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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) FURTHER UPDATE ON THE 2016 BONDS; AND (2) FIFTH AMENDMENT AGREEMENT AND SUPPLEMENTAL DEED TO THE ORIGINAL DEED POLL REGARDING THE 2016 BONDS**

The Board hereby announces that:

- (a) on 22 December 2017, the Company has repaid US\$5,000,000 of the amount due from the Company to the Bondholder under the 2016 Bonds; and
- (b) on 23 January 2018, the Company and the Bondholder entered into the Fifth Amendment Agreement to further amend the Original CB Instrument and the Original Bond Conditions. Under the Fifth Amendment Agreement, it has been agreed that, among other matters, the principal amount of the 2016 Bonds shall be amended to HK\$278,776,992 and the maturity date of the 2016 Bonds shall be extended to 21 June 2018.

**Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

Reference is made to (i) the Company's announcements dated 28 October 2013 and 8 November 2013 respectively in relation to the issue of the 2016 Bonds; (ii) the Company's announcement dated 7 November 2016 in relation to the maturity of the 2016 Bonds; (iii) the Company's announcements dated 15 November 2016 and 16 November 2016 respectively (collectively, "**Framework Agreement Announcements**") in relation to the Framework Agreement (as amended by a supplemental framework agreement and a second supplemental framework agreement); (iv) the Company's announcements dated 16 December 2016, 22 March 2017, 5 June 2017 and 22 September 2017 in relation to the various amendment agreements (collectively, the "**Amendments Announcements**"); and (v) the Company's announcements dated 15 November 2017 and 1 December 2017 in relation to the further updates to the 2016 Bonds (collectively, the "**Updates Announcements**"). Terms used in this announcement shall

have the same meanings as those defined in the Framework Agreement Announcements, the Amendments Announcements and the Updates Announcements, unless defined otherwise in this announcement.

## **FURTHER UPDATE ON THE 2016 BONDS**

The Board is pleased to announce that on 22 December 2017, the Company has repaid US\$5,000,000 of the amount due from the Company to the Bondholder under the 2016 Bonds.

## **PRINCIPAL TERMS OF THE FIFTH AMENDMENT AGREEMENT**

The Board further announces that on 23 January 2018, the Company and the Bondholder entered into a fifth amendment agreement and supplemental deed to the Original CB Instrument in relation to the 2016 Bonds (“**Fifth Amendment Agreement**”) to further amend the Original CB Instrument and the Original Bond Conditions.

The principal terms of the Fifth Amendment Agreement are set out below:

**Date:** 23 January 2018

**Parties:** (a) the Company; and  
(b) the Bondholder.

As at the date of this announcement, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, each of the Bondholder and its ultimate beneficial owner(s) are Independent Third Parties.

## **Termination of the Fourth Amendment Agreement**

Under the Fifth Amendment Agreement, the Company and the Bondholder agreed that:

- (a) the Fourth Amendment Agreement is terminated and shall have no effect with effect from the date of the Fifth Amendment Agreement;
- (b) with effect from the date of the Fifth Amendment Agreement, each of the Company and the Bondholder has no further right, claim, obligation or liability under or pursuant to the Fourth Amendment Agreement; and

- (c) in particular, the Company and the Bondholder acknowledge that the amendments to the terms of the Original CB Instrument and the Original Bond Conditions contemplated by the Fourth Amendment Agreement have not taken effect and that the provisions of the Original CB Instrument and the Original Bond Conditions in force as at the date of the Fifth Amendment Agreement are those provisions contained in the Original CB Instrument and the Original Bond Conditions, as amended by the Third Amendment Agreement.

**Amendments to the Original CB Instrument and the Original Bond Conditions (as amended by applicable subsequent amendment agreements)**

The Company and the Bondholder further agreed to, with effect from the date of the Fifth Amendment Agreement, the following amendments to the terms set out in the Original CB Instrument (as amended by applicable subsequent amendment agreements):

- (a) the principal amount of the 2016 Bonds shall be amended to HK\$278,776,992 (“**Jan 23 Revised Amount**”); and
- (b) the Company shall, on or before 21 April 2018, (i) enter into agreement(s) to raise funds for repayment of all amount due to the Bondholder under the Bonds, the form and substance of which shall be reasonably satisfactory to the Bondholder; and (ii) deliver to the Bondholder copies of all duly executed agreements referred to in (i) above.

The Company and the Bondholder also agreed to, with effect from the date of the Fifth Amendment Agreement, the following amendments to the Original Bond Conditions (as amended by applicable subsequent amendment agreements):

- (a) the maturity date of the 2016 Bonds shall be amended to 21 June 2018 (the “**New Maturity Date**”);
- (b) the outstanding principal amount of the 2016 Bonds shall carry interest at the annual rate of 13% as from 23 January 2018 up to the New Maturity Date (both dates inclusive). The interest in respect of such period shall be paid on the New Maturity Date (or where such date is not a business day, on the business day immediately thereafter); and
- (c) unless previously redeemed or purchased and cancelled, and notwithstanding the provisions of other conditions in the Original Bond Conditions (as amended by applicable subsequent amendment agreement), the total amount payable by the Company to the Bondholder to redeem all the outstanding 2016 Bonds on the New Maturity Date, including the interests in respect of the period from 23 January 2018 to the New Maturity Date, shall be HK\$273,670,557 (the “**New Redemption Amount**”), provided that the Company pays the New Redemption Amount in full on the New Maturity Date. If the Company fails to pay the New Redemption Amount in full on the New Maturity Date, the total amount outstanding under the 2016 Bonds as at the New Maturity Date shall be HK\$293,670,557.

The Company and the Bondholder confirm all that all the provisions of the Original CB Instrument and Original Bond Conditions shall continue to remain in full force and effect save as supplemented and amended by the Fifth Amendment Agreement.

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By order of the Board  
**China Dredging Environment Protection Holdings Limited**  
**Liu Kaijin**  
*Chairman and executive Director*

Hong Kong, 23 January 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.*