

If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **China Dredging Environment Protection Holdings Limited** (the “**Company**”), you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)

**(A) PROPOSED GRANT OF GENERAL MANDATES
TO ISSUE SHARES AND REPURCHASE SHARES;
(B) RE-ELECTION OF RETIRING DIRECTORS;
(C) NOTICE OF ANNUAL GENERAL MEETING; AND
(D) CONNECTED TRANSACTION: AMENDMENT TO DEED OF
NON-COMPETITION**

A notice convening the AGM to be held at Drawing Room, The Residence, Grand Hyatt Hong Kong, 1 Harbour Road, Hong Kong on Friday, 29 May 2015 at 3:00 p.m. is set out on page 34 to 38 of this circular. A form of proxy for use at the AGM is also enclosed with this circular.

Whether or not you intend to attend the AGM in person, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof if you so wish and, in such event, the form of proxy shall be deemed to be revoked.

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“AGM”	the annual general meeting of the Company to be held at Drawing Room, The Residence, Grand Hyatt Hong Kong, 1 Harbour Road, Hong Kong on Friday, 29 May 2015 at 3:00 p.m. or any adjournment thereof
“Articles”	the Articles of Association of the Company
“associate(s)”	has the same meaning as ascribed to such term under the Listing Rules
“Board”	the board of Directors
“BVI”	British Virgin Islands
“Companies Law”	the Companies Law, Cap. 22 (Law 3 of 1961 as consolidated and revised) of the Cayman Islands
“Company”	China Dredging Environment Protection Holdings Limited (中國疏浚環保控股有限公司), a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed to such term under the Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed to the term under the Listing Rules
“Covenantors”	Mr. Liu, Mr. Dong, Wangji, and Shen Wang and “Covenantor” means any one of them
“Director(s)”	the director(s) of the Company
“Extension Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the AGM to the effect that the total number of Shares which may be allotted and issued under the General Mandate may be increased by an additional number representing such number of Shares actually repurchased under the Repurchase Mandate
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

DEFINITIONS

“Independent Board Committee”	independent board committee of the Company comprising Mr. Huan Xue Dong, Mr. Chan Ming Sun Jonathan and Mr. Xu Hengju, being all INEDs, to advise the Independent Shareholders in respect of the Supplemental Deed
“Independent Financial Adviser” or “IFA”	New Spring Capital Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Supplemental Deed
“Independent Shareholder(s)”	any Shareholder that is not required to abstain from voting at the AGM to approve a connected transaction (i.e. the Supplemental Deed)
“INED(s)”	independent non-executive Director(s)
“Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the AGM to exercise the Company’s power to allot, issue or otherwise deal with Shares up to a maximum of 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolution at the AGM
“Latest Practicable Date”	21 April 2015, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Dong”	Mr. Dong Liyong, one of the Covenantors, and who is a former Director of the Company, and the sole owner of Shen Wang
“Mr. Liu”	Mr. Liu Kaijin, one of the Controlling Shareholders, and who is an executive Director, a joint chairman and the chief executive officer of the Company, and also the sole owner of Wangji
“PRC”	The People’s Republic of China

DEFINITIONS

“Principal Deed”	the deed of non-competition dated 24 May 2011 and entered into between Mr. Liu, Mr. Dong, Wangji, Shen Wang and the Company
“Relevant Capacity”	for its own account or for that of any person, firm or company other than the Company or the Group and whether through the medium of any company which is its associate (for which purpose there shall be aggregated with its shareholding or ability to exercise control the shares held or controlled by any of its associates) or as principal, partner, director, employee, consultant or agent and whether for profit, reward or otherwise
“Restricted Activity”	capital dredging, reclamation dredging, maintenance dredging and environmental protection dredging services and dredging-related construction services in the PRC and other business activities engaged by the Group from time to time
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the AGM to enable them to repurchase Shares on the Stock Exchange, or any other stock exchange on which the Shares of the Company may be listed, Shares up to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolution at the AGM
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Shen Wang”	Shen Wang Limited, a company incorporated under the laws of the British Virgin Islands on June 3, 2010 with limited liability and wholly owned by Mr. Dong, and one of the Covenantors
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Deed”	the supplemental deed of non-competition dated 2 April 2015 and entered into between Mr. Liu, Wangji, Mr. Dong, Shen Wang, and the Company, which contains provisions to amend the Principal Deed as summarised in the main text of this circular

DEFINITIONS

“Takeovers Code”	the Codes on Takeovers and Mergers issued by the Securities and Futures Commission in Hong Kong
“Wangji”	Wangji Limited, a company incorporated under the BVI laws on 16 March 2010 with limited liability, which is solely owned by Mr. Liu, and one of the Controlling Shareholders and one of the Covenantors
“%”	per cent.

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Liu Kaijin (*Joint chairman
and chief executive officer*)
Ms. Zhou Shuhua

Non-executive Director:

Mr. Liu Longhua (*Joint chairman*)

Independent non-executive Directors:

Mr. Huan Xuedong
Mr. Xu Hengju
Mr. Chan Ming Sun Jonathan

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

*Head office and principal place of
business in Hong Kong:*

Office 19, 36th Floor
China Merchants Tower
Shun Tak Centre
200 Connaught Road Central
Hong Kong

24 April 2015

To the Shareholders

Dear Sir/Madam

**(A) PROPOSED GRANT OF GENERAL MANDATES
TO ISSUE SHARES AND REPURCHASE SHARES;
(B) RE-ELECTION OF RETIRING DIRECTORS;
(C) NOTICE OF ANNUAL GENERAL MEETING; AND
(D) CONNECTED TRANSACTION: AMENDMENT OF DEED OF
NON-COMPETITION**

INTRODUCTION

On 29 May 2014, written resolutions were passed by the Shareholders to grant to the Directors general mandates to issue Shares and to repurchase Shares respectively and to extend the general mandate to allot, issue and deal in additional Shares by the number of Shares repurchased by the Company. 85,560,000 Shares and 85,560,000 Shares were allotted and issued by the Company

LETTER FROM THE BOARD

under the said general mandate on 30 January 2015 and 2 February 2015 respectively. The abovementioned general mandates will lapse at the conclusion of the AGM. It is therefore proposed to seek at the AGM (among other matters) the grant by Shareholders to the Directors of the Issue Mandate, the Repurchase Mandate and the Extension Mandate. The primary purposes of this circular are to provide you with information regarding the resolutions to be proposed at the AGM and to give you notice of AGM. Resolutions to be proposed at the AGM include ordinary resolutions relating to (i) the proposed grant of each of the Issue Mandate, the Repurchase Mandate and the Extension Mandate; (ii) the proposed re-election of each of the retiring Directors; (iii) notice of the AGM; and (iv) the amendment of the Deed of Non-Competition. Please refer to the section headed “Connected Transaction: Amendment of the Deed of Non-Competition” in this circular for further details regarding item (iv) above.

THE ISSUE MANDATE

At the AGM, an ordinary resolution will be proposed that the Directors be granted the Issue Mandate to allot, issue and deal in Shares up to a maximum of 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolution. As at the Latest Practicable Date, the number of Shares in issue is 1,026,720,000. Subject to the passing of the relevant resolution, the maximum number of new Shares to be issued under the Issue Mandate will be 205,344,000 Shares (assuming that there will be no change in the number of Shares in issue between the Latest Practicable Date and the date of the AGM).

THE REPURCHASE MANDATE AND THE EXTENSION MANDATE

At the AGM, an ordinary resolution will also be proposed that the Directors be granted the Repurchase Mandate to exercise all powers of the Company to repurchase on the Stock Exchange, or on any other stock exchange on which the Shares of the Company may be listed, Shares up to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolution.

In addition, at the AGM, an ordinary resolution will be proposed that the Directors be granted the Extension Mandate by which the Issue Mandate will be extended by such number of additional Shares as is equal to the number of Shares repurchased by the Company pursuant to the exercise of the Repurchase Mandate.

