
DEFINITIONS

In this prospectus, unless the context otherwise requires, the following terms shall have the meanings set out below.

“AA Pre-IPO Note Purchase Agreement”	the note purchase agreement dated as of October 4, 2010 by and among Wangji Limited, Mr. Liu and Apex Ally (as amended and supplemented by a supplemental agreement dated March 1, 2011 and entered into by the same parties and other Group members), pursuant to which AA Pre-IPO Notes in the aggregate principal sum of HK\$153 million were issued by Wangji Limited to Apex Ally, a summary of which terms is set out in the section headed “History, Reorganization and Corporate Structure — Pre-IPO Investments”
“AA Pre-IPO Notes”	notes in the aggregate principal amount of HK\$153 million issued by Wangji Limited to Apex Ally pursuant to the AA Pre-IPO Note Purchase Agreement, which have a maturity date falling on October 4, 2012, a summary of which terms is set out in the section headed “History, Reorganization and Corporate Structure — Pre-IPO Investments”
“AA Pre-IPO Warrant Agreement”	the warrant agreement dated as of October 4, 2010 between Wangji Limited and Apex Ally, pursuant to which AA Pre-IPO Warrants with an aggregate exercise price of HK\$153 million were issued by Wangji Limited to Apex Ally, and a summary of which terms is set out in the section headed “History, Reorganization and Corporate Structure — Pre-IPO Investments”
“AA Pre-IPO Warrants”	warrants with an aggregate exercise price of HK\$153 million issued by Wangji Limited to Apex Ally pursuant to the AA Pre-IPO Warrant Agreement, providing the right to purchase up to an aggregate of Shares representing 7.65% of our Company’s Shares in issue on the Listing Date (without taking into account any Shares issued to the public or professional, institutional or other investors under the Global Offering), which may be exercised at any time during the period commencing on the date of the issuance of such warrants and expiring on the earlier of the Listing Date or the third anniversary of the date thereof, subject to the terms and conditions set out in the AA Pre-IPO Warrant Agreement, a summary of which terms is set out in the section headed “History, Reorganization and Corporate Structure — Pre-IPO Investments”

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“Apex Ally”	Apex Ally Investments Limited, a company incorporated in BVI and one of the Pre-IPO Investors, which is the holder of the AA Pre-IPO Notes in the aggregate principal amount of HK\$153 million and the AA Pre-IPO Warrants with an aggregate exercise price of HK\$153 million. Apex Ally is a wholly owned subsidiary of ICBC International Investment Management Limited
“Affiliate”	any person or entity that directly or indirectly controls, is controlled by or is under direct common control with another person or entity
“Application Form(s)”	WHITE Application Form(s), YELLOW Application Form(s) and GREEN Application Form(s), or where the context so requires, any of them, relating to the Hong Kong Public Offering
“Articles of Association” or “Articles”	the articles of association of our Company approved by the written resolutions of our Shareholders on May 24, 2011, as amended or supplemented from time to time
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of directors of our Company
“Business Day”	a day on which banks in Hong Kong are generally open for business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong
“BVI”	the British Virgin Islands
“CAGR”	compound annual growth rate
“Capitalization Issue”	the issue of Shares to be made upon capitalization of certain sum standing to the credit of the share premium account of our Company referred to in the paragraph headed “Resolutions in writing of all Shareholders passed on May 24, 2011” in Appendix VII to this prospectus
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Clearing Participant”	a person admitted to participate in CCASS as a direct clearing participant or general clearing participant
“CCASS Custodian Participant”	a person admitted to participate in CCASS as a custodian participant

