Able International Limited. He is also a director of Wangji Limited, being a substantial shareholder of the Company. Save as disclosed above, Mr. KJ Liu did not hold directorship in other listed public companies in the past three years or any position with the Company or other members of the Group.

Mr. KJ Liu is the spouse of Ms. Zhou Shuhua, an executive Director. Except as disclosed, Mr. KJ Liu does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company. As at the date hereof, Mr. KJ Liu has 389,103,000 shares of the Company (representing approximately 31.58% of the existing issued share capital of the Company), of which 351,600,000 shares of the Company (representing approximately 28.54% of the existing issued share capital of the Company) are held by Wangji Limited, a company wholly-owned by Mr. KJ Liu.

Mr. KJ Liu entered into a service agreement with the Company for a term of three years with effect from 1 June 2014. He is subject to retirement by rotation under the articles of association of the Company (the "**Articles**"). Pursuant to the service agreement, Mr. KJ Liu is entitled to a salary of RMB1,200,000 on an annual basis (subject to such increase as the Board may, subject to compliance with the provisions of the Articles for the time being in force, determine from time to time in its discretion provided that such increase shall not exceed 10% per annum). In addition, he is also entitled to a discretionary bonus provided that the aggregate amount of the bonuses payable to the executive Directors for any financial year of the Company may not exceed 10% of the audited combined or audited consolidated net profit of the Group (after taxation and minority interests and payment of such bonuses but before extraordinary items) in respect of that financial year of the Company.

Save as disclosed above, there is no other information to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to (v) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and there is no other matter that need to be brought to the attention of the shareholders of the Company pursuant to Rule 13.51(2)(w) of the Listing Rules in connection with Mr. KJ Liu's re-designation.

### **Re-designation of Vice Chairman**

The Board announces that Mr. Liu Longhua (劉龍華先生) ("**Mr. LH Liu**"), a non-executive Director and the joint chairman of the Board has been re-designated as the vice chairman of the Board with effect from 23 September 2016. Mr. LH Liu will continue to be a non-executive Director and the chairman of the Nomination Committee of the Company (the "**Nomination Committee**") and a member of the Remuneration Committee of the Company (the "**Remuneration Committee**").

Mr. LH Liu, aged 64, was appointed as non-executive Director, joint chairman of the Board, the chairman of the Nomination Committee and member of the Remuneration Committee on 25 April 2012.

Mr. LH Liu graduated from Tsinghua University and he was accredited with the qualification of senior engineer. Mr. LH Liu was the chairman of Beijing Urban Construction Investment Development Co., Ltd. ("**Beijing Urban Construction**"), a company listed on the Shanghai Stock Exchange (stock code: 600266) and acted as the vice chairman and general manager of Beijing Construction Engineering Group Co., Limited\* (北京建工集團有限責任公司) and the chairman and party secretary of Beijing Urban Construction Group Co., Ltd. (a major shareholder of Beijing Urban Construction). He has extensive experience in governance of sizeable state-owned enterprise. Save as disclosed above, Mr. LH Liu did not hold directorship in other listed public companies in the past three years or any position with the Company or other members of the Group.

Mr. LH Liu was the vice chairman of China Construction Industry Association\* (中國建築業協會) and chairman of the Constructor Committee of China Construction Industry Association\* (中國建築業協會建造師分會).

Mr. LH Liu entered into an appointment letter with the Company for a term of three years commencing from 25 April 2015 and his directorship is subject to retirement by rotation under the Articles. Pursuant to the appointment letter, Mr. LH Liu will not receive director fee from the Company for being a non-executive Director, but the expenses incurred in connection with his discharge of duties as a non-executive Director will be borne by the Company.

Mr. LH Liu does not have any relationship with any Directors, senior management, substantial or controlling shareholders of the Company. As at the date hereof, Mr. LH Liu does not have any interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Save for the information set out above, there is no information to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to (v) of the Listing Rules and there is no matter that need to be brought to the attention of the shareholders of the Company pursuant to Rule 13.51(2)(w) of the Listing Rules in connection with Mr. LH Liu's re-designation.

## **Resignation of Independent Non-executive Director, Member of Audit Committee, Chairman of Remuneration Committee and Member of Nomination Committee**

The Board announces that with effect from 23 September 2016, Mr. Xu Hengju (徐恒菊先生) (“**Mr. Xu**”) has resigned as an independent non-executive Director, a member of the audit committee of the Company (the “**Audit Committee**”), the chairman of Remuneration Committee and a member of the Nomination Committee in order to devote more time on his personal matters.

