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China Dredging Environment Protection Holdings Limited

(formerly known as Xiangyu Dredging Holdings Limited)

中國疏浚環保控股有限公司

(前稱「翔宇疏浚控股有限公司」)

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 871)

VOLUNTARY ANNOUNCEMENT — CONTRACT IN RESPECT OF (1) RECLAMATION DREDGING SERVICES AND (2) DREDGING-RELATED CONSTRUCTION BUSINESS IN CHANGJIANG RIVER REGION

The Board is pleased to announce that on 22 January 2014:

1. Jiangsu Xingyu and Customer A entered into a Dredging Contract. Under the Dredging Contract, Jiangsu Xingyu has agreed to provide reclamation dredging services in connection with the Comprehensive Beach-Rehabilitation Project from Chengtong River segment to Fu Shantang segment, Changjiang River Region, the PRC*. The estimated revenue of such works under the Dredging Contract is approximately RMB62 million (equivalent to approximately HK\$79 million). The final aggregate contract sum to be received by the Group is subject to the volume and other parameters of the works to be delivered and accepted by Customer A under the Dredging Contract; and
2. Jiangsu Xingyu entered into a Construction Contract with Customer B to provide services in connection with certain dredging-related construction services at Chengtong River segment, Changjiang River Region in the PRC*. The estimated aggregate contract sum for such works is approximately RMB34 million (equivalent to about HK\$44 million). The final aggregate contract sum to be received by the Group is subject to the volume and other parameters of the works delivered and accepted by Customer B under the Construction Contract.

The board (“**Board**”) of directors (“**Directors**”) of China Dredging Environment Protection Holdings Limited (“**Company**”) is pleased to announce that, on 22 January 2014, Jiangsu Xingyu Port Construction Company Limited (“**Jiangsu Xingyu**”) (being treated as a subsidiary of the Company), in its ordinary course of business, (1) entered into a reclamation dredging contract (“**Dredging Contract**”) with a state-owned enterprise (“**Customer A**”) and (2) entered into a dredging-related construction contract (“**Construction Contract**”) with another state-owned enterprise (“**Customer B**”).

(1) DREDGING CONTRACT IN RESPECT OF RECLAMATION DREDGING SERVICES

Under the Dredging Contract, Jiangsu Xingyu has agreed to provide reclamation dredging services in connection with the Comprehensive Beach-Rehabilitation Project from Chengtong River segment to Fu Shantang segment, Changjiang River Region, the People’s Republic of China, (“**PRC**”).^{*} The works are expected to last for approximately 158 days, commencing in March 2014 and ending in December 2014.

To the best of the Directors’ knowledge, information and belief, after having made all reasonable enquiries, Customer A is a state-owned enterprise which is a third party independent of and not connected with the Company and its subsidiaries (collectively, the “**Group**”) and its connected persons (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited).

The estimated revenue of such works under the Dredging Contract is approximately RMB62 million (equivalent to approximately HK\$79 million). The final aggregate contract sum to be received by the Group is subject to the volume and other parameters of the works to be delivered and accepted by Customer A under the Dredging Contract. The contractual amount of the Dredging Contract will be paid in stages based on the progress and satisfactory audit and inspection of the works, and the final remaining balance will be paid upon the expiry of the warranty period as provided under the Dredging Contract.

The Dredging Contract also contains other typical representations and undertakings generally provided in contracts for dredging works under reclamation dredging projects.

(2) CONSTRUCTION CONTRACT IN RESPECT OF DREDGING-RELATED CONSTRUCTION BUSINESS

Under the Construction Contract, Jiangsu Xingyu has agreed to provide dredging-related construction services in the waterways of Chengtong River segment, Changjiang River Region, the PRC^{*}. The works are expected to commence in end of January 2014 and to complete by July 2014.

To the best of the Directors’ knowledge, information and belief, after having made all reasonable enquiries, Customer B is a state-owned enterprise which is a third party independent of and not connected with the Group and its connected persons (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited).

The estimated revenue of such works under the Construction Contract is approximately RMB34 million (equivalent to approximately HK\$44 million). The final aggregate contract sum to be received by the Group is subject to the volume and other parameters of the works to be delivered and accepted by Customer B under the Construction Contract. The contractual amount of the Construction Contract will be paid in stages based on the progress and satisfactory audit and inspection of the works, and the final remaining balance will be paid upon the expiry of the warranty period as provided under the Construction Contract.

The Construction Contract also contains other typical representations and undertakings generally provided in contracts for dredging-related construction works.

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

Hong Kong, 24 January 2014

As at the date of this announcement, the Board comprises Mr. Liu Kaijin as Joint Chairman, Executive Director and Chief Executive Officer; Ms. Zhou Shuhua as an Executive Director; Mr. Liu Longhua as a Non-executive Director and Joint Chairman; and Mr. Huan Xue Dong, Mr. Chan Ming Sun Jonathan and Mr. Xu Hengju as Independent Non-executive Directors.

* *For identification purpose only*