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“CCASS Investor Participant”	a person admitted to participate in CCASS as an investor participant who may be an individual or joint individuals or a corporation
“CCASS Participant”	a CCASS Clearing Participant, CCASS Custodian Participant or a CCASS Investor Participant
“CCCC”	China Communications Construction Company Limited (中國交通建設股份有限公司), a leading transportation infrastructure group in China primarily engaged in the infrastructure construction, infrastructure design, dredging and port machinery manufacturing businesses, which is an Independent Third Party
“China” or “PRC”	People’s Republic of China, but for the purpose of this prospectus and for geographical reference only and except where the context requires, references in this prospectus to “China” and the “PRC” do not apply to Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Circular 75”	The “Circular regarding Foreign Exchange Control for Fundraising and Offshore-Domestic Investments by Domestic Residents through Special Purpose Vehicles” (國家外匯管理局關於境內居民通過境外特殊目的公司融資及返程投資外匯管理有關問題的通知), promulgated by SAFE on October 21, 2005 and effective as of November 1, 2005
“Co-bookrunner”	Guotai Junan Securities (Hong Kong) Limited
“Companies Law”	the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, as amended, supplemented or otherwise modified from time to time
“Companies Ordinance”	Companies Ordinance, Chapter 32 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time
“Company” or “our Company”	Xiangyu Dredging Holdings Limited, a company incorporated under the laws of the Cayman Islands with limited liability on May 31, 2010
“connected person”	has the meaning ascribed to it under the Listing Rules
“Contractual Arrangements”	a series of contracts entered into by Xiangyu PRC, the PRC Operational Entity, Mr. Liu and Ms. Zhou (as the case may be), details of which are described in the section headed “Business — Contractual Arrangements”

DEFINITIONS

“Controlling Shareholders”	has the meaning ascribed thereto in the Listing Rules and, unless the context requires otherwise, collectively refers to Mr. Liu, Wangji Limited, Mr. Dong and Shen Wang Limited
“CSRC”	the China Securities Regulatory Commission* (中國證券監督管理委員會)
“CWVEC”	Changjiang Wuhan Waterway Engineering Company* (長江武漢航道工程局), a state-owned enterprise under the Changjiang Waterway Bureau, the Ministry of Transport of the PRC (中國交通運輸部長江航務管理局), which is an Independent Third Party and has been our customer since 2008
“Director(s)”	director(s) of our Company as of the date of this prospectus
“Dongying Committee”	Management Committee of the Economic Development Area of Dongying Harbor (東營港經濟開發區管理委員會), which is the control agency of the Dongying Harbor Economic Development Area (東營港經濟開發區) and an Independent Third Party
“Dornbirn Inc.”	Dornbirn Inc., a company incorporated in BVI and held some Pre-IPO Notes and Pre-IPO Warrants during the period between October 22, 2010 and February 25, 2011
“EIT”	the enterprise income tax of the PRC (中華人民共和國企業所得稅)
“Frost & Sullivan”	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., a global market research and consulting company, which is an Independent Third Party
“Frost & Sullivan Report”	an industry report prepared by Frost & Sullivan dated May 31, 2011
“Global Offering”	the Hong Kong Public Offering and the International Offering
“Green Application Form(s)”	the application form(s) to be completed by the HK eIPO White Form Service Provider designated by our Company
“Group”, “our Group”, “we”, “our” or “us”	our Company, its subsidiaries and the PRC Operational Entity (the financial results of which have been combined and accounted for as the subsidiary of our Company by virtue of the Contractual Arrangements) or, where the context so requires, in respect of the period before our Company became the holding company of its present subsidiaries (or before such associated companies became associated companies of our Company), the businesses operated by such subsidiaries, the PRC Operational Entity or their predecessors (as the case may be)