Mr. Xu has confirmed that he has no disagreement with the Board and there is no matter relating to his resignation that needs to be brought to the attention of the shareholders of the Company.

The Board would like to express its sincere gratitude and appreciation to Mr. Xu for his valuable contribution to the Company during his tenure of office.

## **Appointment of Independent Non-executive Director, Member of Audit Committee, Chairman of Remuneration Committee and Member of Nomination Committee**

The Board is pleased to announce that with effect from 23 September 2016, Mr. Liang Zequan (梁澤泉先生) (“**Mr. Liang**”) has been appointed as an independent non-executive Director, a member of the Audit Committee, the chairman of Remuneration Committee and a member of the Nomination Committee.

Mr. Liang, age 47, has been the chairman, secretary of the Communist Party’s committee and the general manager of Chengnan Branch of Jiangsu Renhe Zhongheng Consulting Group\* (江蘇仁禾中衡諮詢集團). He is also an independent non-executive director of Jiangsu Gaohe Intelligent Equipment Co., Ltd. (stock code 831787), a company listed on the Shenzhen Stock Exchange.

Mr. Liang held various positions including the chairman, secretary of the Communist Party’s general sub-division committee and general manager of Chengnan Branch of Jiangsu Renhe Zhongheng Engineering Consulting Real Estate Valuation Co., Ltd\* (江蘇仁禾中衡工程諮詢房地產估價有限公司), the chairman of Jiangsu Renhe Zhongheng CPA Limited\* (江蘇仁禾中衡會計師事務所有限公司), the chairman of Yancheng Renhe Capital Construction Investment Valuation Co., Ltd\* (鹽城仁禾基本建設投資估價事務所有限公司) and the vice chairman of Yancheng Zhengdao CPA Limited\* (鹽城正道會計師事務所有限公司). Mr. Liang graduated from Yancheng Institute of Technology and obtained the Industrial and Civil Building Engineering professional qualification. He is a PRC principal senior economist with the qualifications of PRC certified engineer, asset appraiser and real estate appraiser.

Mr. Liang currently serves as a member of the 7th session of the committee of the Chinese People’s Political Consultative Conference of Yancheng City, Jiangsu Province\* (中國人民政治協商會議江蘇省鹽城市第七屆委員會委員), the vice chairman of Jiangsu Province Real Estate Appraisers and Agents Association\* (江蘇省房地產估價與經紀協會), an expert of Jiangsu Cost Advisory Expert Committee\* (江蘇省造價諮詢專家委員會), an executive director of Registered Accountants Association of Yancheng City, Jiangsu Province \*(江蘇省鹽城市註冊會計師協會), a special auditor of Audit Bureau of Yancheng City, Jiangsu Province\* (江蘇省鹽城市審計局), the vice chairman of Junior Chamber of Commerce of Tingfu District, Yancheng City, Jiangsu Province\* (江蘇省鹽城市亭湖區青年商會), a representative of the 7th Congress of the Communist Party of China of Tingfu District, Yancheng City, Jiangsu Province\* (中共江蘇省鹽城市亭湖區七屆黨代表), the vice chairman of Association of Forensic Sciences of Yancheng City, Jiangsu Province \*(江蘇省鹽城市司法鑒定協會) and the vice chairman of Federation of Industry and Commerce of Yancheng City, Jiangsu Province\* (江蘇省鹽城市工商聯副主席).

Mr. Liang has entered into a letter of appointment with the Company for a term of 3 years and his directorship is subject to retirement by rotation and re-election at the annual general meetings of the Company pursuant to the Articles. Pursuant to the appointment letter, Mr. Liang will not receive director fee from the Company for being an independent non-executive Director, but the expenses incurred in connection with his discharge of duties as an independent non-executive Director will be borne by the Company.

Save as disclosed above, as at the date of this announcement, (i) Mr. Liang did not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company; (ii) he did not have any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance; (iii) he did not hold any other directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; and (iv) he did not hold other positions with other members of the Group.

Save as disclosed above, there is no information to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to (v) of the Listing Rules and there is no matter that need to be brought to the attention of the shareholders of the Company pursuant to Rule 13.51(2)(w) of the Listing Rules in connection with appointment of Mr. Liang.

The Board takes this opportunity to express its warmest welcome to Mr. Liang to join the Board.

By order of the Board  
**China Dredging Environment Protection Holdings Limited**  
**Liu Kaijin**  
*Chairman, chief executive officer and executive Director*

Hong Kong, 23 September 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.*

*\* For identification purpose only*