The Repurchase Mandate and the Issue Mandate will continue in force until the conclusion of the next annual general meeting of the Company, unless it is renewed at such meeting or until revoked or varied by ordinary resolutions of the Shareholders in general meeting held prior to the next annual general meeting of the Company.

An explanatory statement required by the Listing Rules to be sent to the Shareholders in connection with the Repurchase Mandate is set out in Appendix I to this circular. The explanatory statement contains all the information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the proposed resolution relating to the Repurchase Mandate at the AGM.

LETTER FROM THE BOARD

RE-ELECTION OF RETIRING DIRECTORS

In accordance with Article 105(A) of the Articles, one-third of the Directors for the time being (or, if their number is not three or a multiple of three, then the number nearest to but no less than one-third) shall retire office from rotation. It is proposed that Mr. Liu, Ms. Zhou Shuhua (“**Ms. Zhou**”, being an executive Director), and Mr. Chan Ming Sun Jonathan (“**Mr. Chan**”, being an independent non-executive Director) will by rotation retire from their office as Directors at the AGM and being eligible, offer themselves for re-election as Directors at the AGM.

Biographical details of each of Mr. Liu, Ms. Zhou and Mr. Chan (who would offer themselves for re-election) are required to be disclosed pursuant to the Listing Rules, and are set out in Appendix II to this circular.

CONNECTED TRANSACTION: AMENDMENT OF DEED OF NON-COMPETITION

The Principal Deed

Reference is made to the announcement of the Company dated 2 April 2015, and the Principal Deed dated 24 May 2011 and entered into between Mr. Liu, Mr. Dong, Wangji, Shen Wang and the Company in contemplation of the initial public offering of shares by the Company in 2011. Pursuant to the Principal Deed, each of the Covenantors has irrevocably and jointly and severally given certain undertakings in favour of the Company (for itself and for the benefits of its subsidiaries, where appropriate), including the undertakings that the Covenantor shall not (and shall procure that his/its associates at any time during the term of the Principal Deed (other than the Group) will not) in any Relevant Capacity directly or indirectly, alone or jointly with another person, in any form be interested or involved or engaged in or assist or support any third party in the operation of or acquire or hold any right or interest in any business or is about to be engaged in any business which competes or is likely to compete directly or indirectly with the Restricted Activity.

Under the Principal Deed, each Covenantor is also required to give certain confirmations and/or information to the Company and/or to perform certain acts on an annual basis (or when the circumstances as provided in the Principal Deed having occurred), so long as the Principal Deed is in force. Furthermore, the Principal Deed provides that it cannot be amended or varied save with the prior approval (“**Shareholders Approval**”) of the Shareholders by ordinary resolution (other than the Covenantors and their associates who are also Shareholders and are required to abstain from voting at the relevant general meeting).

The Supplemental Deed

On 2 April 2015 (after trading hours), each of the Covenantors and the Company entered into the Supplemental Deed.

LETTER FROM THE BOARD

In the Supplemental Deed, the parties agree and confirm that upon the Shareholders Approval being obtained, Mr. Dong and Shen Wang shall be excluded from being Covenantors to the Principal Deed, and they shall no longer be bound by the Principal Deed, nor be they deemed as part of the Controlling Shareholders for the purpose of the Principal Deed. Both Mr. Liu and Mr. Dong also confirmed in the Supplemental Deed that as at the date of the Supplemental Deed, they did not have any business or other special relationships between them, and they did not consider themselves to be persons connected to each other under the Listing Rules or parties acting in concert.

The amendments to the Principal Deed as contemplated by the Supplemental Deed shall take effect upon the Shareholders Approval being obtained. If the Shareholders Approval is not obtained on or before 31 December 2015 (or such later date as may be agreed by the parties), the Supplemental Deed shall become null and void in all respects and cease to have any effect; and no party shall have any claim against any of the other parties in connection with the Supplemental Deed.

The Supplemental Deed is supplemental to the Principal Deed. All the provisions of the Principal Deed shall continue to remain in full force and effect, save as supplemented and varied by the Supplemental Deed.

Reasons for entering into the Supplemental Deed

The Directors (excluding the INEDs whose views will be contained in the section headed “Letter from the Independent Board Committee” in this circular after considering the IFA’s recommendation) are of the view that the collection and compilation of such information and/or taking of such actions as required under the Principal Deed will result in time and costs being incurred by the Company and also the Covenantors. To the best of the Directors’ knowledge and based on the Company’s previous experience in obtaining the confirmation from Mr. Dong regarding the undertakings required by the Principal Deed, as Mr. Dong from time to time travelled to different places outside Hong Kong for his business ventures and/or personal reasons, the Company may not be able to contact Mr. Dong conveniently in time to obtain such confirmation from him. The Company may require up to several weeks each time in order to obtain such confirmation from Mr. Dong, and also the Company will need to assign certain staff to liaise with Mr. Dong and obtain such confirmation from him, which the Company believes is not cost-efficient.

Mr. Dong and Shen Wang did not have any interest in any shares in the Company as at the date of the Supplemental Deed. Mr. Dong ceased to be a director of the Company with effect from 25 April 2012. Given that (i) Mr. Dong and Shen Wang cease to have any equity interest in the Company, and (ii) both Mr. Liu and Mr. Dong do not consider themselves to be persons connected to each other under the Listing Rules or parties acting in concert anymore, the Directors (excluding the INEDs) consider it appropriate to exclude Mr. Dong and Shen Wang from being bound by the Principal Deed in order to save unnecessary time and costs to be incurred by the Company to obtain annually the confirmations required under the Principal Deed from Mr. Dong and Shen Wang.

LETTER FROM THE BOARD

Furthermore, in the event Mr. Dong and Shen Wang will be excluded from restriction to engage in the Restricted Activity under the Supplemental Deed, Mr. Dong and Shen Wang may then engage in the Restricted Activity which competes or may compete with the Group.

However, having taken into consideration of the factors mentioned in the above paragraphs, the Board considers that the entering into of the Supplemental Agreement is fair and reasonable and in the interest of the Company and the Shareholders as a whole, as Mr. Dong is an independent third party, and it would be burdensome for the Company to obtain such annual confirmation from an independent third party concerning matters on Restricted Activity.

Information on the Parties and the Company

Wangji is an investment holding company incorporated under BVI laws with limited liability. It is solely owned by Mr. Liu, and is one of the Controlling Shareholders. It is also one of the Covenants.

Mr. Liu is one of the Controlling Shareholders, an executive Director, and the joint chairman and chief executive officer of the Company. He is also one of the Covenants.

Shen Wang is an investment holding company incorporated under BVI laws with limited liability. It is solely owned by Mr. Dong, and is one of the Covenants.

Mr. Dong is a former director of the Company, and he is also one of the Covenants. Mr. Dong does not hold any offices in the Company or any of its subsidiaries as at the Latest Practicable Date.

Neither of Mr. Dong and Shen Wang is a party connected to the Company and its connected persons under the Listing Rules as at the Latest Practicable Date.

The Company is an investment holding company incorporated in the Cayman Islands. The Group is principally engaged in providing dredging services in the PRC, ranging from capital dredging, reclamation dredging, maintenance dredging and environmental protection dredging.

Listing Rules Implications

As at the Latest Practicable Date, Mr. Liu (an executive Director and a controlling Shareholder) and Wangji are deemed to be interested in approximately 34% and 33% respectively of the entire issued share capital of the Company. Of the 34% interest attributable to Mr. Liu, 1.66% is attributable to shares owned by Mr. Liu personally, and 32.66% is attributable to Wangji which is solely owned by Mr. Liu. They are accordingly connected persons of the Company as defined under the Listing Rules. The entering into the Supplemental Deed constitutes a connected transaction under Chapter 14A of the Listing Rules, which is subject to the reporting, announcement, and Independent Shareholders' approval requirements under the Listing Rules.

