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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)

CHANGE OF JOINT CHAIRMAN, DIRECTORS, MEMBERS OF COMMITTEES AND AUTHORISED REPRESENTATIVE

The Board announces that with effect from 25 April 2012:

- (1) Mr. Liu Longhua (劉龍華先生) has been appointed as the Company's Joint Chairman, non-executive Director, member of the remuneration committee and chairman of the nomination committee;
- (2) Mr. Huan Xuedong (還學東先生) has been appointed as the Company's independent non-executive Director and member of the audit committee;
- (3) Mr. Dong Liyong (董立勇先生) has resigned as the Company's Joint Chairman, non-executive Director, member of the remuneration committee, chairman of the nomination committee, and authorized representative of the Company; and
- (4) the Company's Joint Chairman, executive Director and Chief Executive Officer, Mr. Liu Kaijin (劉開進先生), has been appointed as the Company's authorized representative.

APPOINTMENT OF DIRECTORS

The board (the “**Board**”) of directors (the “**Directors**”) of Xiangyu Dredging Holdings Limited (the “**Company**”) announces that from 25 April 2012, Mr. Liu Longhua (劉龍華先生) has been appointed as the Company's Joint Chairman, non-executive Director, member of the remuneration committee and chairman of the nomination committee; and Mr. Huan Xuedong (還學東先生) has been appointed as the Company's independent non-executive Director and member of the audit committee.

Biographical details of Mr. Liu Longhua (“**Mr. Liu**”) are set out below:

Mr. Liu Longhua, aged 60, graduated from Tsinghua University and he was accredited with the qualification of senior engineer.

Mr. Liu is currently the chairman of Beijing Urban Construction Investment Development Co., Ltd. (“**Beijing Urban Construction**”), a company listed on the Shanghai Stock Exchange (Stock Code: 600266). Mr. Liu has acted as the vice chairman and general manager of Beijing Construction Engineering Group Co., Limited* (北京建工集團有限責任公司) and the chairman and party secretary, etc. of Beijing Urban Construction Group Co., Ltd. (a major shareholder of Beijing Urban Construction). He has extensive experience in corporate governance of sizeable state-owned enterprise.

Mr. Liu is currently a member of the Beijing Municipal Committee of the Chinese People’s Political Consultative Conference (中國人民政治協商會議北京市委員會成員), chairman of the Constructor Committee of China Construction Industry Association* (中國建築業協會建造師分會會長), and the vice chairman of China Construction Industry Association* (中國建築業協會副會長).

The term of appointment of Mr. Liu is three years. There is no service contract between Mr. Liu and the Company. Pursuant to the articles of association of the Company, Mr. Liu will retire and be eligible for re-election at the next annual general meeting of the Company. Thereafter, he will be subject to retirement by rotation and re-election in accordance with the articles of association of the Company. Mr. Liu will not receive a director’s fee or bonus.

Biographical details of Mr. Huan Xuedong (“**Mr. Huan**”) are set out below:

Mr. Huan Xuedong, aged 61, graduated from the Correspondence Institute of the Party School of the Central Committee of the Communist Party of China (中共中央黨校函授學院), the PRC with a graduation certificate for undergraduate courses in party administration. He also completed his post-graduate studies in Applied Sociology in Nanjing University.

Mr. Huan has served as the Head of Bureau of Township Enterprises of Yan Cheng City* (鹽城市鄉鎮企業局) and the Head of Bureau of Water Management of Yan Cheng City* (鹽城市水利局). Mr. Huan acted as a member of the 9th session of the National Committee of the Chinese People’s Political Consultative Conference of Jiangsu Province (中國人民政治協商會議江蘇省第九屆委員會) in 2003. Currently, Mr. Huan is the chairman of the Agricultural and Water Enterprises Association of Yan Cheng City* (鹽城市農水企業協會).

The term of appointment of Mr. Huan is three years. There is no service contract between Mr. Huan and the Company. Pursuant to the articles of association of the Company, Mr. Huan will retire and be eligible for re-election at the next annual general meeting of the Company. Thereafter, he will be subject to retirement by rotation and re-election in accordance with the articles of association of the Company. Mr. Huan will be entitled to receive a director's fee of RMB150,000 per annum which is determined with reference to the prevailing market rate and his duties and responsibilities in the Company but he is not entitled to receive bonus. As confirmed by Mr. Huan, he is aware of that he has met the independence criteria as set out in the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

Save as disclosed above, Mr. Liu and Mr. Huan (i) have not hold any other position with the Company or any of its subsidiaries (the "**Group**") on the date of this announcement; (ii) do not have any relationships with any Directors, senior management, substantial shareholders or controlling shareholders on the date of this announcement; (iii) do not hold any other directorships in any other public listed companies, the securities of which are listed in any securities market in Hong Kong or overseas market, during the last three years preceding the date of this announcement; and (iv) does not have any interest in any shares of the Company within the meaning of the Securities and Futures Ordinance on the date of this announcement. Save as disclosed above, there is no other matters concerning the appointment of Mr. Liu and Mr. Huan that need to be brought to the attention of the shareholders of the Company and there is no other information that is required to be disclosed by the Company pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

The Board would like to express its warmest welcome to Mr. Liu and Mr. Huan on their appointments.

RESIGNATION OF DIRECTOR

As Mr. Dong Liyong ("**Mr. Dong**") has to devote more time to his personal matters, he has resigned as joint chairman, non-executive Director, member of the remuneration committee, chairman of the nomination committee and authorized representative of the Company and all of his posts in the Company and its subsidiaries effective from 25 April 2012.

Mr. Dong has confirmed that he has no claims against the Company and the Group in respect of his resignation and that he has no disagreement with the Board, and there are no matters that need to be brought to the attention of the shareholders of the Company in relation to his resignation as joint chairman, non-executive Director, member of the remuneration committee, chairman of the nomination committee and authorized representative of the Company.

The Board would like to extend its appreciation to Mr. Dong for his contribution during his tenure of office in the Company.

CHANGE OF AUTHORISED REPRESENTATIVE

Mr. Liu Kaijin, the Company's joint Chairman, an executive Director and Chief Executive Officer, has been appointed as the authorized representative of the Company effective from 25 April 2012.

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

Hong Kong, 25 April 2012

As at the time 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. Liu Longhua as Joint Chairman and Non-executive Director; and Ms. Leung Mei Han, Mr. Zhang Jun, Ms. Peng Cuihong and Mr. Huan Xuedong as Independent Non-executive Directors.

* *For identification purposes only*