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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)

PROPOSED CHANGE OF AUDITORS

This announcement is made by China Dredging Environment Protection Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.51(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

RESIGNATION OF AUDITOR

The board (the "**Board**") of directors (the "**Directors**") of the Company hereby announces that ZSZH (HK) Fuson CPA Limited ("**ZSZH**") has resigned as the auditor of the Company with effect from 4 November 2026. ZSZH was appointed as the auditor of the Company with effect from 22 December 2021.

In the resignation letter of ZSZH dated 4 November 2026, it was stated that ZSZH and the Company could not reach a consensus regarding the audit fee for the financial year ending 31 December 2026, and ZSZH has decided to resign as the auditor of the Company with immediate effect from 4 November 2026.

ZSZH has confirmed in its resignation letter that it is not aware of any circumstances connected with its resignation that need to be brought to the attention of the shareholders of the Company (the "**Shareholders**"). The Board and the audit committee of the Company (the "**Audit Committee**") have confirmed that there is no disagreement between the Company and ZSZH and that, save as disclosed above, there are no other unusual or unresolved matters in connection with the resignation of ZSZH that need to be brought to the attention of the Shareholders.

As at the date of this announcement, the Board confirms that ZSZH has not yet commenced any review or audit work on the consolidated financial statements of the Group for the financial year ending 31 December 2026 ("**FY26**"). The Board and the Audit Committee expect that the resignation of ZSZH will not have any material impact on the annual audit for FY26 or the publication of the annual results of the Group.

The Board would like to take this opportunity to express its gratitude and appreciation to ZSZH for its professional and quality services rendered to the Company during the past years.

PROPOSED APPOINTMENT OF NEW AUDITOR

The Board further announces that, with the recommendation of the Audit Committee, Global Link CPA Limited ("**Global Link**") has been proposed by the Board as the new auditor of the Company to hold office until the conclusion of the next annual general meeting of the Company (the "**Proposed Appointment**"), subject to the approval of the Shareholders at an extraordinary general meeting of the Company ("**EGM**").

The audit fee for FY26 proposed by Global Link is HK$1,300,000 equivalent to approximately RMB1,105,000, taking into account the scale and complexity of the Company's business, the expected scope and timetable of audit, the qualifications, experience and audit resources expected to be committed by Global Link. The fee proposals of the auditors are based on the assumption that there will be no material changes in the Group's business operations, accounting policies or regulatory environment during the financial year, and that the Company will provide sufficient assistance and information in a timely manner as required for the audit. Unless there is a material change in the basis and assumptions set out above, the final audit fee is not expected to deviate materially from the proposed audit fee. The Company will make further disclosure as appropriate should any material change or deviation arise.

For reference, the audit remuneration paid to ZSZH for the year ended 31 December 2025 was approximately RMB1,445,000. The Board considers the proposed audit fee to be fair and reasonable having regard to the expected scope of work and the interests of the Company and the Shareholders as a whole.

When evaluating the suitability of Global Link, the Audit Committee conducted a rigorous and comprehensive assessment of various criteria, including but not limited to the following:

Caliber and Expertise: The firm's professional capability, robust internal quality assurance processes, and extensive track record in auditing companies listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**");

Regulatory Familiarity: Its deep understanding of and familiarity with the Listing Rules, as well as the prevailing accounting and financial reporting standards;

Independence and Reputation: Its strong market reputation, strict adherence to professional ethics, and stringent internal protocols safeguarding auditor independence and objectivity;

Team Capabilities: The technical proficiency, qualifications, and relevant industry experience of the dedicated audit team proposed for the Company;

Commercial Competitiveness: The fairness and competitiveness of the proposed audit fee, taking into account the thoroughness of the audit plan, the anticipated time commitment, and the overall value proposition to the Company; and

Regulatory Compliance: Its alignment with the guidance issued by the Accounting and Financial Reporting Council, most notably the Guidance Notes on Change of Auditors and the Guidelines for Effective Audit Committees Selection, Appointment and Reappointment of Auditors.

BACKGROUND TO THE CHANGE OF AUDITOR

On 4 November 2026, ZSZH provided its audit fee quotation for FY26 of RMB1,836,000 (equivalent to HK$2,160,000), which is higher than the audit fee for the year ended 31 December 2025; to better control audit costs, the Company sought to negotiate a fee reduction with ZSZH while simultaneously requesting quotations from three other audit firms for comparison, including Global Link CPA Limited ("**Global Link**"). Following a comparative assessment of the quotations based on firm size, geographic coverage in the PRC, technical expertise, and experience, and after failing to reach a consensus with ZSZH across several rounds of fee negotiations, the Audit Committee convened a meeting with Global Link to evaluate its independence, objectivity, technical competence, industry knowledge, proposed audit timetable, and resource allocation. Satisfied with the proposal, the Audit Committee recommended the appointment of Global Link to the Board following ZSZH's formal tendering of its resignation letter, and the Board subsequently resolved to propose the appointment of Global Link as the Company's new auditor, subject to the approval of the Shareholders at an extraordinary general meeting.

