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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: ENTERING INTO AN ENVIRONMENTAL PROTECTION DREDGING SERVICE CONTRACT**

The Board is pleased to announce that on 30 June 2012, Jiangsu Xingyu and CWWEC entered into the Contract, pursuant to which Jiangsu Xingyu agreed to provide environmental protection dredging services for the South Lake environmental protection dredging project of Wuhan, Hubei Province, the PRC. The estimated contract sum is about RMB100 million and the Contract was effective at the end of June 2012.

The board (“**Board**”) of directors (“**Directors**”) of Xiangyu Dredging Holdings Limited (the “**Company**”) is pleased to announce that on 30 June 2012, Jiangsu Xingyu Port Construction Company Limited (“**Jiangsu Xingyu**”), in its ordinary course of business entered into an environmental protection dredging service contract (the “**Contract**”) with Changjiang Wuhan Waterway Engineering Company\* (長江武漢航道工程局) (“**CWWEC**”). Pursuant to the Contract, Jiangsu Xingyu shall provide dredging services for the South Lake\* (南湖) environmental protection dredging project of Wuhan, Hubei province, the PRC. The Contract was effective at the end of June 2012 and is expected to be completed in about 15 months.

Jiangsu Xingyu, a company treated as a wholly-owned subsidiary of the Company, provides services of capital dredging, reclamation dredging, maintenance dredging, and environmental protection dredging. CWWEC, an enterprise under Changjiang Waterway Bureau of the Ministry of Transport of the PRC\* (中國交通運輸部長江航務管理局), is a leading state-owned dredging service organization in the PRC.

To the best of the Directors’ knowledge, information and belief, after having made all reasonable enquiries, CWWEC is a third party independent of and not connected with the Company and its subsidiaries (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 estimated contract sum of the Contract is about RMB100 million (equivalent to approximately HK\$123 million). The contractual amount of the Contract will be paid in stages based on the progress and satisfactory audit and inspection of the works, and the final remaining balance will be paid upon expiry of the warranty period as provided under the Contract.

The Contract also contains other typical representations and undertakings generally provided in contracts for environmental protection dredging works.

The Contract is considered to be a contract awarded to the Group after completion of a dredging project in Wuhan and is recognized as a significant progress of the Company in environmental protection dredging services.

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

Hong Kong, 3 July 2012

*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. Leung Mei Han, Ms. Peng Cuihong and Mr. Huan Xuedong as Independent Non-executive Directors.*

\* *For identification purpose only*