

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

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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)

STABILIZATION ACTIONS AND END OF STABILIZATION PERIOD

The Company announces that the stabilization period in connection with the Global Offering ended on July 13, 2011.

The stabilization actions undertaken during the stabilizing period were: (1) over-allocations of an aggregate of 3,709,000 Shares in the International Offering; (2) the borrowing of an aggregate of 3,709,000 Shares from Shen Wang Limited (the “**Selling Shareholder**”) pursuant to the Stock Borrowing Agreement; and (3) the purchase of a total of 3,709,000 Shares in the price range of HK\$2.44 to HK\$2.91 per Share on the market, representing approximately 1.85% of the initial number of Shares available under the Global Offering before any exercise of the Over-allotment Option. The last purchase of Shares made on the market during the course of the stabilization period was June 22, 2011 at the price of HK\$2.62 per Share;

No Over-allotment Option has been exercised during the stabilization period and the Over-allotment Option lapsed on July 13, 2011.

The Company makes this announcement pursuant to Section 9(2) of the Securities and Futures (Price Stabilizing) Rules (Cap. 571W of the Laws of Hong Kong) and announces that the stabilizing period in connection with the Global Offering ended on July 13, 2011, being the 30th day after the last date for the lodging of applications under the Hong Kong Public Offering.

The stabilizing actions undertaken during the stabilizing period were:

- (1) over-allocations of an aggregate of 3,709,000 Shares in the International Offering, representing approximately 1.85% of the Offer Shares initially available under the Global Offering;
- (2) the borrowing of an aggregate of 3,709,000 Shares from the Selling Shareholder pursuant to the Stock Borrowing Agreement; and
- (3) the purchase of a total of 3,709,000 Shares in the price range of HK\$2.44 to HK\$2.91 per Share on the market, representing approximately 1.85% of the initial number of Shares available under the Global Offering before any exercise of the Over-allotment Option. The last purchase of Shares made on the market during the course of the stabilization period was June 22, 2011 at the price of HK\$2.62 per Share.

No Over-allotment Option has been exercised during the stabilization period and the Over-allotment Option lapsed on July 13, 2011.

The Company continues to comply with the public float requirements under Rule 8.08(1)(a) of the Listing Rules. No new Shares or securities convertible into equity securities of the Company may be issued within six months from the Listing Date save for the situations set out in Rule 10.08 of the Listing Rules.

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

Hong Kong, July 14, 2011

As of 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.