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XIANGYU DREDGING HOLDINGS LIMITED

翔宇疏浚控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 871)

ANNOUNCEMENT

This announcement is made pursuant to Rule 13.51B(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Stock Exchange”).

The board (“Board”) of directors (“Directors”) of Xiangyu Dredging Holdings Limited (“Company”) would announce that the Company was informed by Mr Dong Li Yong (“Mr Dong”, a non-executive Director and a joint chairman of the Company) that on 3 April 2012 or thereabout, he received a notice that the Market Misconduct Tribunal (“MMT”) was directed to conduct proceedings (“Proceedings”) and determine (a) whether any market misconduct has taken place during the period between 12 November 2007 and 12 September 2008 arising out of dealings in the securities of Yue Da Mining Holdings Limited (a company whose shares are listed on the main board of the Stock Exchange); (b) the identity of every person who has engaged in the alleged market misconduct; and (c) the amount of any profit gained or loss avoided, if any, as a result of the alleged market misconduct. The persons specified in the above notice include, among other persons, Mr Dong.

For further details of the alleged market misconduct and the Proceedings, please refer to the notice released on the website of MMT under the below link:

http://www.mmt.gov.hk/eng/rulings/Yue.Da.Mining.Holding.Ltd.16122011_e.pdf

The Company has been informed by Mr Dong that he does not accept the allegations that he engaged in the alleged market misconduct. Mr Dong is a non-executive Director and is not responsible for the management of the day-to-day business and operations of the Group.

The Company is not a “specified person” against whom the Proceedings were commenced. The Proceedings have no relationship whatsoever with the Company’s business and operations, the other Directors (other than Mr Dong) and senior management of the Company, or the Company’s shares and other securities. The Company has not previously been informed by Mr Dong or other persons of the Proceedings.

It is not expected that the Proceedings will have any material effect on the business operations or financial position of the Company or any of its subsidiaries.

The Company will make further announcement(s) as and when appropriate.

By order of the Board
Xiangyu Dredging Holdings Limited
Liu Kaijin
*Joint chairman, executive director
and chief executive officer*

Hong Kong, 5 April 2012

As at the date of this announcement, the Board comprises Mr Liu Kaijin, joint chairman, an executive Director and chief executive officer; Ms Zhou Shuhua as an executive Director; Mr Dong Liyong as non-executive Director and joint chairman; and Ms Leung Mei Han, Mr Zhang Jun and Ms Peng Cuihong as independent non-executive Directors.