

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

**If you are in doubt** as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Xiangyu Dredging Holdings Limited (the “**Company**”), you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)**

### **(A) RE-ELECTION OF RETIRING DIRECTORS; AND (B) NOTICE OF EXTRAORDINARY GENERAL MEETING**

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A notice convening the EGM to be held at Boardroom 6, Mezzanine Floor, Renaissance Harbour View Hotel Hong Kong at 1 Harbour Road, Wanchai, Hong Kong on Tuesday, 15 May 2012 at 12:00 noon or thereabout (immediately after the conclusion of the AGM) is set out on page 7 to 8 of this circular. A form of proxy for use at the EGM is also enclosed with this circular. Whether or not you intend to attend the EGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM if you so wish and, in such event, the form of proxy shall be deemed to be revoked.

27 April 2012

# CONTENTS

	<i>Page</i>
<b>Definitions</b> .....	1
<b>Letter from the Board</b>	
Introduction and re-election of retiring Directors .....	3
EGM .....	4
Voting by poll .....	4
Recommendation .....	4
<b>Appendix — Biographical details of retiring Directors proposed for re-election                   at the EGM</b> .....	5
<b>Notice of EGM</b> .....	7

## DEFINITIONS

*In this circular, unless the context otherwise requires, the following expressions have the following meanings:*

“AGM”	the annual general meeting of the Company to be held at Boardroom 6, Mezzanine Floor, Renaissance Harbour View Hotel Hong Kong at 1 Harbour Road, Wanchai, Hong Kong on Tuesday, 15 May 2012 at 11:30 a.m. or any adjournment thereof
“AGM Notice”	the notice of AGM, which was contained in the Company’s circular dated 5 April 2012 to Shareholders
“Articles”	the Articles of Association of the Company
“Board”	the board of Directors
“Company”	Xiangyu Dredging Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Stock Exchange
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held at Boardroom 6, Mezzanine Floor, Renaissance Harbour View Hotel Hong Kong at 1 Harbour Road, Wanchai, Hong Kong on Tuesday, 15 May 2012 at 12:00 noon or thereabout (immediately after the conclusion of the AGM) or any adjournment thereof
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“INED”	independent non-executive Director
“Latest Practicable Date”	25 April 2012, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong

## DEFINITIONS

“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

LETTER FROM THE BOARD



**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)**

*Executive Directors:*

Mr. Liu Kaijin (*Joint Chairman  
and Chief Executive Officer*)  
Ms. Zhou Shuhua

*Non-executive Director:*

Mr. Liu Longhua (*Joint Chairman*)

*Independent non-executive Directors:*

Ms. Leung Mei Han  
Mr. Zhang Jun  
Ms. Peng Cuihong  
Mr. Huan Xuedong

*Registered office:*

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Head office and principal place of  
business in Hong Kong:*

Office 19, 36th Floor  
China Merchants Tower  
Shun Tak Centre  
200 Connaught Road Central  
Hong Kong

27 April 2012

*To the Shareholders*

Dear Sir/Madam

**(A) RE-ELECTION OF RETIRING DIRECTORS; AND  
(B) NOTICE OF EXTRAORDINARY GENERAL MEETING**

**INTRODUCTION AND RE-ELECTION OF RETIRING DIRECTORS**

On 25 April 2012, Mr. Liu Longhua and Mr. Huan Xuedong were appointed by the Board as a non-executive Director and an INED of the Company respectively.

As convened by the AGM Notice, the AGM will be held on 15 May 2012.

Under Article 109 of the Articles, any Director appointed by the Board shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election at the meeting. Accordingly, both Mr. Liu Longhua and Mr. Huan Xuedong will retire from their office as Directors at the AGM.

## LETTER FROM THE BOARD

Each of Mr. Liu Longhua and Mr. Huan Xuedong, being eligible, would offer himself for re-election. Separate ordinary resolutions will be proposed at the EGM to re-elect Mr. Liu Longhua and Mr. Huan Xuedong as Directors.

Biographical details of the above retiring Directors, which are required to be disclosed pursuant to the Listing Rules, are set out in the Appendix to this circular.

### **EGM**

Notice of the EGM is set out on page 7 to 8 of this circular. A form of proxy for use at the EGM is despatched together with this circular. They are also published on the website of the Stock Exchange and the website of the Company. Whether or not you intend to attend the EGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or at any adjournment thereof if you so wish and in such event, the form of proxy shall be deemed to be revoked.

### **VOTING BY POLL**

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. An announcement on the results of the poll will be published by the Company after the EGM on the respective websites of the Stock Exchange and the Company.

### **RECOMMENDATION**

The Directors consider that the re-election of the retiring Directors are in the best interests of the Company and its Shareholders as a whole. The Directors therefore recommend Shareholders to vote in favour of all the relevant resolutions as set out in the notice of the EGM.

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

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, Mr. Liu will retire and be eligible for re-election at the AGM. Thereafter, he will be subject to retirement by rotation and re-election in accordance with the Articles. 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, Mr. Huan will retire and be eligible for re-election at the AGM. Thereafter, he will be subject to retirement by rotation and re-election in accordance with the Articles. 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

\* For identification purposes only

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 Listing Rules.

Save as disclosed above, Mr. Liu and Mr. Huan (i) have not hold any other position with the Group as at the Latest Practicable Date; (ii) do not have any relationships with any Directors, senior management, substantial Shareholders or controlling Shareholders as at the Latest Practicable Date; (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; and (iv) do not have any interest in any shares of the Company within the meaning of the SFO as at the Latest Practicable Date. 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 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.



**NOTICE OF EGM**



**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)**

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (“Meeting”) of Xiangyu Dredging Holdings Limited (“Company”) will be held at Boardroom 6, Mezzanine Floor, Renaissance Harbour View Hotel Hong Kong at 1 Harbour Road, Wanchai, Hong Kong on Tuesday, 15 May 2012 at 12:00 noon or thereabout (immediately after the conclusion of the AGM) for the following purposes:

**ORDINARY RESOLUTIONS**

1. To re-elect Mr. Liu Longhua as a non-executive director of the Company.
2. To re-elect Mr. Huan Xuedong as an independent non-executive director of the Company.

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

Hong Kong, 27 April 2012

*Registered Office:*

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Principal Place of Business in Hong Kong:*

Office 19, 36th Floor  
China Merchants Tower  
Shun Tak Centre  
200 Connaught Road Central  
Hong Kong

## NOTICE OF EGM

*Notes:*

- (a) A member entitled to attend and vote at the Meeting may appoint a proxy or, if holding two or more shares, more than one proxy to attend and vote on his behalf. A proxy need not be a member of the Company.
- (b) To be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed, or a notorially certified copy thereof must be deposited at the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time fixed for holding the Meeting or adjournment thereof.
- (c) To be valid, the form of notice of appointment of corporate representative, in the case of appointment by a shareholder which is a corporate shareholder other than a clearing house, must be deposited at the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time fixed for holding the Meeting or adjournment thereof.
- (d) The register of members of the Company will be closed from Monday, 14 May 2012 to Tuesday, 15 May 2012, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for attending the Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Friday, 11 May 2012.