

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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 CHANGE OF AUDITORS; AND (B) NOTICE OF EXTRAORDINARY GENERAL MEETING

A notice convening the EGM to be held at Room 3619, 36/F, China Merchants Tower, Shun Tak Centre, Sheung Wan, Hong Kong on Thursday, 26 November 2015 at 3:00 p.m. is set out on page 5 to 6 of this circular. A form of proxy for use at the EGM is also enclosed with this circular.

Whether or not you intend to attend the EGM 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 EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof if you so wish and, in such event, the form of proxy shall be deemed to be revoked.

3 November 2015

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DEFINITIONS

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

“Announcement”	the announcement of the Company dated 28 October 2015 in relation to the proposed Removal and Appointment
“Appointment”	the appointment of CWC CPA Limited as the new auditors of the Group
“Articles”	the Articles of Association of the Company
“Board”	the board of Directors
“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
“Deloitte”	Deloitte Touche Tohmatsu, the existing auditors of the Group
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held at Room 3619, 36/F, China Merchants Tower, Shun Tak Centre, Sheung Wan, Hong Kong on Thursday, 26 November 2015 at 3:00 p.m. or any adjournment thereof
“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
“Latest Practicable Date”	29 October 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
“Removal”	the removal of Deloitte as the auditors of the Group
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	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

3 November 2015

To the Shareholders

Dear Sir/Madam,

**(A) PROPOSED CHANGE OF AUDITORS; AND
(B) NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

Reference is made to the Announcement in relation to the proposed Removal and Appointment. The purpose of this circular is to provide the Shareholders with further information in relation to the proposed change of auditors of the Group.

LETTER FROM THE BOARD

PROPOSED CHANGE OF AUDITORS

Introduction

The Board proposes that, subject to the passing of necessary resolutions at the EGM, Deloitte shall be removed as the auditors of the Group. The Board also proposes to appoint CWC CPA Limited as the new auditors of the Group and to hold office until the conclusion of the next annual general meeting of the Company in accordance with the Articles.

The reason for the proposed Removal and Appointment is due to a disagreement between the Board and Deloitte on the audit fees payable for the financial year ended 31 December 2015.

Matters to be brought to the attention of the Shareholders

The Announcement disclosing the proposed Removal and Appointment and the reason therefor has already been published on 28 October 2015, and to the best of the Directors' knowledge, save as disclosed above, there are no circumstances in respect of the proposed Removal and Appointment which should be brought to the attention of the Shareholders.

EGM

Notice of the EGM is set out on page 5 to 6 of this circular. A form of proxy for use at the EGM 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 EGM 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 EGM 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 EGM 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 EGM on the respective websites of the Stock Exchange and the Company.

RECOMMENDATION

The Directors consider that the proposed change of auditors is 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 EGM.

LETTER FROM THE BOARD

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.

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*

NOTICE OF EGM



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 extraordinary general meeting (“**EGM**”) of the shareholders (“**Shareholders**”) of China Dredging Environment Protection Holdings Limited (the “**Company**”) will be held at Room 3619, 36/F, China Merchants Tower, Shun Tak Centre, Sheung Wan, Hong Kong on Thursday, 26 November 2015 at 3:00 p.m. for the purpose of considering, and if thought fit, passing the following resolutions:

SPECIAL RESOLUTION

“**THAT** Deloitte Touche Tohmatsu be and is hereby removed as the auditors of the Company and its subsidiaries (the “**Group**”) with immediate effect.”

ORDINARY RESOLUTION

“**THAT** subject to the passing of the special resolution above, CWC CPA Limited be and is hereby appointed as the auditors of the Group with immediate effect and the board of directors of the Company be and is hereby authorised to fix their remuneration.”

By Order of the Board

China Dredging Environment Protection Holdings Limited

Liu Kaijin

*Joint chairman, executive Director and
chief executive officer*

Hong Kong, 3 November 2015

NOTICE OF EGM

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 EGM 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 EGM 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 EGM or adjournment thereof.
- (d) The register of members of the Company will be closed from Wednesday, 25 November 2015 to Thursday, 26 November 2015, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for attending the EGM, 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 Tuesday, 24 November 2015.