

Unless otherwise defined in this announcement, capitalized terms used in this announcement shall have the same meanings as those defined in the prospectus dated June 8, 2011 (the “Prospectus”) issued by Xiangyu Dredging Holdings Limited (the “Company”).

This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Shares. Potential investors should read the Prospectus for detailed information about the Global Offering described below before deciding whether or not to invest in the Offer Shares.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and Hong Kong Securities Clearing Company Limited (“HKSCC”) take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



XIANGYU DREDGING HOLDINGS LIMITED

翔宇疏浚控股有限公司

(Incorporated in the Cayman Islands with limited liability)

GLOBAL OFFERING

Number of Offer Shares under the Global Offering	:	200,000,000 Shares (subject to the Over-allotment Option)
Number of Hong Kong Offer Shares	:	20,000,000 Shares (subject to adjustment)
Number of International Offer Shares	:	180,000,000 Shares (subject to adjustment and the Over-allotment Option)
Maximum Offer Price	:	HK\$4.07 per Offer Share plus brokerage fee of 1%, SFC transaction levy of 0.003% and Stock Exchange trading fee of 0.005% (payable in full on application in Hong Kong dollars and subject to refund)
Nominal value	:	HK\$0.10 per Share
Stock code	:	871

Sole Global Coordinator, Lead Bookrunner and Joint Lead Manager



Sole Sponsor

Morgan Stanley

Co-bookrunner and Joint Lead Manager



An application has been made by the Company to the Listing Committee of the Stock Exchange for the granting of the listing of, and permission to deal in, the Shares in issue and to be issued pursuant to the Global Offering and the Capitalization Issue, and pursuant to the exercise of options which may be granted under the Share Option Scheme. The maximum number of Shares to be issued upon exercise of options to be granted under the Share Option Scheme must not in aggregate exceed 10% of the Shares in issue on the Listing Date. In the event the Over-allotment Option is exercised, an announcement will be made by the Company.

The Company is initially offering 20,000,000 Hong Kong Offer Shares (subject to adjustment) and 180,000,000 International Offer Shares (subject to adjustment and the Over-allotment Option), for subscription at the maximum Offer Price, representing approximately 10% and 90%, respectively, of the total number of Offer Shares initially available under the Global Offering. The International Offer Shares may be increased by 30,000,000 additional Shares which may be sold by the Selling Shareholder at the Offer Price pursuant to the Over-allotment Option. The allocation of the Shares between the Hong Kong Public Offering and the International Offering is subject to adjustment as stated in the section headed “Structure of the Global Offering — The Hong Kong Public Offering” in the Prospectus.

Applications for the Hong Kong Offer Shares will only be considered on the basis of the terms and conditions of the Prospectus and the related Application Forms.

Applicants who would like the allotted Hong Kong Offer Shares to be issued in their own names should either: (i) complete and sign the **WHITE** Application Forms; or (ii) submit applications online through the designated website of the **HK eIPO White Form** Service Provider at www.hkeipo.hk via the **HK eIPO White Form** service. Applicants who would like the allotted Hong Kong Offer Shares to be issued in the name of HKSCC Nominees and deposited directly into CCASS for credit to their CCASS Investor Participant stock accounts or the stock accounts of their designated CCASS Participants maintained in CCASS should either: (i) complete and sign the **YELLOW** Application Forms; or (ii) give **electronic application instructions** to HKSCC via CCASS.

Copies of the Prospectus, together with the **WHITE** Application Forms, may be obtained during normal business hours from 9:00 a.m. on Wednesday, June 8, 2011 until 12:00 noon on Monday, June 13, 2011 at:

(i) any of the following addresses:

- **CCB International Capital Limited** at 34th Floor, Two Pacific Place, 88 Queensway, Admiralty, Hong Kong
- **Guotai Junan Securities (Hong Kong) Limited** at 27th Floor, Low Block, Grand Millennium Plaza, 181 Queen’s Road Central, Hong Kong

(ii) any of the following branches of **China Construction Bank (Asia) Corporation Limited**:

