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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)

COMPLETION OF PLACING OF PLACING SHARES UNDER GENERAL MANDATE

Placing Agent



Haitong International Securities Company Limited

The Board is pleased to announce that Completion took place on 5 November 2015.

97,340,000 Placing Shares, representing approximately 8.66% of the enlarged total issued share capital of the Company after Completion, have been allotted and issued by the Company under the general mandate to the Placee at the Placing Price of HK\$1.13 per Placing Share pursuant to the terms and conditions of the Placing Agreement.

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

COMPLETION OF PLACING OF PLACING SHARES

The Board is pleased to announce that the completion of the Placing ("**Completion**") took place on 5 November 2015 after the condition precedent to the Placing had been satisfied on 30 October 2015. 97,340,000 Placing Shares, representing approximately 8.66% of the enlarged total issued share capital of the Company after Completion, have been allotted and issued by the Company under the general mandate to the Placee at the Placing Price of HK\$1.13 per Placing Share pursuant to the terms and conditions of the Placing Agreement.

Immediately after Completion, the Placee does not become a substantial shareholder or a connected person (as defined in the Listing Rules) of the Company. The Placee, Ms. Wang Jinxiu, is a professional individual investor who is a senior collector and investor in, among others, artwork, red wine and real estate in Mainland China.

The net proceeds from the Placing, after the deduction of the commission payable to the Placing Agent and other related expenses incurred in the Placing, of approximately HK\$108.7 million are intended to be used for the purpose of (i) settlement of part of the capital commitments in relation to the engineering, procurement and construction of part of the commercial buildings on the site at Yandu District of Yancheng acquired by the Group in May 2012 as mentioned in the Company's announcement dated 8 May 2012 and the interim report 2015 respectively and (ii) working capital.

SHAREHOLDING STRUCTURE OF THE COMPANY

The Placing Shares represent (i) approximately 9.48% of the issued share capital of the Company immediately before Completion and (ii) approximately 8.66% of the issued share capital of the Company as enlarged by the issue of the Placing Shares.

Set out below is the shareholding structure of the Company (based on the disclosure of interests notifications published on the website of the Stock Exchange and the information available to the Company) (i) immediately before Completion; and (ii) immediately after Completion:

Shareholders	As at the date of this announcement		Immediately after Completion	
	No. of Shares	%	No. of Shares	%
Wangji Limited (Note 1)	335,301,000	32.66	335,301,000	29.83
Mr. Liu Kaijin (Note 2)	37,503,000	3.65	37,503,000	3.34
東台際華機械配件有限公司 (“Dongtai”) (Note 4)	<u>171,120,000</u>	<u>16.67</u>	<u>171,120,000</u>	<u>15.22</u>
Sub-total:	543,924,000	52.98	543,924,000	48.39
The Placee	581,000	0.05	97,921,000	8.71
Public	<u>482,215,000</u>	<u>46.97</u>	<u>482,215,000</u>	<u>42.90</u>
Total	<u><u>1,026,720,000</u></u>	<u><u>100.00</u></u>	<u><u>1,124,060,000</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.
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 exercised in full, a total of 90 million Shares and 35 million Shares will respectively be issued, and the total number of the Company's issued shares will be increased to 1,249,060,000 (assuming completion of the Placing).
4. Dongtai is a substantial shareholder of the Company.

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

Hong Kong, 5 November 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 Xue Dong, Mr. Chan Ming Sun Jonathan and Mr. Xu Hengju as Independent Non-executive Directors.