LETTER FROM THE BOARD

An Independent Board Committee has been formed to advise the Independent Shareholders on the Supplemental Deed. The Independent Financial Adviser has also been appointed to make recommendation to the Independent Board Committee and the Independent Shareholders in respect of the Supplemental Deed.

The Directors (excluding the INEDs) consider that the terms of the Supplemental Deed are fair and reasonable and in the interests of the Shareholders as a whole.

Save for Mr. Liu and Ms. Zhou (who is the spouse of Mr. Liu), all of the Directors have confirmed that none of them has any material interest in the Supplemental Deed. Accordingly, no Director (except for Mr. Liu and Ms. Zhou) is required to abstain from voting at the meeting of the Board to approve the Supplemental Deed.

AGM

Notice of the AGM is set out on page 34 to 38 of this circular. A form of proxy for use at the AGM is also enclosed herewith. They are also published on the website of the Stock Exchange and the website of the Company.

Whether or not you intend to attend the AGM in person, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time of the AGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or at any adjournment thereof should you so wish and in such event, the form of proxy shall be deemed to be revoked.

VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. An announcement on the results of the poll will be published by the Company after the AGM on the respective websites of the Stock Exchange and the Company.

RECOMMENDATION

The Directors consider that the proposed granting to the Directors of the Issue Mandate, the Repurchase Mandate and the Extension Mandate, and the re-election of each of the retiring Directors above are in the best interests of the Company and the Shareholders as a whole. The Directors therefore recommend Shareholders to vote in favour of all the relevant resolutions as set out in the notice of the AGM.

The AGM will also be held for the Independent Shareholders to consider and, if thought fit, approve the Supplemental Deed by way of ordinary resolution.

LETTER FROM THE BOARD

Your attention is drawn to:

- (a) the letter from the Independent Board Committee set out on pages 13 to 14 of this circular which contains its recommendation to the Independent Shareholders;
- (b) the letter from the Independent Financial Adviser set out on pages 15 to 21 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders; and
- (c) additional information set out in the Appendices of this circular.

As at the Latest Practicable Date, Mr. Liu and Wangji (being the Company's Controlling Shareholders and two of the Covenantors in the Supplemental Deed) have a material interest in the Supplemental Deed. As at the Latest Practicable Date, Mr. Liu and Wangji were deemed to be interested in approximately 34% and 33% respectively of the entire issued share capital of the Company; of the 34% interest attributable to Mr. Liu, 1.66% is attributable to shares owned by Mr. Liu personally, and 32.66% is attributable to Wangji which is solely owned by Mr. Liu. Accordingly, they will abstain from voting in respect of the resolutions approving the Supplemental Deed at the AGM.

Having taken into account the factors as disclosed in the section headed "Reasons for entering into the Supplemental Deed" above, the Board (excluding (i) the independent non-executive Directors who have formed their views after considering the advice of the Independent Financial Adviser, details of which are set out in the section headed "Letter from the Independent Board Committee" of this circular; and (ii) Mr. Liu and Ms. Zhou who had abstained from voting at the meeting of the Board to approve the Supplemental Deed) considers that although the entering into of the Supplemental Deed is not in the ordinary and usual course of business of the Company, the terms of the Supplemental Deed are on normal commercial terms and are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the AGM to approve the Supplemental Deed.

GENERAL INFORMATION

Your attention is drawn to the additional information set out in the Appendices to this circular.

MISCELLANEOUS

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

LETTER FROM THE BOARD

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

By Order of the Board

China Dredging Environment Protection Holdings Limited

Liu Kaijin

*Joint chairman, executive Director and
chief executive officer*



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)

24 April 2015

To the Independent Shareholders,

Dear Sir or Madam,

**CONNECTED TRANSACTION:
AMENDMENT TO DEED OF NON-COMPETITION**

We refer to the circular of the Company dated 24 April 2015 (the “Circular”) of which this letter forms part. Terms defined in the Circular shall have the same meanings when used herein unless the context otherwise requires.

We have been appointed as members of the Independent Board Committee to advise the Independent Shareholders on the Supplemental Deed and whether its terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole. New Spring Capital Limited has been appointed as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in this regard.

Your attention is drawn to:

- (a) the letter from the Board set out on pages 5 to 12 of this circular which contains information about the Supplemental Deed;
- (b) the letter from the Independent Financial Adviser set out on pages 15 to 21 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders; and
- (c) additional information set out in the Appendices of this circular.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having considered the terms of the Supplemental Deed and the advice and recommendations of the Independent Financial Adviser and taken into account the principal factors and reasons considered by the Independent Financial Adviser, we are of the opinion that although the entering into of the Supplemental Deed is not in the ordinary and usual course of business of the Company, the terms of the Supplemental Deed are on normal commercial terms and are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the AGM to approve the Supplemental Deed.

Yours faithfully,

For and on behalf of the

Independent Board Committee

Mr. Xu Hengju, Mr. Huan Xuedong and Mr. Chan Ming Sun Jonathan

Independent Non-executive Directors

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the text of the letter of advice from New Spring Capital Limited, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the terms of the Supplemental Deed, which has been prepared for the purpose of inclusion in this circular.



Unit 2108, China Merchants Tower
Shun Tak Centre
168–200 Connaught Road Central
Hong Kong

24 April 2015

*To: the Independent Board Committee and
the Independent Shareholders of China Dredging
Environment Protection Holdings Limited*

Dear Sir/Madam,

CONNECTED TRANSACTION AMENDMENT TO DEED OF NON-COMPETITION

INTRODUCTION

We refer to our engagement as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the terms of the Supplemental Deed which supplemented and varied the provisions of the Principal Deed. Details of the terms of the Principal Deed and amendment made under the Supplemental Deed are set out in the letter from the Board (“**Letter from the Board**”) contained in the circular of the Company dated 24 April 2015 (“**Circular**”) to the Shareholders, of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless the context otherwise requires.

Reference is made to the announcement of the Company dated 2 April 2015 in respect of the entering into the Supplemental Deed between the Company and each of the Covenantors. As at the Latest Practicable Date, Mr. Liu (an executive Director and a Controlling Shareholder) and Wangji are deemed to be interested in approximately 34% and 33% of the entire issued share capital of the Company respectively. Of the 34% interest attributable to Mr. Liu, 1.66% is attributable to shares owned by Mr. Liu personally, and 32.66% is attributable to Wangji which is solely owned by Mr. Liu. They are accordingly connected persons of the Company as defined under the Listing Rules. The entering into the Supplemental Deed constitutes a connected transaction under Chapter 14A of the Listing Rules, which is subject to the reporting, announcement, and Independent Shareholders’ approval requirements under the Listing Rules.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Accordingly, Mr. Liu and Wangji, being the Company's Controlling Shareholders and two of the Covenantors in the Supplemental Deed, are required to abstain from voting in respect of the resolutions approving the Supplemental Deed at the AGM, pursuant to Rule 14A.36 of the Listing Rules.

The Independent Board Committee comprising all the INEDs, namely Mr. Huan Xue Dong, Mr. Chan Ming Sun Jonathan and Mr. Xu Hengju has been established to advise the Independent Shareholders as to (i) whether the terms of the Supplemental Deed are fair and reasonable so far as the Independent Shareholders are concerned, and (ii) whether the entering into the Supplemental Deed is in the interests of the Company and the Shareholders as a whole; and (iii) how the Independent Shareholders should vote in respect of the ordinary resolution to be proposed at the AGM to approve the Supplemental Deed.

In this connection, we, New Spring Capital Limited, have been appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the Supplemental Deed. Apart from normal professional fees paid to us in connection with such appointments, no arrangements exist whereby we had received any fees or benefits from the Company or any other party to the transactions, therefore we consider such relationship would not affect our independence.