FURTHER ASSESSMENT OF GLOBAL LINK BY THE AUDIT COMMITTEE

In assessing the appointment of Global Link, the Audit Committee has considered Section 2 of the "Guidelines for Effective Audit Committees Selection, Appointment and Reappointment of Auditors" issued by the Accounting and Financial Reporting Council. Details of its assessment are summarized as follows:

(i) **Governance and leadership** The Audit Committee has reviewed the profiles of the leadership team, organisational structure and quality management policies relating to governance and leadership of Global Link, and is satisfied that Global Link has clear reporting lines and delineation of responsibilities and authority, as well as sound arrangements for responsibility and accountability, enabling it to effectively safeguard the public interest in performing its audit functions. The audit team for FY2026 will be coordinated and led by an engagement partner with 15 years of professional experience and assisted by an audit principal with 10 years of professional experience, who will collectively be responsible for overseeing audit quality. Accordingly, the Audit Committee considers that Global Link has sufficient governance and leadership capabilities to support audit quality.

(ii) **Compliance with relevant ethical requirements** Based on the information provided by Global Link, it strictly complies with the "Code of Ethics for Professional Accountants" issued by the Hong Kong Institute of Certified Public Accountants, maintains independence and objectivity, and complies with the ethical standards prescribed by the Accounting and Financial Reporting Council. Global Link has also confirmed that there are no proposed non-audit services, financial or business relationships between the Company and Global Link, and that there are no personal relationships between members of the audit team and the Group that may affect their independence in conducting the audit for FY2026.

(iii) **Industry knowledge and technical competence** The Audit Committee has reviewed the company profile of Global Link, the proposed composition of the audit engagement team and the qualifications of the audit engagement partners, including their extensive experience in auditing companies listed on Stock Exchange. The Audit Committee is satisfied that Global Link possesses the industry knowledge and technical competence required to audit the Company.

(iv) **Audit engagement execution** The Audit Committee reviewed the proposed audit timetable of Global Link, which sets out the key stages and corresponding procedures of 2026 Annual Audit, as well as the proposed composition of the audit team. The Audit Committee noted that not less than 5 personnel shall be assigned to the audit of the Company. Having considered the structure of the audit team, the scale of the Group's operations and the number of entities within the Group, the Audit Committee is satisfied that sufficient personnel with appropriate levels of seniority, technical expertise and management oversight shall be allocated to ensure audit quality.

(v) **Communication and interaction with the Audit Committee** The Audit Committee has agreed with Global Link that they will maintain effective and ongoing communication throughout all stages of the audit process, including through regular meetings and timely discussions of any issues arising during the audit process. Not less than 2 meetings will be conducted between the Audit Committee and Global Link each financial year.

(vi) **Monitoring procedures** The Audit Committee assessed the monitoring procedures of Global Link through its quality management framework established in accordance with the applicable standards issued by the Hong Kong Institute of Certified Public Accountants. The Audit Committee also conducted public searches on the websites of the relevant regulatory authorities and found no records of any disciplinary actions having been taken against Global Link, the lead auditor, or other relevant parties.

Based on the above, the Audit Committee is satisfied that Global Link possesses the necessary independence, competence, and capacity to serve as the Company's auditor. In addition, considering a number of factors, including but not limited to not reaching a consensus on the audit fee with ZSZH and the length of ZSZH's tenure as auditor, both the Board and the Audit Committee believe this transition will safeguard the cost-effectiveness and objective nature of the Company's external audit, which is in the best interest of the Company and the Shareholders as a whole.

EGM

Pursuant to the requirements of the Listing Rules and the articles of association of the Company, the Proposed Change of Auditors is subject to consideration and approval at the EGM. A notice to convene the EGM and a circular containing, among other things, details of the Proposed Appointment will be published as soon as possible.

By order of the Board
China Dredging Environment Protection Holdings Limited
Zhou Shuhua
Chairlady and Executive Director

Hong Kong, 5 November 2026

As at the date of this announcement, the Board comprises Ms. Zhou Shuhua as Chairlady and Executive Director; Mr. Liu Yajun as Executive Director and Chief Executive Officer; Mr. Zhang Chunxi, Mr. Wang Jianhua and Mr. Chen Yiliang as Executive Directors; and Mr. Huan Xuedong, Mr. Chan Ming Sun Jonathan and Mr. Liang Zequan as Independent Non-executive Directors.