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“GDP”	gross domestic product
“Haixing”	Yancheng City Haixing Investment Co. Ltd.* (鹽城市海興投資有限公司), a company owned by the Yancheng City municipal government (鹽城市人民政府), which is the project owner of various contracts related to the development project in Yancheng City, Jiangsu Province (江蘇省鹽城市) and is an Independent Third Party
“HCQD”	Hubei Changjiang Qingyu Dredging Construction Co. Ltd.* (湖北長江清淤疏浚工程有限公司), a subsidiary of Changjiang Water Resources Commission (長江水利委員會), which was founded in 1999 and is an Independent Third Party
“HJ Pre-IPO Investment Agreements”	collectively, the HJ Pre-IPO Note Purchase Agreement, the HJ Pre-IPO Warrant Agreement and the related pledge agreements, summaries of which terms are set out in the section headed “History, Reorganization and Corporate Structure — Pre-IPO Investments”
“HJ Pre-IPO Note Purchase Agreement”	the note purchase agreement dated as of September 7, 2010 by and among Wangji Limited, Mr. Liu and Hong Jun (as amended and supplemented by a supplemental agreement dated March 3, 2011 and entered into by the same parties and other Group members), pursuant to which HJ Pre-IPO Notes in the aggregate principal sum of HK\$230 million were issued by Wangji Limited to Hong Jun, a summary of which terms is set out in the section headed “History, Reorganization and Corporate Structure — Pre-IPO Investments”
“HJ Pre-IPO Notes”	notes in the aggregate principal amount of HK\$230 million issued by Wangji Limited to Hong Jun pursuant to the HJ Pre-IPO Note Purchase Agreement, which have a maturity date falling on September 7, 2012, a summary of which terms is set out in the section headed “History, Reorganization and Corporate Structure — Pre-IPO Investments”
“HJ Pre-IPO Warrant Agreement”	the warrant agreement dated as of September 7, 2010 between Wangji Limited and Hong Jun, pursuant to which HJ Pre-IPO Warrants in the aggregate exercise price of HK\$230 million were issued by Wangji Limited to Hong Jun, a summary of which terms is set out in the section headed “History, Reorganization and Corporate Structure — Pre-IPO Investments”

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“HJ Pre-IPO Warrants”	warrants with an aggregate exercise price of HK\$230 million issued by Wangji Limited to Hong Jun pursuant to the HJ Pre-IPO Warrant Agreement providing the right to purchase up to an aggregate of Shares representing 11.5% of our Company’s Shares in issue on the Listing Date (without taking into account any Shares issued to the public or professional, institutional or other investors under the Global Offering), which may be exercised at any time during the period commencing on the date of the issuance of such warrants and expiring on the earlier of the Listing Date or the third anniversary of the date thereof, subject to the terms and conditions set out in the HJ Pre-IPO Warrant Agreement, a summary of which terms is set out in the section headed “History, Reorganization and Corporate Structure — Pre-IPO Investments”
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HK eIPO White Form”	the application for Hong Kong Offer Shares to be issued in the applicant’s own name by submitting applications online through the designated website of HK eIPO White Form (www.hkeipo.hk)
“HK eIPO White Form Service Provider”	the HK eIPO White Form service provider designated by our Company as specified on the designated website of HK eIPO White Form (www.hkeipo.hk)
“HKFRSs”	Hong Kong Financial Reporting Standards issued by HKICPA
“HKICPA”	Hong Kong Institute of Certified Public Accountants
“HKSCC”	Hong Kong Securities Clearing Company Limited, a wholly owned subsidiary of Hong Kong Exchanges and Clearing Limited
“HKSCC Nominees”	HKSCC Nominees Limited, a wholly owned subsidiary of HKSCC
“Hong Jun”	Hong Jun Investment Limited, a company incorporated in BVI and one of the Pre-IPO Investors, which is the holder of the HJ Pre-IPO Notes in the aggregate principal amount of HK\$230 million and the HJ Pre-IPO Warrants in the aggregate exercise price of HK\$230 million. Hong Jun is a wholly owned subsidiary of CCB International Asset Management Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

