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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)

(1) POLL RESULTS OF THE EXTRAORDINARY GENERAL MEETING HELD ON 5 MARCH 2021; (2) SHARE CONSOLIDATION; (3) CHANGE IN BOARD LOT SIZE; AND (4) GRANT OF THE WHITEWASH WAIVER

References are made to the circular (the “**Circular**”) and the notice (the “**Notice**”) of the extraordinary general meeting (the “**EGM**”) of China Dredging Environment Protection Holdings Limited (the “**Company**”) dated 3 February 2021 in relation to, among others, the Share Consolidation, the Change in Board Lot Size, the Subscription, the Specific Mandate and the Whitewash Waiver.

Unless otherwise specified, capitalised terms used herein have the same meaning as those defined in the Circular.

POLL RESULTS OF THE EGM

The EGM was held at Rooms 1501–2, 15/F, Siu On Plaza, 482 Jaffe Road, Causeway Bay, Hong Kong on Friday, 5 March 2021 at 3:00 p.m. The Board is pleased to announce that all of the proposed resolutions set out in the Notice were duly passed by the Independent Shareholders and the Shareholders (as the case may be) by way of poll at the EGM.

As at the date of the EGM, there were a total of 1,991,283,000 Shares in issue.

As stated in the Circular, the Subscriber and parties acting in concert with him, namely Ms. Zhou Shuhua and Wangji Limited were required to and have abstained from voting on the relevant resolutions proposed to the Independent Shareholders in relation to the Subscription Agreement and the transactions contemplated thereunder, the Specific Mandate and the Whitewash Waiver in accordance with the Takeovers Code (namely, resolutions numbered (2) and (3) as set out in the Notice).

As at the date of the EGM, the Subscriber and parties acting in concert with him, namely Ms. Zhou Shuhua and Wangji Limited, were interested in an aggregate of 387,159,000 Existing Shares, representing approximately 19.44% of the existing total issued share capital of the Company. Accordingly, the total number of Shares entitling the Independent Shareholders to attend and vote for or against the resolutions numbered (2) and (3) as set out in the Notice was 1,604,124,000 Shares, representing approximately 80.56% of the issued share capital of the Company as at the date of the EGM.

Save as disclosed above, no other Shareholders were required to abstain from voting on the resolutions as set out in the Notice and there were no Shares entitling the Shareholders to attend and abstain from voting in favour of the resolutions at the EGM as set out in Rule 13.40 of the Listing Rules. No Shareholder has stated his/her/its intention in the Circular to vote against the resolutions or to abstain from voting.

Tricor Investor Services Limited, the Company's branch share registrar in Hong Kong, acted as the scrutineer for the purpose of vote-taking in the EGM.

The poll results in respect of the resolutions proposed at the EGM are as follows:

Ordinary Resolutions		Number of votes (approximate %)	
		For	Against
(1)	<p>“THAT subject to the fulfilment of all the conditions set out in the section headed “Conditions of the Share Consolidation” (the “Conditions”) in the Circular (a copy of which is tabled at the meeting and marked “A” and initialled by the Chairman for purpose of identification), with effect immediately following the date on which this resolution is passed or the Conditions are fulfilled (whichever is the later):</p> <p>(a) every two (2) issued and unissued Existing Shares of HK\$0.10 each in the share capital of the Company be consolidated into one (1) Consolidated Share of HK\$0.20 each (each a “Consolidated Share(s)”), such Consolidated Shares shall rank <i>pari passu</i> in all respects which each other and have the rights and privileges and be subject to the restrictions in respect of the shares contained in the memorandum and articles of association of the Company (the “Share Consolidation”); and</p> <p>(b) any one Director be and is hereby authorised to, on behalf of the Company, do all such acts and things and execute all such documents which he/she/they consider necessary, desirable or expedient for the purpose of, or in connection with the implementation of and giving effect to the Share Consolidation and to aggregate all fractional Consolidated Shares (if any) and sell them for the benefits of the Company.”</p>	939,657,730 (99.99%)	8,459 (0.01%)