District	Branch	Address
Hong Kong Island	Central Branch	6 Des Voeux Road Central, Central
	Causeway Bay Plaza Branch	G/F, Causeway Bay Plaza 1, Causeway Bay
	North Point Branch	382 King's Road, North Point
Kowloon	Mei Foo Branch	Shop N46, G/F, Mei Foo Sun Chuen, Stage 6
	Kowloon Bay Amoy Gardens Branch	Shop 181, G/F Phase IIA, Amoy Gardens
	Tai Kok Tsui Olympian City Branch	Shop 109, 1/F, Olympian City 2
New Territories	Tsuen Wan Branch	282 Sha Tsui Road, Tsuen Wan
	Shatin Plaza Branch	Shop 5, Level 1, Shatin Plaza, Shatin

(iii) any of the following branches of **Standard Chartered Bank (Hong Kong) Limited**:

District	Branch	Address
Hong Kong Island	Des Voeux Road Branch	Standard Chartered Bank Building, 4-4A, Des Voeux Road Central, Central
Kowloon	Kwun Tong Hoi Yuen Road	G/F, Fook Cheong Building, No. 63 Hoi Yuen Road, Kwun Tong, Kowloon
	Mongkok Branch	Shop B, G/F, 1/F & 2/F, 617-623 Nathan Road, Mongkok
	Tsimshatsui Branch	G/F, 10 Granville Road, Tsimshatsui
New Territories	Tai Po Branch	23 & 25 Kwong Fuk Road, Tai Po Market, Tai Po
	Yuen Long Fung Nin Road Branch	Shop B at G/F and 1/F, Man Cheong Building, 247 Castle Peak Road, Yuen Long

Copies of the Prospectus, together with the **YELLOW** Application Forms, may be obtained:

- (i) during normal business hours from 9:00 a.m. on Wednesday, June 8, 2011 until 12:00 noon on Monday, June 13, 2011 at

The Depository Counter of HKSCC
2nd Floor, Infinitus Plaza
199 Des Voeux Road Central
Hong Kong

- (ii) from your stock broker who may have the Prospectus and the **YELLOW** Application Forms available.

Applicants applying by **HK eIPO White Form** may submit applications to the **HK eIPO White Form** Service Provider through the designated website www.hkeipo.hk from 9:00 a.m. on Wednesday, June 8, 2011 until 11:30 a.m. on Monday, June 13, 2011 or such later time as described under the sub-section headed “How to Apply for Hong Kong Offer Shares — Effect of Bad Weather on the Opening of the Application Lists” in the Prospectus (24 hours daily, except on the last application day).

CCASS Participants can input **electronic application instructions** from 9:00 a.m. on Wednesday, June 8, 2011 until 12:00 noon on Monday, June 13, 2011.

Please refer to the sections headed “Structure of the Global Offering” and “How to apply for Hong Kong Offer Shares” in the Prospectus for details of the conditions and procedures of the Hong Kong Public Offering.

The Company expects to publish the announcement on the Offer Price, the level of applications in the Hong Kong Public Offering, the basis of allocations under the Hong Kong Offer Shares and the level of indications of interest in the International Offering on Friday, June 17, 2011 in the South China Morning Post (in English), the Hong Kong Economic Times (in Chinese), on the website of the Company (www.xiangyu.com.hk) and on the Stock Exchange’s website (www.hkexnews.hk).

The results of allocations of the Hong Kong Public Offering, and the Hong Kong identity card/passport/Hong Kong business registration numbers (when supplied) of successful applicants and the number of Hong Kong Offer Shares successfully applied for will be made available in the manner described in the section head “How to apply for Hong Kong Offer Shares — Publication of results” in the Prospectus on Friday, June 17, 2011.

The Company will not issue temporary documents of title. No receipt will be issued for application monies.

Assuming the Global Offering becomes unconditional at or before 8:00 a.m. in Hong Kong on Monday, June 20, 2011, dealing in the Shares on the Stock Exchange are expected to commence at 9:00 a.m. on Monday, June 20, 2011. The Shares will be traded in board lots of 1,000 Shares each.

By order of the Board
Xiangyu Dredging Holdings Limited
Dong Liyong
Chairman of the Company

Hong Kong, June 8, 2011

As at the date of this announcement, the executive Directors are Mr. Liu Kaijin and Ms. Zhou Shuhua; the non-executive Director is Mr. Dong Liyong; and the independent non-executive Directors are Ms. Leung Mei Han, Mr. Zhang Jun and Ms. Peng Cuihong.

Please also refer to the published version of this announcement in the South China Morning Post.