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“Hong Kong Offer Shares”	the 20,000,000 Shares being initially offered by our Company for subscription at the Offer Price pursuant to the Hong Kong Public Offering (subject to reallocation as described in the section headed “Structure of the Global Offering” in this prospectus)
“Hong Kong Public Offering”	the offer for subscription of the Hong Kong Offer Shares by the public in Hong Kong at the Offer Price, subject to and in accordance with the terms and conditions set out in this prospectus and the Application Forms
“Hong Kong Share Registrar”	Tricor Investor Services Limited
“Hong Kong Underwriters”	the underwriters of the Hong Kong Public Offering whose names are set out in the section headed “Underwriting — Hong Kong Underwriters” in this prospectus
“Hong Kong Underwriting Agreement”	the conditional Hong Kong underwriting agreement dated June 7, 2011 relating to the Hong Kong Public Offering entered into, among others, by our Company, the Controlling Shareholders, the Sole Sponsor, the Sole Global Coordinator and the Hong Kong Underwriters, details of which are set forth in the section headed “Underwriting — Underwriting Arrangements and Expenses” in this prospectus
“Independent Third Party(ies)”	party or parties not connected with us, any Directors, chief executives, Controlling Shareholders or substantial shareholders of our Company or subsidiaries or any of their respective associates
“International Offering”	the conditional offering of the International Offer Shares outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act, including to professional investors in Hong Kong, as further set forth in the section entitled “Structure of the Global Offering” in this prospectus
“International Offer Shares”	the 180,000,000 Shares being initially offered by our Company for subscription under the International Offering subject to reallocation as described in the section headed “Structure of the Global Offering” in this prospectus, together, where relevant, with any additional Sale Shares to be offered for sale pursuant to the exercise of the Over-allotment Option
“International Underwriters”	the underwriters expected to enter into the International Underwriting Agreement to underwrite the International Offer Shares

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“International Underwriting Agreement”	the conditional international underwriting agreement relating to the International Offering to be entered into, among others, by our Company, the Controlling Shareholders, the International Underwriters, the Sole Sponsor and the Sole Global Coordinator dated on or about June 13, 2011
“Issuing Mandate”	the general unconditional mandate granted to our Directors by our Shareholders in relation to the issue of our new Shares, details of which are set forth in the paragraphs headed “Resolutions in writing of all Shareholders passed on May 24, 2011” in Appendix VII to this prospectus
“Joint Lead Managers”	CCB International Capital Limited and Guotai Junan Securities (Hong Kong) Limited
“Latest Practicable Date”	June 2, 2011, being the latest practicable date for the purpose of ascertaining certain information contained in this prospectus prior to its publication
“Listing”	the listing of the Shares on the Main Board of the Stock Exchange
“Listing Committee”	the listing sub-committee of the board of directors of the Stock Exchange
“Listing Date”	the date, expected to be on or about June 20, 2011, on which dealings in the Shares first commence on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the Growth Enterprise Market of the Stock Exchange. For the avoidance of doubt, the Main Board excludes the Growth Enterprise Market
“Ministry of Commerce” or “MOFCOM”	The Ministry of Commerce of the PRC* (中華人民共和國商務部)
“Ministry of Transport” or “MOT”	The Ministry of Transport of the PRC* (中華人民共和國交通運輸部)
“Mr. Dong”	Mr. Dong Liyong (董立勇), one of our Controlling Shareholders, a non-executive Director and the Chairman of our Company

