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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 T1 PLACING SHARES UNDER GENERAL MANDATE

Placing Agent



Guotai Junan Securities (Hong Kong) Limited

The Board is pleased to announce that the condition precedent to the Placing has been fulfilled and the Completion of the T1 Placing took place on 30 January 2015.

An aggregate of 85,560,000 Placing Shares, representing approximately 9.09% of the enlarged total issued share capital of the Company after the Completion of the T1 Placing, have been allotted and issued by the Company under the general mandate to the Placee at the Placing Price of HK\$1.38 per Placing Share pursuant to the terms and conditions of the Placing Agreement.

Reference is made to (i) the Company's announcement dated 29 December 2014 regarding the Placing (the "**December Announcement**") and (ii) the Company's announcement dated 29 January 2015 regarding the Supplemental Agreement (the "**January Announcement**"). Unless the context requires otherwise, capitalised terms used in this announcement shall have the same meaning as they are defined in the December Announcement and the January Announcement.

COMPLETION OF PLACING OF T1 PLACING SHARES

The Board is pleased to announce that the condition precedent to the Placing has been fulfilled and the Completion of the Placing of the T1 Placing Shares ("**T1 Placing**") took place on 30 January 2015. An aggregate of 85,560,000 Placing Shares, representing approximately 9.09% of the enlarged total issued share capital of the Company after the Completion of the T1 Placing, have been allotted and issued by

the Company under the general mandate to the Placee at the Placing Price of HK\$1.38 per Placing Share pursuant to the terms and conditions of the Placing Agreement (as supplemented and amended by the Supplemental Agreement).

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Placee and its ultimate beneficial owners are third parties independent of the Group and its connected persons (as defined in the Listing Rules). None of the Placee or its respective ultimate beneficial owners has become a substantial shareholder (as defined in the Listing Rules) of the Company immediately after Completion of the T1 Placing.

The net proceeds from the T1 Placing, after the deduction of the commission payable to the Placing Agent and other related expenses incurred in the Placing, of approximately HK\$117.3 million are intended to be used for general working capital purpose.

SHAREHOLDING STRUCTURE OF THE COMPANY

The T1 Placing Shares represent (i) approximately 10% of the issued share capital of the Company immediately before Completion of the T1 Placing and (ii) approximately 9.09% of the issued share capital of the Company as enlarged by the issue of the T1 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 of the T1 Placing; and (ii) immediately after Completion of the T1 Placing:

Shareholders	As at the date of this announcement		Immediately after Completion of the T1 Placing	
	No. of Shares	%	No. of Shares	%
Wangji Limited (<i>Note 1</i>)	335,301,000	39.19	335,301,000	35.63
Mr. Liu Kaijin (<i>Note 2</i>)	<u>17,098,000</u>	<u>2.00</u>	<u>17,098,000</u>	<u>1.81</u>
Sub-total:	352,399,000	41.19	352,399,000	37.44
The Placee	—	—	85,560,000	9.09
Public	<u>503,201,000</u>	<u>58.81</u>	<u>503,201,000</u>	<u>53.47</u>
Total	<u><u>855,600,000</u></u>	<u><u>100.00</u></u>	<u><u>941,160,000</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 90,000,000 Shares and 35,000,000 Shares will respectively be issued, and the total number of the Company's issued shares will be increased to 1,066,160,000 (assuming Completion of the T1 Placing) and to 1,151,720,000 (assuming Completion of the T1 Placing and the T2 Placing Shares).

As the Placing of the T2 Placing Shares may or may not proceed, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares. Further announcement regarding Completion of the T2 Placing Shares will be made by the Company as and when appropriate.

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

Hong Kong, 30 January 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.