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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)

Completion of the acquisition of equity interest in a PRC Enterprise

Reference is made to the announcements of Xiangyu Dredging Holdings Limited (the “Company”, together with its subsidiaries, the “Group”) dated 19 September 2011 and 3 January 2012 (“Announcements”) respectively in relation to, among other matters, the acquisition of equity interest in 江蘇蛟龍打撈航務工程有限公司 (Jiangsu Jiaolong Salvage Harbour Engineering Co. Ltd.*) by the Group and the extension of the date of fulfilment of conditions precedent to completion under the relevant agreements for the Acquisition. Unless the context requires otherwise, terms and expressions defined in the Announcements shall have the same meanings when used in this announcement.

The Board would announce that the conditions precedents to completion of the Transfer Agreement and the Subscription Agreement were recently satisfied, and completion of the Transfer and the Subscription took place on 20 February 2012. Up to the date of this announcement, the consideration payable under the Transfer Agreement and the Subscription Agreement at or before completion of such agreements has been partially paid. The parties have agreed that the remaining balance for such payment may be made on or before 31 December 2012 (or such other date as may be agreed by the parties to such agreements).

By order of the Board
Xiangyu Dredging Holdings Limited
Liu Kaijin
Executive Director and chief executive officer

Hong Kong, 24 February 2012

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

* *For identification purpose only*