Ordinary Resolutions		Number of votes (approximate %)	
		For	Against
(2)	<p>“THAT subject to the fulfilment of the terms and conditions set out in the subscription agreement dated 14 January 2021 (the “Subscription Agreement”, copy of which have been produced to this meeting marked “B” and initialled by the Chairman for the purpose of identification) entered into between the Company and Mr. Liu Kaijin (the “Subscriber”) pursuant to which the Company has agreed to allot and issue and the Subscriber has agreed to subscribe for 508,240,000 new Consolidated Shares (the “Subscription Shares”) at the subscription price of HK\$0.20 per Subscription Share (the “Subscription Price”):</p> <p>(a) the Subscription Agreement and the matters contemplated thereunder be and are hereby approved, confirmed and ratified;</p> <p>(b) all the transactions contemplated under the Subscription Agreement, including but not limited to the specific mandate to allot and issue the Subscription Shares by the Company to the Subscriber pursuant to the Subscription Agreement (the “Specific Mandate”), be and are hereby approved and the Directors be and are hereby authorised to allot and issue the Subscription Shares to the Subscriber pursuant to the Subscription Agreement; and</p> <p>(c) any one Director be and is hereby authorised to, on behalf of the Company, do all such acts and things and execute all such documents which he/she/they consider necessary, desirable or expedient for the purpose of, or in connection with the implementation of and giving effect to the Subscription Agreement and the transactions contemplated thereunder.”</p>	554,268,730 (99.99%)	8,459 (0.01%)
Special Resolution		Number of votes (approximate %)	
		For	Against
(3)	<p>“THAT, subject to and conditional upon the passing of ordinary resolutions no. 1 and 2 and the granting of the Whitewash Waiver (as defined below) by the executive director of the Corporate Finance Division of the Securities and Futures Commission or any delegate of the executive director and any conditions that may be imposed thereon, the waiver of obligation on the part of the Subscriber and any parties acting in concert with him to make a mandatory general offer to the Shareholders for all the issued shares of the Company not already owned or agreed to be acquired by the Subscriber and any parties acting in concert with him which might otherwise arise as a result of the Subscriber subscribing for the Subscription Shares under the Subscription Agreement pursuant to Note 1 on Dispensations from Rule 26 of the Hong Kong Code on Takeovers and Mergers (the “Whitewash Waiver”), be and is hereby approved, and that any one or more of the Directors be and is/are authorised to do all such acts and things and execute all such document as he/she/they consider necessary, desirable or expedient for the purpose of, or in connection with, the implementation of and giving effect to any of the matters relating to, or incidental to, the Whitewash Waiver.”</p>	554,268,730 (99.99%)	8,459 (0.01%)

As more than 50% and 75% of the votes were cast in favour of the Ordinary Resolutions and the Special Resolution respectively, all of the resolutions were duly passed by the Shareholders and the Independent Shareholders (as the case may be) by way of poll at the EGM.

SHARE CONSOLIDATION AND CHANGE IN BOARD LOT SIZE

As all the conditions of the Share Consolidation have been fulfilled, the Share Consolidation will take effect on Tuesday, 9 March 2021. Dealings in the Consolidated Shares will commence at 9:00 a.m. (Hong Kong time) on Tuesday, 9 March 2021, which is also the first day for the free exchange of existing share certificates of the Existing Shares for new share certificates of the Consolidated Shares. The last day for the free exchange of existing share certificates of the Existing Shares for new share certificates of the Consolidated Shares will be Monday, 19 April 2021. Shareholders may between 9:00 a.m. and 4:30 p.m. on any business day during the aforesaid period submit share certificates of the Existing Shares to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, to exchange, at the expense of the Company, for new share certificates of the Consolidated Shares. The new share certificates will be issued in green colour in order to distinguish them from existing share certificates which are in blue colour.

