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CHINA OCEAN SHIPBUILDING INDUSTRY GROUP LIMITED

中海船舶重工集團有限公司

(Incorporated in the Bermuda with limited liability)

(Stock code: 00651)

VOLUNTARY ANNOUNCEMENT ON THE PROVISION OF COUNTER-GUARANTEE IN FAVOUR OF A WHOLLY-OWNED SUBSIDIARY

The Board announces that, on 22 May 2013, the Company, the PRC Subsidiary and the Guarantor entered into the Second Counter-Guarantee Agreement, pursuant to which the Company agreed to provide a counter-guarantee in favour of the Guarantor in consideration of the Guarantor's agreement to enter into the First Counter-Guarantee Agreements. Under the First Counter-Guarantee Agreements, the Guarantor had agreed to counter-guarantee the Guarantee Company for, amongst other things, all payment obligations of the PRC Subsidiary under the loan agreements with the Banks for the loans and facilities in the aggregate sum of RMB90,000,000 and all loss and damages suffered by the Guarantee Company arising from the guarantees it provided to the PRC Subsidiary pursuant to the Guarantee Agreements.

Reference is made to the announcements of the Company dated 16 April 2010 and 1 March 2012 in relation to the voluntary announcements on the provision of counter-guarantee in favour of a wholly-owned subsidiary. The Board announces the counter-guarantee agreements dated 20 December 2011 and 1 March 2012 entered into among the Company, the PRC Subsidiary and the Guarantee Company were released.

FIRST COUNTER-GUARANTEES

The Board announces that, during the period from December 2012 to May 2013, the Guarantor, the PRC Subsidiary and the Guarantee Company entered into the First Counter-Guarantee Agreements to provide First Counter-Guarantees in favour of the Guarantee Company in consideration of the Guarantee Company's agreement to enter into the Guarantee Agreements. Under the Guarantee Agreements, the Guarantee Company had agreed to guarantee the PRC Subsidiary for all its payment obligations under various loan agreements with the Banks for the loans and facilities in the aggregate sum of RMB90,000,000.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Guarantor, being one of the suppliers of the PRC Subsidiary, and its ultimate beneficial owner(s) are third parties independent of and not connected with the Company and connected persons of the Company.

SECOND COUNTER-GUARANTEE

The Board announces that, on 22 May 2013, the Company, the PRC Subsidiary and the Guarantor entered into the Second Counter-Guarantee Agreement, pursuant to which the Company agreed to provide the Second Counter-Guarantee in favour of the Guarantor in consideration of the Guarantor's agreement to enter into the First Counter-Guarantee Agreements with the PRC Subsidiary and the Guarantee Company. Under the First Counter-Guarantee Agreements, the Guarantor agreed to provide counter-guarantee in favour of the Guarantee Company for, amongst other things, the payment obligations of the PRC Subsidiary under various loan agreements with the Banks in the aggregate sum of RMB90,000,000, the guarantee fees paid by the PRC Subsidiary to the Guarantee Company including the extension fee (if any) and all loss and damages suffered by the Guarantee Company arising from the guarantee it provided to the PRC Subsidiary pursuant to the Guarantee Agreement, for a period from the commencement date of the respective First Counter-Guarantee Agreements to the 2nd anniversary after the expiry of the respective First Counter-Guarantee Agreements.

THE SECOND COUNTER-GUARANTEE AGREEMENT

Date : 22 May 2013

Parties : the PRC Subsidiary, the Guarantor and the Company

Subject Matter : In consideration of the Guarantor's agreement to enter into the First Counter-Guarantee Agreements with the PRC Subsidiary and the Guarantee Company and to counter-guarantee the Guarantee Company for, amongst other things, all payment obligations of the PRC Subsidiary under the loan agreements with the Banks in the aggregate sum of RMB90,000,000 and all loss and damages suffered by the Guarantee Company arising from the guarantees it provided to the PRC Subsidiary pursuant to the Guarantee Agreements, the Company agreed to counter-guarantee the Guarantor for, amongst other things, the payment obligations of the Guarantor under the First Counter-Guarantee Agreements in respect of the payment obligations of the PRC Subsidiary under the loan agreements with the Banks in the sum of up to RMB70,000,000.

Counter-guarantee period : From the commencement date of the First Counter-Guarantee Agreements to the 2nd anniversary after the expiry of the guarantee period under the First Counter-Guarantee Agreements, or the date on which payment of all outstanding amount guaranteed by the Guarantor under the First Counter-Guarantee Agreements, whichever is earlier.

Each of the First Counter-Guarantees and the Second Counter-Guarantee does not constitute any notifiable transaction of the Company under Chapter 14 of the Listing Rules, nor any connected transaction under Chapter 14A of the Listing Rules. The Board wishes to make a voluntary disclosure of the First Counter-Guarantees and the Second Counter-Guarantee to inform the Shareholders of the details thereof.

The Directors consider that both the First Counter-Guarantees and the Second Counter-Guarantee are in the interests of the Company and its shareholders.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

“Banks”	several banks in the PRC
“Board”	the board of Directors
“Company”	China Ocean Shipbuilding Industry Group Limited, a company incorporated in Bermuda with limited liability whose issued Shares are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“First Counter-Guarantees”	counter-guarantees provided by the Guarantor in favour of the Guarantee Company under the First Counter-Guarantee Agreements
“First Counter-Guarantee Agreements”	counter-guarantee agreements executed by the Guarantor in favour of the Guarantee Company in consideration of the Guarantee Company’s agreement to enter into the Guarantee Agreements
“Group”	the Company and its subsidiaries
“Guarantee Agreements”	the guarantees entered into among the Guarantee Company, the PRC Subsidiary and respective Banks in respect of the guarantee provided by the Guarantee Company in favour of the Banks

“Guarantee Company”	江西省信用擔保股份有限公司, a company established in the PRC
“Guarantor”	a company established in the PRC and one of the supplier of the PRC Subsidiary
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	People’s Republic of China
“PRC Subsidiary”	a wholly-owned subsidiary of the Company, namely 江西江州聯合造船有限責任公司
“Second Counter-Guarantee”	a counter-guarantee provided by the Company in favour of the Guarantor under the Second Counter-Guarantee Agreement
“Second Counter-Guarantee Agreement”	the counter-guarantee agreement entered into among the Company, the PRC Subsidiary and the Guarantor in respect of the Second Counter-Guarantee and in consideration of the Guarantor’s agreement to enter into the First Counter-Guarantee Agreements
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC

By order of the Board
China Ocean Shipbuilding Industry Group Limited
Chau On Ta Yuen
Chairman

Hong Kong, 29 May 2013

As at the date of this announcement, the Board of the Company comprises four executive directors, namely, Mr. Chau On Ta Yuen, Mr. Li Ming, Mr. Zhang Shi Hong and Mr. Wang San Long; and three independent non-executive directors, namely, Ms. Xiang Siying, Mr. Hu Bai He and Xiang Ying.