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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)

LAPSE OF SHARE PLACING AGREEMENT

Reference is made to the Company's announcements dated 22 September 2017, 15 November 2017 and 1 December 2017 (the "**Announcements**") and the Company's circular dated 18 October 2017 (the "**Circular**"), in relation to, among other things, the placing of, through Guotai Junan, on a best effort basis, up to an aggregate of 900,000,000 new Placing Shares to not less than six Share Placees at the Placing Price of not less than HK\$0.39 per Placing Share. Unless otherwise defined, capitalised terms used herein shall have the same meanings as defined in the Announcements and the Circular.

The Board announces that as certain conditions precedent were not fulfilled on or before 31 March 2018, being the Long Stop Date, the Share Placing Agreement has lapsed. As such, the Share Placing Agreement was automatically terminated and the Share Placing will not proceed and all rights, obligations and liabilities of the parties under the Share Placing Agreement in relation to the Share Placing shall forthwith cease and determine. No new shares will be issued by the Company under the Share Placing Agreement accordingly.

Although the Board is of the view that the lapse of the Share Placing Agreement has no material adverse effect on the business operation and financial position of the Company, the Company will continue to seek opportunities to raise additional funds to meet the possible financial needs of the Group. The Company will keep its Shareholders and potential investors informed of any further significant development as and when appropriate.

Shareholders and potential investors should accordingly exercise caution when dealing in the securities of the Company.

By order of the Board

China Dredging Environment Protection Holdings Limited

Liu Kaijin

Chairman and Executive Director

Hong Kong, 3 April 2018

As at the date of this announcement, the Board comprises Mr. Liu Kaijin as Chairman and Executive Director; Mr. Wu Bin as Vice Chairman and Executive Director; Mr. Wu Xuze as Executive Director and Chief Executive Officer; Ms. Zhou Shuhua as Executive Director; Mr. Liu Longhua as Vice Chairman and Non-executive Director; and Mr. Huan Xuedong, Mr. Chan Ming Sun Jonathan and Mr. Liang Zequan as Independent Non-executive Directors.