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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)

GRANT OF SHARE OPTIONS

This announcement is made pursuant to Rule 17.06A of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The board (the “**Board**”) of directors (the “**Directors**”) of Xiangyu Dredging Holdings Limited (the “**Company**”) announces that on 2 September 2013, share options (the “**Options**”) in respect of up to a total of 7.6 million ordinary shares of HK\$0.10 each in the share capital of the Company (the “**Share(s)**”) were offered to be granted to an eligible grantee (the “**Grantee**”), subject to the acceptance by the Grantee, under the share option scheme (“**Share Option Scheme**”) adopted by the Company on 24 May 2011.

The Options shall entitle the Grantee to subscribe for a total of up to 7.6 million Shares at the exercise price of HK\$2.176, equivalent to the highest of:

- i. The closing price of the Shares on daily quotations of the Stock Exchange on the date of grant of the Options of HK\$2.130 per share;
- ii. The average closing price of the Shares as stated on the Stock Exchange’s daily quotations for the five business days immediately preceding the date of grant of the Options of HK\$2.176 per share; and
- iii. The nominal value of the Shares, which is HK\$0.10.

The exercise period of the Options shall commence on the date of appointment of the Grantee as a consultant of the Group, and expire on the 2nd anniversary of the date of offer of grant of the Options (the “**Term**”). Further, the Option shall only be exercisable if the volume weighted average traded price of the Shares based on the trading day immediately preceding the date of exercise shall be equal to or higher than HK\$3.50 during the Term.

The Grantee of the Options is not a director, chief executive or substantial shareholder of the Company, nor an associate (as defined under the Listing Rules) of any of them.

By order of the Board
Xiangyu Dredging Holdings Limited
Mr. Liu Kaijin
*Joint Chairman, an Executive Director and
Chief Executive Officer*

Hong Kong, 2 September 2013

As at the time of this announcement, the Board comprises Mr. Liu Kaijin as the Company's Joint Chairman, an Executive Director and Chief Executive Officer; Ms. Zhou Shuhua as an Executive Director; Mr. Liu Longhua as Joint Chairman and Non-executive Director; and Ms. Peng Cuihong, Mr. Huan Xuedong and Mr. Chan Ming Sun, Jonathan as independent non-executive Directors.