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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)

UPDATE ON THE ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2019

Reference is made to the announcement of the Company dated 31 March 2020 in relation to the unaudited consolidated results of the Group for the year ended 31 December 2019 (the “**2019 Results Announcement**”). Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the 2019 Results Announcement.

AUDITOR’S AGREEMENT ON THE ANNUAL RESULTS

The Board is pleased to announce that the audit process of the annual results of the Group for the year ended 31 December 2019 (the “**2019 Annual Results**”) has been completed and the Company has obtained the agreement from its auditor, Moore Stephens CPA Limited, on the 2019 Annual Results (including the figures in respect of the Group’s consolidated statement of profit or loss and other comprehensive income and consolidated statement of financial position and the related notes thereto) as set out in the 2019 Results Announcement in accordance with the requirement of rule 13.49(2) of the Listing Rules. The 2019 Annual Results contained in the 2019 Results Announcement remain unchanged.

EXTRACT FROM THE INDEPENDENT AUDITOR’S REPORT

The following is an extract from the independent auditor’s report on the consolidated financial statements of the Group for the year ended 31 December 2019:

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2019, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and have been properly prepared in compliance with the disclosure requirements of Hong Kong Companies Ordinance.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 to the consolidated financial statements, which highlight that the Group had net current liabilities of approximately RMB283 million. In addition, as at 31 December 2019, the bonds payable and accrued interest amounting to an aggregate amount of approximately RMB286.8 million have been past due and due for immediate payment, the circumstances surrounding the failure by the Group to settle the bonds when the bonds fell due for repayment on their maturity date is set out in Note 2.

These conditions, along with other matters as set forth in Note 2 to the consolidated financial statements, indicate the existence of material uncertainties which may cast significant doubt over the Group's ability to continue as a going concern. Our opinion is not modified in respect of these matters.

AUDIT COMMITTEE

The Audit Committee has reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2019.

SCOPE OF WORK OF AUDITOR

The figures in respect of the Group's consolidated statement of profit or loss and other comprehensive income, the consolidated statement of financial position and the related notes thereto for the year ended 31 December 2019 as set out in the 2019 Results Announcement have been agreed by the auditor, Moore Stephens CPA Limited to the amounts set out in the Group's audited consolidated financial statements for the year as approved by the Board on 29 April 2020. The work performed by Moore Stephens CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Moore Stephens CPA Limited on the 2019 Results Announcement or this announcement.

PUBLICATION OF ANNUAL REPORT

It is expected that the annual report of the Company for the year ended 31 December 2019 containing all the information required by Appendix 16 to the Listing Rules will be published on or before 14 May 2020 in accordance with "Further Guidance on the Joint Statement in relation to Results Announcements in light of the COVID-19 Pandemic" released by the Securities and Futures Commission and the Stock Exchange on 16 March 2020, under which the Company may defer the publication of its annual report initially for up to 60 days from the date of such guidance.

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

Hong Kong, 29 April 2020

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.