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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)

APPOINTMENT OF JOINT CHAIRMAN

The Board is pleased to announce that Mr. Liu, an executive Director and chief executive officer of the Company, has been appointed as the joint Chairman with effect from 5 March 2012. Mr. Liu will continue to serve as an executive Director and chief executive officer of the Company. Mr. Dong Liyong will continue to serve as the joint Chairman and a non-executive Director.

The board (the “Board”) of directors (the “Directors”) of Xiangyu Dredging Holdings Limited (the “Company”, together with its subsidiaries collectively known as the “Group”) is pleased to announce that Mr. Liu Kaijin (劉開進) (“Mr. Liu”), an executive Director and chief executive officer of the Company, has been appointed as the joint chairman (the “Chairman”) of the Board. This appointment will take effect from 5 March 2012.

Mr. Liu is the founder, chief executive officer and an executive Director of the Company. Mr. Liu worked in the dredging industry for approximately 20 years and has extensive experience and in-depth knowledge in the industry. He has been leading the Group in its formulation and implementation of its business policies and decisions; and making substantial contribution to the Group’s business planning and development. He will continue to oversee the Group’s daily operations. Mr. Dong Liyong, the existing Chairman and a non-executive Director of the Company, will remain as the joint Chairman and a non-executive Director to ensure the Board works effectively.

The Board is of the view that the appointment of Mr. Liu as the joint Chairman is beneficial to the Group's business expansion and long-term development, and is of the best interest of the Company's shareholders as a whole. Mr. Liu will continue to serve as an executive Director and chief executive officer of the Company. He will not receive additional remuneration in respect of his appointment as the joint Chairman.

Other biographical details of Mr. Liu are as follows:

Mr. Liu Kaijin, aged 51, the founder of the Group, was appointed as a Director on 31 May 2010, and was re-designated as an executive Director and chief executive officer on 24 May 2011. Mr. Liu is the spouse of Ms. Zhou Shuhua, an executive Director.

Mr. Liu completed his secondary education in 1977. In 2003, Mr. Liu obtained a certificate as a senior construction engineer from the Human Resources Bureau of Yancheng City (鹽城市人事局). Mr. Liu worked in the dredging industry of the People's Republic of China (the "PRC") for approximately 20 years. As his experience and knowledge in the PRC dredging business grew, Mr. Liu established Jiangsu Xingyu Port Construction Company Limited* (江蘇興宇港建有限公司) ("Jiangsu Xingyu") in 2007. Since then, he has been acting as the chairman of Jiangsu Xingyu and has been responsible for overseeing its daily operations and planning its business strategies. Mr. Liu has been the chairman and general manager of Jiangsu Xiangyu Port Constructing Project Administration Co. Ltd.* (江蘇翔宇港建工程管理有限公司) ("Jiangsu Xiangyu") and Jiangsu Xiangyu Water Management Company Limited* (江蘇翔宇水務有限公司) ("Xiangyu Water Management") since their incorporation. Jiangsu Xingyu, Jiangsu Xiangyu and Xiangyu Water Management are subsidiaries of the Company. He is currently a director of each of the other subsidiaries of the Company.

Mr. Liu is a member of the 6th session of the committee of the Chinese People's Political Consultative Conference of Yancheng City, Jiangsu Province (中國人民政治協商會議江蘇省鹽城市第六屆委員會委員) and a member of the 14th session of the People's Congress of Yandu District, Yancheng City (鹽城市鹽都區第十四屆人民代表大會代表).

As far as the Board is aware, there is no further information of Mr. Liu required to be disclosed pursuant to the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Rules Governing the Listing of Securities on the Exchange; and there are no other matters relating to Mr. Liu that need to be brought to the attention of the shareholders of the Company.

By order of the Board
Xiangyu Dredging Holdings Limited
Dong Liyong
Joint Chairman and non-executive Director

Hong Kong, 5 March 2012

As at the date of this announcement, the Board comprises Mr Liu Kaijin as the joint Chairman, an executive Director and chief executive officer; Ms Zhou Shuhua as an executive Director; Mr Dong Liyong as a non-executive Director and the joint Chairman; and Ms Leung Mei Han, Mr Zhang Jun and Ms Peng Cuihong as independent non-executive Directors.

* For identification purpose only