BASIS OF OUR OPINION

In formulating our opinions and recommendations to the Independent Board Committee and the Independent Shareholders, we have relied on the accuracy of the information, opinions and representations contained or referred to in the Circular (or otherwise provided to us by the Directors and the management of the Company (the "**Management**")), and have assumed that all information, opinions and representations contained or referred to in the Circular (or otherwise provided to us by the Directors and the Management) were true, accurate and complete in all respects at the time when they were made and up to the date of this letter. We have also assumed that all statements of belief, opinions and intention made by the Directors in the Circular (or otherwise provided to us by the Directors and the Management) are reasonably made after due enquiry. We have no reason to doubt that any relevant information has been withheld or omitted, nor are we aware of any fact or circumstance which would render the information provided and representations and opinions made to us untrue, inaccurate or misleading.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Circular (or otherwise provided to us by the Directors and the Management) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in the Circular (or otherwise provided to us by the Directors and the Management) have been arrived at after due and careful consideration and there are no other facts not contained in the Circular, the omission of which would make any statement in the Circular misleading.

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We consider that we have received sufficient information to enable us to reach an informed view and to justify reliance on the accuracy of the information contained in the Circular to provide a reasonable basis for our opinions and recommendations. We consider that we have performed all the necessary steps as required under Rule 13.80 of the Listing Rules to enable us to reach an informed view and to justify our reliance on the information provided and representations made to us so as to form a reasonable basis for our opinions including, among other things, reviewed (i) the Principal Deed; (ii) the Supplemental Deed; (iii) the prospectus of the Company (formerly known as Xiangyu Dredging Holdings Limited) dated 8 June 2011 (the “**Prospectus**”); and (iv) other information as set out in the Circular.

We have not, however, for the purpose of this exercise, conducted any independent detailed verification or audit into the businesses or affairs of the Company, its subsidiaries or associates. Our opinion was necessarily based on the information made available to us as at the Latest Practicable Date.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinions and recommendations to the Independent Board Committee and the Independent Shareholders with regard to the terms of the Supplemental Deed, we have considered the following principal factors and reasons:

I. Background of the Principal Deed

The Company is an investment holding company incorporated in the Cayman Islands. The Group is principally engaged in providing dredging services in the PRC, ranging from capital dredging, reclamation dredging, maintenance dredging and environmental protection dredging.

Mr. Liu is one of the Controlling Shareholders, an executive Director, and the joint chairman and chief executive officer of the Company. Wangji is an investment holding company incorporated under BVI laws with limited liability, being one of the Controlling Shareholders, and is solely owned by Mr. Liu.

Mr. Dong is a former director of the Company. Shen Wang is an investment holding company incorporated under BVI laws with limited liability and is solely owned by Mr. Dong.

Mr. Liu, Mr. Dong, Wangji, and Shen Wang are Covenantors.

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The Principal Deed dated 24 May 2011 was entered into between Mr. Liu, Mr. Dong, Wangji, Shen Wang and the Company in contemplation of the initial public offering of shares by the Company in June 2011. Pursuant to the Principal Deed, each of the Covenantors has irrevocably and jointly and severally given certain undertakings in favour of the Company (for itself and for the benefits of its subsidiaries, where appropriate), including the undertakings that the Covenantor shall not (and shall procure that his/its associates at any time during the term of the Principal Deed (other than the Group) will not) in any Relevant Capacity directly or indirectly, alone or jointly with another person, in any form be interested or involved or engaged in or assist or support any third party in the operation of or acquire or hold any right or interest in any business or is about to be engaged in any business which competes or is likely to compete directly or indirectly with the Restricted Activity which include capital dredging, reclamation dredging, maintenance dredging and environmental protection dredging services and dredging-related construction services in the PRC and other business activities engaged by the Group from time to time.

Each of the Covenantors has further irrevocably and unconditionally undertaken to the Company (i) to provide and/or procure the provision to the Company and/or its Directors from time to time of all information necessary for annual review by the INEDs with regard to the compliance of the terms of the Principal Deed; and (ii) to issue an annual confirmation to the Company on compliance by the relevant Covenantor with the terms of the Principal Deed and consenting to the disclosure of such confirmation in the annual reports of the Company or the announcements published by the Company regarding the decisions of the INEDs on matters referred to in the Principal Deed, so long as the Principal Deed is in force.

The Principal Deed cannot be amended or varied save with the prior approval of the Shareholders (“**Shareholders Approval**”) of the Company by ordinary resolution (other than the Covenantors and their associates who are also Shareholders of the Company and are required to abstain from voting at the relevant general meeting).

II. Principal terms of the Supplemental Deed

On 2 April 2015 (after trading hours), each of the Covenantors and the Company entered into the Supplemental Deed. In the Supplemental Deed, the parties agree and confirm that upon the Shareholders Approval being obtained, Mr. Dong and Shen Wang shall be excluded from being Covenantors to the Principal Deed, and they shall no longer be bound by the Principal Deed, nor be they deemed as part of the Controlling Shareholders for the purpose of the Principal Deed. Both Mr. Liu and Mr. Dong also confirmed in the Supplemental Deed that as at the date of the Supplemental Deed, they did not have any business or other special relationships between them, and they did not consider themselves to be persons connected to each other under the Listing Rules or parties acting in concert. Neither Mr. Dong nor Shen Wang is a party connected to the Company or its connected persons under the Listing Rules as at the Latest Practicable Date.

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The supplements to the Principal Deed as contemplated by the Supplemental Deed shall take effect upon the Shareholders Approval being obtained. If the Shareholders Approval is not obtained on or before 31 December 2015 (or such later date as may be agreed by the parties), the Supplemental Deed shall become null and void in all respects and cease to have any effect; and no party shall have any claim against any of the other parties in connection with the Supplemental Deed.

We have reviewed the Supplemental Deed and understood from the Company that the Supplemental Deed is only supplemental to the Principal Deed and all the provisions of the Principal Deed shall continue to remain in full force and effect, save as supplemented and varied by the Supplemental Deed.

III. Reasons for entering into the Supplemental Deed

Referring to the Prospectus, we note that since Mr. Liu had transferred 26,666,667 Shares (representing approximately 26.7% of the then entire issued share capital of the Company) to Shen Wang (beneficially owned by Mr. Dong) in form of a gift in May 2011, Mr. Liu and Mr. Dong were treated as parties acting in concert (as defined under the Takeovers Code) with each other (and they had agreed to be so treated).

Pursuant to the announcement of the Company dated 25 April 2012, Mr. Dong has resigned as joint chairman and non-executive Director, member of the remuneration committee, chairman of the nomination committee, authorized representative of the Company and all his posts in the Company and its subsidiaries with effect from 25 April 2012. Mr. Dong confirmed that he had no claims against the Company or the Group or any disagreement with the Board, or any matters that need to be brought to the attention of the Shareholders of the Company in relation to his resignation. Mr. Dong does not hold any offices in the Company or any of its subsidiaries as at the Latest Practicable Date.

We are further advised by the Company that Mr. Dong and Shen Wang did not hold any interest in any shares in the Company as at the date of the Supplemental Deed.

Regarding the relationship between Mr. Liu and Mr. Dong as at the date of the Supplemental Deed, we are given to understand that both Mr. Liu and Mr. Dong confirmed in the Supplemental Deed that they did not have any business or other special relationships between them, and they did not consider themselves to be persons connected to each other under the Listing Rules or parties acting in concert.

Given the facts that (i) Mr. Dong ceased to be a Director and other posts in of the Company since 25 April 2012; (ii) Mr. Dong or Shen Wang did not have any interest in any shares in the Company as at the date of the Supplemental Deed; and (iii) the aforementioned confirmations from Mr. Liu and Mr. Dong in regard of their relationship, we therefore agree with the Company that Mr. Liu and Mr. Dong are neither persons connected to each other under the Listing Rules nor parties acting in concert anymore as at the date of the Supplemental Deed. In addition, since (i) neither Mr. Dong nor Shen Wang is a party

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connected to the Company or any of its connected persons under the Listing Rules as at the Latest Practicable Date and (ii) Mr. Dong does not hold any offices or has any interest in the Company or any of its subsidiaries as at the Latest Practicable Date, we concur with the Company that Mr. Dong and Shen Wang should not be deemed as the Controlling Shareholders or connected parties of the Company for the purpose of the Principal Deed and it is appropriate to exclude Mr. Dong and Shen Wang from being bound by the Principal Deed.