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“Mr. Liu”	Mr. Liu Kaijin (劉開進), one of our Controlling Shareholders, executive Director and Chief Executive Officer, and the spouse of Ms. Zhou
“Ms. Zhou”	Ms. Zhou Shuhua (周淑華), an executive Director and the spouse of Mr. Liu
“New M&A Rule”	the Regulations on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (關於外國投資者併購境內企業的規定), jointly adopted by the Ministry of Commerce, SASAC, the State Administration of Taxation, the State Administration for Industry and Commerce, the CSRC and SAFE, on August 8, 2006, and effective as of September 8, 2006
“Offer Price”	the final offer price per Offer Share (exclusive of brokerage fee of 1.0%, SFC transaction levy of 0.003% and Stock Exchange trading fee of 0.005%) of not more than HK\$4.07 and expected to be not less than HK\$3.19, such price to be agreed upon by us (for ourselves and on behalf of the Selling Shareholder) and the Sole Global Coordinator (for itself and on behalf of the Underwriters, and in consultation with the Sole Sponsor) on or before the Price Determination Date
“Offer Shares”	the Hong Kong Offer Shares and the International Offer Shares
“Over-allotment Option”	the option to be granted by the Selling Shareholder to the Sole Global Coordinator (on behalf of the International Underwriters) exercisable under the International Underwriting Agreement, pursuant to which the Selling Shareholder may be required to sell up to an aggregate of 30,000,000 existing Shares (representing 15% of the Shares initially being offered under the Global Offering) to cover over-allocations in the International Offering, details of which are described in the section headed “Structure of the Global Offering — Over-allotment and stabilization” in this prospectus
“PBOC”	the People’s Bank of China* (中國人民銀行), the central bank of the PRC
“Pledges”	the pledges or collaterals granted to Apex Ally and Hong Jun, respectively, details of which are set out in the section headed “History, Reorganization and Corporate Structure — Pre-IPO Investments”
“Power Wealth BVI”	Power Wealth Group (BVI) Limited, a company incorporated under the laws of BVI on May 17, 2010 with limited liability and a direct wholly owned subsidiary of our Company

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“Power Wealth HK”	Power Wealth Engineering Limited, a company incorporated under the laws of Hong Kong on July 3, 2002 with limited liability and an indirect wholly owned subsidiary of our Company
“PRC Legal Advisers”	Zhong Lun Law Firm, the legal advisers to our Company as to the laws of the PRC
“PRC Operational Entity” or “Jiangsu Xingyu”	Jiangsu Xingyu Port Construction Company Limited* (江蘇興宇港建有限公司), a limited company established under the laws of the PRC on July 13, 2007, the financial results of which have been combined and accounted for as a subsidiary of our Company by virtue of the Contractual Arrangements
“Pre-IPO Investments”	the transactions contemplated by the Pre-IPO Investment Agreements
“Pre-IPO Investment Agreements”	collectively, the HJ Pre-IPO Note Purchase Agreement, the AA Pre-IPO Note Purchase Agreement, the HJ Pre-IPO Warrant Agreement, the AA Pre-IPO Warrant Agreement and related pledge agreements, summaries of which are set out in the section headed “History, Reorganization and Corporate Structure — Pre-IPO Investments”
“Pre-IPO Investors”	Apex Ally and Hong Jun
“Pre-IPO Note Purchase Agreements”	collectively, the AA Pre-IPO Note Purchase Agreement and the HJ Pre-IPO Note Purchase Agreement and “Pre-IPO Note Purchase Agreement” means any one of them
“Pre-IPO Notes”	the AA Pre-IPO Notes and the HJ Pre-IPO Notes
“Pre-IPO Warrants”	the AA Pre-IPO Warrants and HJ Pre-IPO Warrants
“Pre-IPO Warrant Agreements”	collectively, the AA Pre-IPO Warrant Agreement and the HJ Pre-IPO Warrant Agreement, and “Pre-IPO Warrant Agreement” in the singular means either one of such agreements
“Price Determination Date”	the date, expected to be on or about June 13, 2011 and in any event no later than June 15, 2011, on which the Offer Price is to be fixed by agreement between us (for ourselves and on behalf of the Selling Shareholder) and the Sole Global Coordinator (on behalf of the Underwriters, and in consultation with the Sole Sponsor)
“Regulation S”	Regulation S under the U.S. Securities Act
“Renminbi” or “RMB”	the lawful currency of the PRC

