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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)**

### **VOLUNTARY ANNOUNCEMENT — CONTRACTS IN RESPECT OF RECLAMATION DREDGING SERVICES IN SHANDONG PROVINCE**

The Board is pleased to announce that recently Jiangsu Xingyu and the Customer entered into the Contracts. Under the Contracts, Jiangsu Xingyu has agreed to provide reclamation dredging services in connection with the reclamation project at Long Port Development Area of Longkou City\* (龍口市龍港開發區), Shandong Province, the PRC. The estimated revenue of such works under the Contracts is approximately RMB449.0 million (equivalent to approximately HK\$552.3 million). The estimated revenue to be received by the Group is subject to the volume and other parameters of the works to be delivered and accepted by the Customer under the Contracts.

The board (“**Board**”) of directors (“**Directors**”) of Xiangyu Dredging Holdings Limited (“**Company**”) is pleased to announce that recently Jiangsu Xingyu Port Construction Company Limited\* (江蘇興宇港建有限公司) (“**Jiangsu Xingyu**”) (being treated as a subsidiary of the Company), in its ordinary course of business, and Longkou City Nanshan Western Coastline Artificial Island Construction and Development Limited\* (龍口市南山西海岸人工島建設發展有限公司) (“**Customer**”) entered into two contracts (“**Contracts**”). Under the Contracts, Jiangsu Xingyu has agreed to provide reclamation dredging services in connection with the reclamation project at Long Port Development Area of Longkou City\* (龍口市龍港開發區), Shandong Province, the People’s Republic of China (“**PRC**”). The works are expected to last for approximately 32 months, commencing in April 2012 and ending in December 2014.

To the best of the Directors’ knowledge, information and belief, after having made all reasonable enquiries, the Customer is a third party independent of and not connected with the Company and its subsidiaries (collectively, the “**Group**”) and its connected persons (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited).

The terms of the two Contracts are substantially the same, except for the location of the work sites, the respective contract sums, and the expected workload of dredging works.

The estimated revenue of such works under the Contracts is approximately RMB449.0 million (equivalent to approximately HK\$552.3 million). The estimated revenue to be received by the Group is subject to the volume and other parameters of the works to be delivered and accepted by the Customer under the Contracts. The contractual amount of the Contracts will be paid in stages based on the progress of works, and the final remaining balance will be paid upon expiry of the relevant warranty period.

The Contracts also contain other typical representations and undertakings generally provided in contracts for reclamation dredging works.

The Group has been striving for quality contracts of reclamation dredging services. The Contracts are to enhance the Group's market share, competitiveness and reputation in dredging market of the PRC.

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

Hong Kong, 22 April 2012

*As at the date of this announcement, the Board comprises Mr. Liu Kaijin as Joint Chairman, Executive Director and Chief Executive Officer; Ms. Zhou Shuhua as an Executive Director; Mr. Dong Liyong as a Non-executive Director and Joint Chairman; and Ms. Leung Mei Han, Mr. Zhang Jun and Ms. Peng Cuihong as Independent Non-executive Directors.*

\* *For identification purpose only*