We are further advised by the Directors that the collection and compilation of all information necessary for annual review by the Independent non-executive Directors with regard to the compliance with the terms of the Principal Deed and/or issuance of annual confirmations to the Company on compliance by the relevant Covenantors with the terms of the Principal Deed and consenting to the disclosure of such confirmations in the annual reports of the Company or the announcements published by the Company regarding the decisions of the INEDs on matters referred to in the Principal Deed will result in additional time and costs being incurred by the Company. Based on the Company's previous experience in obtaining the confirmation from Mr. Dong regarding the undertakings as required by the Deed of non-competition, as Mr. Dong from time to time travelled to different places outside Hong Kong for his business ventures and/or personal reasons, the Company may not be able to contact Mr. Dong conveniently in time to obtain such confirmation from him. The Company may require up to several weeks each time in order to obtain such confirmation from Mr. Dong, and also the Company will need to assign certain staff to liaise with Mr. Dong and obtain such confirmation from him, which the Company believes is not cost-efficient. Excluding Mr. Dong and Shen Wang from being bound by the Principal Deed would save unnecessary time and costs to obtain the annual confirmations.

We are given to understand that, in the event Mr. Dong and Shen Wang will be excluded from restriction to engage in the Restricted Activity under the Supplemental Deed, Mr. Dong and Shen Wang may then engage in the Restricted Activity which competes or may compete with the Group. However, we agree with the Board that as Mr. Dong and Shen Wang are independent third parties, it is appropriate to exclude them from being bound by the Principal Deed. It would be burdensome and inapplicable for the Company to obtain such annual confirmations from independent third parties concerning matters on Restricted Activity. Hence, we consider that such exclusion is fair and reasonable and in the interest of the Company and the Shareholders as a whole.

Furthermore, we note that pursuant to the Supplemental Deed, all the provisions of the Principal Deed shall continue to remain in full force and effect, save as supplemented and varied by the Supplemental Deed. The Principal Deed and the Supplemental Deed shall be read and constructed as one document. Therefore, Mr. Liu and Wangji, being the remaining Controlling Shareholders of the Company, shall continue to undertake the terms in the Principal Deed and provide the annual confirmation on compliance with the terms of the Principal Deed. Since it is considered that the exclusion of Mr. Dong and Shen Wang from the

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Principal Deed is appropriate and all the provisions of the Principal Deed remains unchanged (save for such exclusion), we concur with the Directors that the terms of the Supplemental Deed are on normal commercial terms.

Based on the above that (i) Mr. Dong and Shen Wang are independent third parties; (ii) Mr. Dong and Shen Wang should not be deemed as part of the Controlling Shareholders of the Company for the purpose of the Principal Deed; (iii) excluding Mr. Dong and Shen Wang from being bound by the Principal Deed would save unnecessary time and costs to obtain the annual confirmations; (iv) the Supplemental Deed is only supplemental to the Principal Deed and all the provisions of the Principle Deed shall continue to remain in full force and effect; and (v) Mr. Liu and Wangji, being the remaining Controlling Shareholders of the Company, shall continue to undertake the terms in the Principal Deed, although the entering into of the Supplemental Deed is not in the ordinary and usual course of business of the Company, we concur with the Directors that the terms of the Supplemental Deed are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned and the entering into of the Supplemental Deed is in the interests of the Company and the Shareholders as a whole.

RECOMMENDATION

Having considered the abovementioned principal factors and reasons, although the entering into of the Supplemental Deed is not in the ordinary and usual course of business of the Company, we are of the view that the terms of the Supplemental Deed are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned and the entering into of the Supplemental Deed is in the interests of the Company and the Shareholders as a whole. We therefore advise the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the AGM to approve the Supplemental Deed.

Yours faithfully,

For and on behalf of

NEW SPRING CAPITAL LIMITED

Keith Tsang

Managing Director

Tina Tian

Director

Note: Mr. Keith Tsang and Ms. Tina Tian are licensed person registered with the SFC to carry out type 6 (advising on corporate finance) regulated activities under the SFO and have over 18 years and 7 years of experience in corporate finance industry respectively.

This appendix serves as an explanatory statement, as required by the Listing Rules, to provide certain information to you for your consideration of the Repurchase Mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date, the number of Shares in issue is 1,026,720,000. Subject to the passing of the resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased before the AGM, the Company will be allowed to repurchase a maximum of 102,672,000 Shares, being 10% of the issued share capital of the Company as at the date of passing of the relevant resolution for granting the Repurchase Mandate.

2. REASONS FOR REPURCHASES

The Directors believe that it is in the best interests of the Company and the Shareholders to seek a general authority from the Shareholders to enable the Company to repurchase its Shares on the Stock Exchange. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or its earnings per share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders.

3. FUNDING OF REPURCHASES

Repurchases made pursuant to the Repurchase Mandate would be funded out of funds legally available for the purpose in accordance with the Articles and the applicable laws of the Cayman Islands. Under the Cayman Islands laws, any repurchases by the Company may only be made out of profits of the Company or out of the proceeds of a fresh issue of shares made for the purpose of the repurchase or, if so authorised by its Articles and subject to the provisions of the Companies Law, out of capital and, in the case of any premium payable on a repurchase, such premium must be provided for out of the profits of the Company or from sums standing to the credit of the share premium account of the Company or, if authorised by its Articles and subject to the provisions of the Companies Law, out of capital.

There might be material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the Annual Report for the year ended 31 December 2014) in the event that the Repurchase Mandate were to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse impact on the working capital requirements of the Company or the gearing levels which, in the opinion of the Board, are from time to time appropriate for the Company.

4. SHARE PRICES

The following table shows the highest and lowest prices at which the Shares have been traded on the Stock Exchange during each of the twelve months preceding the Latest Practicable Date:

Month	Share prices per Share	
	Highest	Lowest
2014		
April	3.45	2.55
May	2.71	2.04
June	2.70	2.22
July	2.51	2.09
August	2.36	1.92
September	2.15	1.85
October	1.95	1.66
November	2.03	1.63
December	1.75	1.20
2015		
January	1.48	1.27
February	1.39	1.23
March	1.92	1.31
April (up to the Latest Practicable Date)	2.14	1.83

5. GENERAL

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates, has any present intention to sell any Shares to the Company, if the Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will only exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

The Company has not been notified by any connected person that such a person has a present intention to sell, or has undertaken not to sell, any Shares to the Company, if the Repurchase Mandate is approved by the Shareholders.

All repurchased Shares (whether effected on the Stock Exchange or otherwise) will be automatically delisted and the certificates for those Shares must be cancelled and destroyed. Under Cayman Islands law, a company's repurchased shares may be treated as cancelled and the amount of the company's issued share capital will be reduced by the aggregate par value of the repurchased shares accordingly although the authorized share capital of the company will not be reduced.

If, as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. Accordingly, a Shareholder, or a group of Shareholders acting in concert, depending on the level of increase of the Shareholders' interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Company, Wangji Limited ("**Wangji**", which is solely owned by Mr. Liu Kaijin, a joint chairman, an executive Director and a chief executive officer of the Company)) holds 335,301,000 Shares, representing approximately 32.66% of the issued share capital of the Company. An exercise of the Repurchase Mandate in full may result in Mr. Liu Kaijin and Wanji becoming obliged to make a mandatory offer under Rule 26 of the Takeovers Code. Nevertheless, the Directors have no intention to exercise the Repurchase Mandate to an extent as may result in any shareholder becoming obliged to make a general offer under Rule 26 of the Takeovers Code.