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“Reorganization”	the corporate reorganization of our Group in the preparation for the Listing, particulars of which are set forth under the paragraph headed “Group reorganization” of Appendix VII to this prospectus
“Repurchase Mandate”	the general unconditional mandate granted to our Directors by our Shareholders in relation to the repurchase of our Shares, further information about which is set forth in the paragraphs headed “Resolutions in writing of all Shareholders passed on May 24, 2011” in Appendix VII to this prospectus
“SAFE”	State Administration of Foreign Exchange of the PRC* (中華人民共和國國家外匯管理局)
“Sale Shares”	up to 30,000,000 existing Shares being offered for sale by the Selling Shareholder at the final Offer Price pursuant to the Over-allotment Option
“SASAC”	the State-owned Assets Supervision and Administration Commission of the State Council of the PRC* (國務院國有資產監督管理委員會)
“Selling Shareholder” or “Shen Wang Limited”	a company incorporated under the laws of BVI on June 3, 2010 with limited liability and wholly owned by Mr. Dong, a Controlling Shareholder and the selling shareholder of the Sale Shares
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) with nominal value of HK\$0.10 each in the capital of our Company
“Share Option Scheme”	the share option scheme conditionally adopted by our Company by the passing of a Shareholders’ resolution on May 24, 2011, the principal terms of which are set forth under the paragraph headed “Share Option Scheme” in Appendix VII to this prospectus
“Shareholder(s)”	holder(s) of our Share(s)
“SHDC”	Shanghai Hehai Dredging Co., Ltd.* (上海河海航務工程有限公司), a privately owned dredging company, which is an Independent Third Party and has been our customer since 2004

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“Sole Global Coordinator” or “Lead Bookrunner”	CCB International Capital Limited
“Sole Sponsor”	Morgan Stanley Asia Limited
“Stabilizing Manager”	CCB International Capital Limited
“State Council”	the State Council of the PRC* (中華人民共和國國務院)
“Stock Borrowing Agreement”	the stock borrowing agreement expected to be entered into on or about the Price Determination Date between the Stabilizing Manager (or its Affiliates acting on its behalf) and the Selling Shareholder, pursuant to which the Selling Shareholder will agree to lend up to 30,000,000 existing Shares to the Stabilizing Manager on terms set forth therein, further details of which are set out in the section headed “Structure of the Global Offering — Over-allotment and Stabilization” in this prospectus.
“Stock Exchange”	The Stock Exchange of Hong Kong Limited, a wholly owned subsidiary of Hong Kong Exchanges and Clearing Limited
“subsidiary(ies)”	has the meaning ascribed to it in section 2 of the Companies Ordinance
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers, as promulgated by the SFC and as amended from time to time
“TDC Port”	CCCC-TDC Port Construction Engineering Co., Ltd.* (中交天航港灣建設工程有限公司), a subsidiary of CCCC (中國交通建設股份有限公司), which is an Independent Third Party and has been our customer since 2007
“TDC Yantai”	CCCC-TDC Yantai Environmental Protection Dredging Co., Ltd.* (中交煙台環保疏浚有限公司), a subsidiary of CCCC (中國交通建設股份有限公司), which is an Independent Third Party and has been our customer since 2007
“Track Record Period”	the three financial years ended December 31, 2010
“U.S. dollars” or “US\$”	United States dollars, the lawful currency of the United States
“U.S. persons”	U.S. persons as defined under Regulation S
“U.S. Securities Act”	the U.S. Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder

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“Underwriters”	the Hong Kong Underwriters and the International Underwriters
“Underwriting Agreements”	the Hong Kong Underwriting Agreement and the International Underwriting Agreement
“Wangji Limited”	a company incorporated under the laws of BVI on March 16, 2010 with limited liability, which is a Controlling Shareholder and wholly owned by Mr. Liu
“Xiangyu PRC”	Jiangsu Xiangyu Port Constructing Project Administration Co. Ltd.* (江蘇翔宇港建工程管理有限公司), a wholly foreign-owned enterprise established under the laws of the PRC on June 11, 2010, which is an indirect wholly owned subsidiary of our Company
“Yandu Management Company”	Yancheng City Yandu District State-owned Asset Investment Operations Company Limited (鹽城市鹽都區國有資產投資經營有限公司), a state-owned enterprise which was authorized by the Yandu District Local Government in May 2011 to implement dredging, aquatic ecological restoration and treatment of polluted water for the rivers in Yandu District using a build-and-transfer model

The provision of English translation of company or other entity names in Chinese or other language which are marked with “” is for identification purpose only.*