Please refer to the Circular for details on the trading arrangement, the exchange of share certificates and matching services for odd lots in connection with the Share Consolidation.

Upon the Share Consolidation becoming effective, the board lot size for trading on the Stock Exchange will be changed from 1,000 Existing Shares to 20,000 Consolidated Shares with effect from 9:00 a.m. on Tuesday, 9 March 2021.

GRANT OF WHITEWASH WAIVER

The Executive granted the Whitewash Waiver on 2 March 2021, subject to (i) the Whitewash Waiver and the Subscription being separately approved by at least 75% and more than 50% respectively of the independent vote (as defined in Note 1 on dispensations from Rule 26 of the Takeovers Code) that are cast either in person or by proxy at a general meeting of the Company, to be taken on a poll; and (ii) unless the Executive gives prior consent, no acquisition or disposal of voting rights of the Company being made by the Subscriber and parties acting in concert with him, namely Ms. Zhou Shuhua and Wangji Limited, between the date of the Announcement and completion of the issue of the Consideration Shares (save for the allotment and issue of the Consolidated Shares after the Share Consolidation having becoming effective). Accordingly, no mandatory general offer under Rule 26 of the Takeovers Code will be required to be made by the Subscriber as a result of the allotment and issue of the Consideration Shares pursuant to the Subscription Agreement.

EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The following table illustrates the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after the Share Consolidation having become effective; and (iii) immediately after the allotment and issue of the Subscription Shares and the Share Consolidation having become effective (assuming no other change in the issued share capital between the date of this announcement and the date of Completion):

Shareholders	Shareholding as at the date of this announcement		Immediately after the Share Consolidation having become effective		Immediately after the allotment and issue of the Subscription Shares and the Share Consolidation having become effective	
	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %
The Subscriber and parties acting in concert with him (Note 1)	387,159,000	19.44	193,579,500	19.44	701,819,500	46.67
Public Shareholders						
Yuan Xiangbing	191,917,000	9.64	95,958,500	9.64	95,958,500	6.38
Jiangsu Baisite Environment Engineering Co., Ltd (Note 2)	148,180,000	7.44	74,090,000	7.44	74,090,000	4.93
Other public Shareholders	<u>1,264,027,000</u>	<u>63.48</u>	<u>632,013,500</u>	<u>63.48</u>	<u>632,013,500</u>	<u>42.03</u>
Total (Note 3)	<u><u>1,991,283,000</u></u>	<u><u>100.00</u></u>	<u><u>995,641,500</u></u>	<u><u>100.00</u></u>	<u><u>1,503,881,500</u></u>	<u><u>100.00</u></u>

Notes:

- 387,159,000 Existing Shares are held as to 351,600,000 Existing Shares by Wangji Limited and 35,559,000 Existing Shares by the Subscriber as beneficial owner, respectively. The Subscriber is the sole beneficial owner of Wangji Limited. Accordingly, the Subscriber is deemed to be interested in the 351,600,000 Existing Shares. Ms. Zhou Shuhua is the spouse of the Subscriber, therefore, Ms. Zhou Shuhua is deemed to be interested in all interests of the Subscriber in the Company.
- Luck Morgan Investment Limited acts as the nominee for Jiangsu Baisite Environment Engineering Co., Ltd to hold 148,180,000 Existing Shares.
- The percentages may not add up to 100% due to rounding.

WARNING

Shareholders and potential investors should also be aware that the Completion is subject to the fulfillment or waiver (where applicable) of all the conditions precedent which are set out in the paragraph headed “Conditions precedent” under the section headed “SUBSCRIPTION OF NEW CONSOLIDATED SHARES” in the circular. As such, the Subscription Agreement and the transactions contemplated thereunder may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares, and are recommended to consult their professional advisers if they are in any doubt about their position and as to actions that they should take.

By order of the Board
China Dredging Environment Protection Holdings Limited
Wu Xuze
Chief Executive Officer

Hong Kong, 5 March 2021

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

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.