On the basis of the current financial position of the Group as disclosed in the annual report for the year ended 31 December 2014 and taking into account the Group's current working capital position, the Directors consider that, if the Repurchase Mandate were to be exercised in full, it might have a material adverse impact on the working capital and/or the gearing position of the Group as compared with the position disclosed in the annual report. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Group or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Group.

Assuming that there is no issue of Shares between the Latest Practicable Date and the date of a repurchase and no disposal by any of the substantial Shareholders of their interests in the Shares, an exercise of the Repurchase Mandate whether in whole or in part will not result in less than 25% of the Shares being held by the public. In any event, the Directors have no intention to exercise the Repurchase Mandate to an extent as may result in a public shareholding of less than 25%.

Save as disclosed above, the Directors are currently not aware of any consequences which will arise under the Takeovers Code as a result of any purchase made under the Repurchase Mandate.

No Shares had been repurchased by the Company, whether on the Stock Exchange or otherwise, during the six months preceding the Latest Practicable Date.

The particulars of each of Mr. Liu, Ms. Zhou and Mr. Chan, the retiring Directors who are proposed to be re-elected at the AGM are set out below:

EXECUTIVE DIRECTORS

Mr. Liu Kaijin (劉開進先生), aged 54, the founder of the Group, was appointed as a Director on 31 May 2010, and was re-designated as an executive Director and chief executive officer on 24 May 2011. Mr. Liu entered into a service agreement with the Company for an initial term of three years with effect from 1 June 2011. He is subject to retirement by rotation under the Articles. Pursuant to the service contract, Mr. Liu is entitled to a salary of RMB3,000,000 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 absolute 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. Mr. Liu was further appointed as the joint chairman of the Board on 5 March 2012. Mr. Liu reduced his salary voluntarily from RMB3,000,000 to RMB1,500,000 per annum with effect from 1 January 2013, and raised his salary back to RMB3,000,000 per annum when his service agreement was renewed on the same terms with effect from 1 June 2014. To demonstrate his dedication to the Company and boost shareholders' confidence and value, Mr. Liu has entered into a supplemental agreement with the Company to reduce his salary voluntarily from RMB3,000,000 to RMB1,200,000 per annum with effect from 1 September 2014. Mr. Liu is the spouse of Ms. Zhou, an executive Director.

Mr. Liu completed his secondary education in 1977. In 2003, Mr. Liu obtained a certificate as a senior construction engineer from the Human Resources Bureau of Yancheng City* (鹽城市人事局). As his experience and knowledge in the PRC dredging business grew, Mr. Liu established Jiangsu Xingyu Port Construction Company Limited* (江蘇興宇港建有限公司) (“**Jiangsu Xingyu**”) in 2007. Mr. Liu worked in the dredging industry of the PRC for approximately 20 years. Mr. 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).

Mr. Liu is the chairman of Jiangsu Xingyu and 江蘇省興宇疏浚環保有限公司 (Jiangsu Province Xingyu Environment Protection Company Limited*) (formerly known as 江蘇省路港建設工程有限公司 (Jiangsu Province Lugang Construction Project Co. Limited*) (“**Jiangsu Lugang**”)) and Hunan Xiangjiang Environmental Protection Industry Investment Management Limited* (湖南湘江環保產業投資管理有限公司) and the chairman and general manager of 江蘇翔宇港建工程管理有限公司 (Jiangsu Xiangyu Port Constructing Project*) (“**Xiangyu PRC**”), 江蘇翔宇水務有限公司 (Jiangsu Xiangyu Water Management Company Limited*) (“**Xiangyu Water Management**”) and 江蘇翔宇環保設備有限公司 (Jiangsu Xiangyu Environment Protection Equipment Company

Limited*) (“**Xiangyu Environment Protection**”), Jiangsu Fengyu Property Development Co. Ltd.* (江蘇豐宇置業有限公司) (“**Jiangsu Fengyu**”) and Jiangsu Xingyu Commerce Co. Ltd.* (江蘇興宇商務有限公司) (“**Jiangsu Xingyu Commerce**”); and has been responsible for overseeing their daily operations and planning their business strategies. Jiangsu Xingyu, Xiangyu PRC, Xiangyu Water Management, Xiangyu Environment Protection and Jiangsu Lugang, Jiangsu Fengyu, Jiangsu Xingyu Commerce and 江蘇蛟龍打撈航務工程有限公司 (Jiangsu Jiaolong Salvage Harbour Engineering Co Ltd*) are subsidiaries of the Company. He is currently a director of each of the subsidiaries of the Company. Save as disclosed above, Mr. Liu has not previously held and is not holding any other position with the Company or its subsidiaries.

As at the Latest Practicable Date, (i) Wangji, which is solely owned by Mr. Liu, holds 335,301,000 Shares, representing approximately 32.66% of the issued share capital of the Company; and (ii) Mr. Liu is also the beneficial owner of 17,098,000 Shares, representing approximately 1.66% of the issued share capital of the Company.

There is no information which is discloseable nor is/was Mr. Liu involved in any matters required to be disclosed pursuant to any of the requirements of the provisions under the Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules in relation to his proposed re-election. There are no other matters concerning Mr. Liu that need to be brought to the attention of the Shareholders.

Save as disclosed above, Mr. Liu does not hold any other directorships in any listed companies in the past three years or other major appointments and qualifications.

Save as disclosed in this circular, Mr. Liu does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company, nor does he have any other interests in the shares of the Company within the meaning of Part XV of the SFO.

Ms. Zhou Shuhua (周淑華), aged 52, was appointed a Director on 18 August 2010 and redesignated as an executive Director on 24 May 2011. She is also a director of Jiangsu Xingyu since its incorporation in 2007. She is mainly responsible for general administrative work of the Group. Ms. Zhou is the spouse of Mr. Liu, joint chairman of the Board, an executive Director and chief executive officer of the Group. Ms. Zhou graduated from The Correspondence Institute of the Party School of the Central Committee of the Communist Party of China* (中共中央黨校函授學院), the PRC in December 1999 and obtained a graduation certificate for undergraduate courses in administrative management. She also obtained a graduation certificate for undergraduate courses in broadcasting in May 2001 from Nanjing Normal University* (南京師範大學), the PRC.

Ms. Zhou has entered into a Director’s service contract with the Company for an initial term of three years with effect from 1 June 2011. She is subject to retirement by rotation under the Articles. Pursuant to the service contract, Ms. Zhou is entitled to a salary of RMB1,800,000 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 absolute discretion provided that such increase shall not exceed 10% per annum). In addition, she 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. Ms. Zhou reduced her salary voluntarily from RMB1,800,000 to RMB900,000 per annum with effect from 1 January 2013, and raised her salary back to RMB1,800,000 per annum when her service agreement was renewed on the same terms with effect from 1 June 2014. To demonstrate her dedication to the Company and boost Shareholders' confidence and value, Ms. Zhou has entered into a supplemental agreement with the Company to reduce her salary to RMB600,000 per annum with effect from 1 September 2014.

As at the Latest Practicable Date, Ms. Zhou was deemed to be interested in 352,399,000 Shares, representing approximately 34.32% of the issued share capital of the Company, through interest of her spouse, Mr. Liu.

Save as disclosed above, Ms. Zhou did not hold any other positions with the Company and/or any of its subsidiaries.

There is no information which is discloseable nor is/was Ms. Zhou involved in any matters required to be disclosed pursuant to any of the requirements of the provisions under the Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules in relation to her proposed re-election. There are no other matters concerning Ms. Zhou that need to be brought to the attention of the Shareholders.

Save as disclosed above, Ms. Zhou does not hold any other directorships in any listed companies in the past three years or other major appointments and qualifications.

