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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)

**CLARIFICATION ANNOUNCEMENT REGARDING PLACING OF
NEW SHARES UNDER GENERAL MANDATE**

Placing Agent



Haitong International Securities Company Limited

Reference is made to the Company's announcement dated 13 November 2015 and 27 November 2015 regarding the Placing (the "**November Announcements**"). Unless the context requires otherwise, capitalized terms used in this announcement shall have the same meaning as they are defined in the November Announcements.

The Company wishes to clarify that, as at the respective dates of the November Announcements, the spouse of the Placee held 1,146,000 Shares, and therefore the Placee was deemed to be interested in 1,146,000 Shares at the respective dates under the Securities and Futures Ordinance. The 1,146,000 Shares represented approximately 0.10% of the entire issued share capital of the Company at the respective dates. As such, the shareholding structure of the Company as at the respective dates of the November Announcements and immediately after Completion shall be amended as follows:

| Shareholders | As at the respective dates of the November Announcements | | Immediately after completion of the Placing | |
|--------------------------------------|----------------------------------------------------------------|----------------------|------------------------------------------------|----------------------|
| | No. of Shares | % | No. of Shares | % |
| Wangji Limited (Note 1) | 335,301,000 | 29.83 | 335,301,000 | 27.21 |
| Mr. Liu Kaijin (Note 2) | 37,503,000 | 3.34 | 37,503,000 | 3.04 |
| 東台際華機械配件有限公司 (“Dongtai”) (Note 4) | <u>171,120,000</u> | <u>15.22</u> | <u>171,120,000</u> | <u>13.89</u> |
| Sub-total: | 543,924,000 | 48.39 | 543,924,000 | 44.14 |
| The Placee (Note 5) | 1,146,000 | 0.10 | 109,150,000 | 8.86 |
| Public | <u>578,990,000</u> | <u>51.51</u> | <u>578,990,000</u> | <u>47.00</u> |
| Total | <u><u>1,124,060,000</u></u> | <u><u>100.00</u></u> | <u><u>1,232,064,000</u></u> | <u><u>100.00</u></u> |

Notes:

1. Mr. Liu Kaijin (“Mr. Liu”) is the sole beneficial owner of Wangji Limited which is the direct owner of the 335,301,000 Shares. Further, Mr. Liu is the beneficial owner of 37,503,000 Shares.
2. Mr. Liu is the joint chairman, executive Director and chief executive officer of the Company.
3. The Company has outstanding convertible bonds and warrants which were issued on 8 November 2013 and 17 January 2014 respectively. (For further details of such securities, please refer to the Company’s announcements (among others) dated 28 October 2013 and 24 December 2013 respectively.) If all the conversion rights or the subscription rights (as the case may be) under the said convertible bonds and warrants are exercise in full, a total of 90,000,000 Shares and 35,000,000 Shares will respectively be issued, and the total number of the Company’s issued shares will be increased to 1,357,064,000 (assuming completion of the Placing).
4. Dongtai is a substantial shareholder of the Company.

5. The spouse of the Placee held 1,146,000 Shares, and therefore the Placee was deemed to be interested in 1,146,000 Shares under the Securities and Futures Ordinance.

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

Hong Kong, 3 December 2015

As at the date of this announcement, the Board comprises Mr. Liu Kaijin as joint chairman, executive Director and chief executive officer; Ms. Zhou Shuhua as an executive Director; Mr. Liu Longhua as a non-executive Director and joint chairman; and Mr. Huan Xuedong, Mr. Chan Ming Sun Jonathan and Mr. Xu Hengju as independent Non-executive Directors.