Save as disclosed in this circular, Ms. Zhou does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company, nor does she have any other interests in the shares of the Company within the meaning of Part XV of the SFO.

INDEPENDENT NON-EXECUTIVE DIRECTOR

Mr. Chan Ming Sun Jonathan (陳銘樂先生), aged 42, was appointed as the Company's independent non-executive Director in November 2012. He is a member of each of the Company's audit committee, remuneration committee and nomination committee. Mr. Chan entered into an appointment letter with the Company for an initial term of three years commencing from 30 November 2012. He is subject to retirement by rotation under the Articles. Pursuant to the appointment letter, Mr. Chan is entitled to a salary of RMB150,000 per annum.

Mr. Chan graduated from the University of New South Wales, Australia with a Bachelor of Commerce degree in Accounting and Computer Information Systems. Mr. Chan is both a member of the Hong Kong Institute of Certified Public Accountants and Certified Public Accountants, Australia. He has extensive working experience in accounting, investment and corporate finance.

Mr. Chan worked in an international accounting firm for about five years and currently, he is an associate director of Go-To-Asia Investment Limited. He acted as an independent non-executive director of Beautiful China Holdings Limited (whose securities are listed on the main board of the Stock Exchange, stock: 706) from March 2013 to February 2014 and of Capital VC Limited (stock code: 2324) from August 2004 to April 2012. The securities of the above two companies are listed on the main board of the Stock Exchange. Mr. Chan is currently an independent non-executive director of each of Hao Tin Development Group Limited (stock code: 474), Shenyang Public Utility Holdings Company Limited (stock code: 747) and Far East Holdings International Limited (stock code: 36), whose securities are listed on the main board of the Stock Exchange; and of Changhong Jiahua Holdings Limited (stock code: 8016) and L&A International Holdings Limited (stock code: 8195), whose securities are listed on the growth enterprise market of the Stock Exchange.

Mr. Chan has not previously held and is not holding any other position with the Company or its subsidiaries.

There is no information which is discloseable nor is/was Mr. Chan involved in any matters required to be disclosed pursuant to any of the requirements of the provisions under the Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules in relation to his proposed re-election. There are no other matters concerning Mr. Chan that need to be brought to the attention of the Shareholders.

Save as disclosed above, Mr. Chan does not hold any other directorships in any listed companies in the past three years or other major appointments and qualifications.

Mr. Chan does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company, nor does he have any interests in the shares of the Company within the meaning of Part XV of the SFO.

DISCLOSURE OF INTERESTS

Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have such under provisions of the SFO) or (b) were required to be entered in the register maintained by the Company pursuant to section 352 of the SFO or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (“**Model Code**”), to be notified to the Company and the Stock Exchange, were as follows:

Long positions in Shares and underlying Shares of the Company

Name of Director	Number of ordinary shares	% of interest in the Company's issued share capital
Mr. Liu	352,399,000 (<i>Note 1</i>)	34.32
Ms. Zhou	352,399,000 (<i>Note 2</i>)	34.32

Notes:

1. Mr. Liu is the sole beneficial owner of Wangji, which is the direct owner of the 335,301,000 Shares. Further, Mr. Liu is the beneficial owner of 17,098,000 Shares.
2. Ms. Zhou is the spouse of Mr. Liu who is also a Director. By virtue of the SFO, Ms. Zhou is deemed to be interested in all interest of Mr. Liu in the Company including long position and short position.

Long positions in Shares and underlying shares of associated corporation

Name of Director	Name of Group member/associated corporation	Capacity/nature of interest	Percentage of shareholding
Mr. Liu	Jiangsu Xingyu	Beneficial owner	100%
Ms. Zhou	Jiangsu Xingyu	Interest of spouse	100%

Note: Mr. Liu and Ms. Zhou are registered holder of 98.47% and 1.53% of the registered capital of Jiangsu Xingyu respectively. As Ms. Zhou held the 1.53% interest of Jiangsu Xingyu on trust for Mr. Liu, Mr. Liu is the sole beneficial owner of Jiangsu Xingyu. As Ms. Zhou is the spouse of Mr. Liu, she is deemed under the SFO to be interested in the entire registered capital of Jiangsu Xingyu as well.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executives of the Company and their associates had any interests or short positions in any Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) that was required to be recorded in the register maintained by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Substantial Shareholders' and other persons' interest in Shares and Underlying Shares

As at the Latest Practicable Date and to the best knowledge of the Directors and chief executives of the Company, persons (other than Directors or chief executives of the Company) who had an interest or short position, in the Shares and underlying Shares of the Company, as recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

*Long positions in Shares**Substantial Shareholders*

Name	Capacity	Number of Shares	Approximate percentage of holding
Wangji	Beneficial owner	335,301,000	32.66%
CITIC Capital China Access Fund Limited (“CITIC”)	Beneficial owner	90,000,000	8.77%
(Note)			
CITIC Capital Holdings Limited (Note)	Interest of controlled corporation	90,000,000	8.77%
東台際華機械配件有限公司 (Dongtai Jihua Machinery Accessories Co. Ltd.*)	Beneficial owner	171,120,000	16.67%

Note: CITIC is the beneficial owner of the 90,000,000 Shares of the Company by virtue of the convertible bonds issued by the Company to it on 8 November 2013. CITIC is wholly owned by CITIC Capital Investment Management (Cayman) Limited, which is wholly owned by CITIC Capital Asset Management Limited, which is wholly owned by CITIC Capital Holdings Limited.

Save as disclosed above, as at the Latest Practicable Date, the Company had not been notified by any persons (other than the Directors or chief executives of the Company) who also had interests of short positions on the shares or underlying shares of the Company which were recorded in the register required to be kept by the Company under section 336 of the SFO.

DIRECTORS' INTERESTS IN SIGNIFICANT CONTRACTS

Save as the Contractual Arrangements (as defined in the prospectus of the Company dated 8 June 2011 (“**Prospectus**”)), no significant contract, to which the Company, its holding company, its controlling shareholder, fellow subsidiaries or subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

DIRECTORS' SERVICE CONTRACT

As at the Latest Practicable Date, each of the executive Directors entered into a service contract with the Company for a term of three years commencing on 1 June 2014, each of which may be terminated by either party by giving to the other not less than three months' prior notice in writing.

As at the Latest Practicable Date, the Company has issued an appointment letter to each of Mr. Liu Longhua and Mr. Huan Xuedong for a term of three years commencing on 25 April 2012, each of which may be terminated by either party by giving to the other not less than three months' prior notice in writing.

As at the Latest Practicable Date, the Company has issued an appointment letter to Mr. Chan for a term of three years commencing on 30 November 2012, which may be terminated by either party by giving to the other not less than three months' prior notice in writing.

As at the Latest Practicable Date, the Company has issued an appointment letter to Mr. Xu Hengju for a term of three years commencing on 17 January 2014, which may be terminated by either party by giving to the other not less than three months' prior notice in writing.

As at the Latest Practicable Date, none of the Directors had a service contract with the Company which is not terminable by the Group within one year without payment of compensation, other than normal statutory compensation.

DIRECTORS' INTEREST IN COMPETING BUSINESS

As at the Latest Practicable Date, so far as the Directors are aware, none of the Directors or their respective associates had interests in any business apart from the Group's businesses which competes or is likely to compete, either directly or indirectly, with the business of the Group.

**INTERESTS IN THE GROUP'S ASSETS OR CONTRACTS OR ARRANGEMENTS
SIGNIFICANT TO THE GROUP**

As at the Latest Practicable Date, none of the Directors:

- (i) had any interest in any assets which have been since 31 December 2014 (being the date to which the latest published audited accounts of the Company were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group; or
- (ii) was materially interested in any contract or arrangement, subsisting at the date of this circular, which is significant in relation to the business of the Group, save as the Contractual Arrangements (as defined in the Prospectus) disclosed in the section headed "Connected Transaction" of the Prospectus.

MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2014, being the date to which the latest published audited accounts of the Company were made up.

EXPERT AND CONSENT

The following is the qualification of the expert who has given its advice and recommendation which are included in this circular:

Name	Qualification
New Spring Capital Limited	A corporation licensed to carry out type 6 (advising on corporate finance) regulated activity under the SFO

As at the Latest Practicable Date, New Spring Capital Limited has given and has not withdrawn its written consent to the issue of this circular with the inclusion therein of its letter and references to its name and advice or opinion in the form and context in which they respectively appear.

INTERESTS OF EXPERT

As at the Latest Practicable Date, New Spring Capital Limited:

- (a) did not have any shareholding in or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group; and
- (b) was not interested, directly or indirectly, in any assets which have been or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2014, being the date to which the latest published audited accounts of the Company were made up.

MISCELLANEOUS

- (a) The registered office of the Company is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.
- (b) The branch share registrar of the Company in Hong Kong is at Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (c) The company secretary of the Company is Leung Kim Hung.
- (d) In the event of any inconsistency, the English text of this circular shall prevail over the Chinese text.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours at the office of Chiu & Partners at 40/F, Jardine House, 1 Connaught Place, Central, Hong Kong, up to and including the date of the AGM:

- (a) the memorandum of association and Articles of the Company;
- (b) the Principal Deed;
- (c) the Supplemental Deed;
- (d) the service contracts with the Directors referred to on page 31 of this circular;
- (e) the letter of recommendation from the Independent Board Committee to the Independent Shareholders, the text of which is set out in the section headed "Letter from the Independent Board Committee" on pages 13 to 14 of this circular;
- (f) the letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and Independent Shareholders, the text of which is set out in the section headed "Letter from the Independent Financial Adviser" on pages 15 to 21 of this circular;
- (g) the written consents as referred to in the paragraph headed "Expert and Consent" in this appendix;
- (h) this circular; and
- (i) the Composite Services Agreement, the Option Agreement, the Proxy Agreement, the Equity Pledge Agreement, and the three Vessel Pledge Agreement, all dated 19 April 2011 in relation to the Contractual Arrangement (all as defined in the Prospectus).



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)

NOTICE IS HEREBY GIVEN that the annual general meeting for the year ended 31 December 2014 (“**AGM**”) of China Dredging Environment Protection Holdings Limited (“**Company**”) will be held at Drawing Room, The Residence, Grand Hyatt Hong Kong, 1 Harbour Road, Hong Kong on Friday, 29 May 2015 at 3:00 p.m. for the following purposes:

ORDINARY BUSINESS

1. To receive and approve the audited consolidated financial statements and the reports of the directors (“**Directors**”) and auditors (“**Auditors**”) of the Company for the year ended 31 December 2014.
2. To re-elect each of the retiring directors (namely, Mr. Liu Kaijin (“**Mr. Liu**”), Ms. Zhou Shuhua and Mr. Chan Ming Sun Jonathan (each as a separate resolution)) and to authorise the board of Directors (“**Board**”) (which may be further delegated to its duly authorised committee) to fix the remuneration of Directors.
3. To re-appoint Deloitte Touche Tohmatsu as the Auditors to hold office until conclusion of the next annual general meeting at a period to be agreed with the Board and authorise the Board to fix their remuneration.

SPECIAL BUSINESS

To consider and, if thought fit, pass, with or without modification, the following resolutions as Ordinary Resolutions:

ORDINARY RESOLUTIONS

4. “**THAT**
 - (a) subject to paragraph (c) of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options (including but not limited to bonds, warrants

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and debentures convertible into shares of the Company) which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;

- (b) the approval in paragraph (a) of this resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options (including but not limited to bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of the shares allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to (i) a rights issue; (ii) the exercise of options under a share option scheme; (iii) the exercise of rights of conversion under the terms of any securities which are convertible into shares of the Company or exercise of warrants to subscribe for shares of the Company; (iv) any scrip dividend schemes or similar arrangements implemented in accordance with the articles of association (“**Articles**”) of the Company; or (v) a specific authority granted or to be granted by the shareholders (“**Shareholders**”) of the Company in general meeting, shall not exceed 20 per cent of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of this resolution and the approval in paragraph (a) of this resolution shall be limited accordingly; and
- (d) for the purpose of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable laws to be held; and
 - (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the Shareholders in general meeting.”

5. “**THAT**

- (a) subject to paragraph (b) of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase its own shares on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) or on any other stock exchange on which the shares of the Company may be listed and which is recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and/or the requirements of the Rules Governing the Listing

NOTICE OF AGM

of Securities on The Stock Exchange of Hong Kong Limited or of any other stock exchange, as amended from time to time, be and is hereby generally and unconditionally approved;

- (b) the aggregate nominal amount of the shares of the Company to be repurchased or agreed conditionally or unconditionally to be repurchased by the Company pursuant to the approval in paragraph (a) of this resolution during the Relevant Period shall not exceed 10 per cent of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of this resolution; and
 - (c) for the purpose of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable laws to be held; and
 - (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the Shareholders in general meeting.”
6. “**THAT** conditional upon the passing of Ordinary Resolutions No. 4 and 5 as set out in the notice convening this Meeting, the general mandate granted to the directors to allot, issue and deal with additional shares in the capital of the Company pursuant to Ordinary Resolution No. 4 set out in the notice convening this Meeting be and is hereby extended by the addition thereto the aggregate nominal amount of shares of the Company repurchased by the Company under the authority granted pursuant to Ordinary Resolution No. 5 above.”
7. “**THAT** the Supplemental Deed dated 2 April 2015 and entered into between Mr. Liu, Wangji Limited (“**Wangji**”), Mr. Dong Liyong (“**Mr. Dong**”), Shen Wang Limited (“**Shen Wang**”), and the Company, which contains provisions to amend the Principal Deed dated 24 May 2011 and entered into between Mr. Liu, Wangji, Mr. Dong, Shen Wang, and the Company (copies of which is tabled at the AGM marked “A” and signed by the Chairman of the AGM for the purpose of identification) be and is hereby approved, confirmed and ratified; and any one director of the Company be and is hereby

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authorized to do all such things and acts as he/she may in his/her discretion considers as necessary, expedient or desirable for the purpose of or in connection with the implementation of the Supplemental Deed and the transactions contemplated thereunder, including but not limited to the execution of all such documents under seal where applicable, as he/she considers necessary or expedient in his/her opinion to implement and/or give effect to the Supplemental Deed, and the taking of all necessary actions to implement the Supplemental Deed.”

By Order of the Board

China Dredging Environment Protection Holdings Limited

Liu Kaijin

*Joint chairman, executive Director and
chief executive officer*

Hong Kong, 24 April 2015

Registered Office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Principal Place of Business in Hong Kong:

Office 19, 36th Floor
China Merchants Tower
Shun Tak Centre
200 Connaught Road Central
Hong Kong

Notes:

- (a) A member entitled to attend and vote at the Meeting may appoint a proxy or, if holding two or more shares, more than one proxy to attend and vote on his behalf. A proxy need not be a member of the Company.
- (b) To be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy thereof must be deposited at the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time fixed for holding the Meeting or adjournment thereof.
- (c) To be valid, the form of notice of appointment of corporate representative, in the case of appointment by a shareholder which is a corporate shareholder other than a clearing house, must be deposited at the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time fixed for holding the Meeting or adjournment thereof.

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- (d) The register of members of the Company will be closed from Thursday, 28 May 2015 to Friday, 29 May 2015, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for attending the Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Wednesday, 27 May 2015.
- (e) In relation to the proposed resolution no. 2, the re-election of each retiring Director and other matters mentioned therein will be considered as passed as a separate resolution.

As at the date of this Notice, the Board comprises Mr. Liu Kaijin as joint chairman, an 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 Xuedong, Mr. Chan Ming Sun, Jonathan and Mr. Xu Hengju as independent non-executive Directors.