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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)

ANNOUNCEMENT

This announcement is made by China Ocean Shipbuilding Industry Group Limited (the “**Company**” together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

STRATEGIC COOPERATION WITH ZHOUSHAN INVESTMENT COMPANY

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company and potential investors that the Company has entered into a strategic cooperation agreement (the “**Strategic Cooperation Agreement**”) with Zhoushan Marine Comprehensive Development and Investment Company Limited (舟山海洋綜合開發投資有限公司) (“**Zhoushan Investment Company**”) under the witness of Zhoushan People’s Government (舟山市人民政府) on 16 June 2014, whereby the parties agree to seek to integrate their respective strength so as to achieve the aim to jointly develop the ocean related business of Zhoushan, Zhejiang Province, the People’s Republic of China. Pursuant to the Strategic Cooperation Agreement, the Company expressed an interest to participate in the development of the shipbuilding business of the new district of Zhoushan. The parties will seek to facilitate the transformation of the shipbuilding industry, enhance the ocean engineering industry and explore the opportunities of investing in the related businesses in Zhoushan. The Company’s participation in the shipbuilding and related businesses of Zhoushan is subject to further negotiations of the definitive binding agreements between the parties. The Zhoushan Investment Company is a company directly funded and administered by Zhoushan People’s Government and its registered share capital is RMB5 billion.

FINANCIAL SERVICES BUSINESSES

The Company has been exploring opportunities to further expand the businesses and operations of the Group. In addition to various initiatives which the Board has previously disclosed, the Board has also been considering and exploring the opportunities to expand into the business of providing financial services, such as finance leases and factoring services to the enterprises in the PRC, especially for private shipyards. As at the date of this announcement, the Company has not made any firm commitments.

If there be any material developments in connection with the above opportunities, the Company will make a further announcement in compliance with the Listing Rules and the Company will undertake all necessary compliance with the Listing Rules, including but not limited to, obtaining shareholders' approval where required.

As it remains uncertain as to whether the Company will decide to proceed with the above opportunities and no binding agreement in relation to any of the above transaction has been entered into as at the date of this announcement, shareholders of the Company and potential investors should note that the above transactions may or may not proceed. Shareholders of the Company and potential investors are advised to exercise caution in dealing in the shares of the Company.

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

Hong Kong, 16 June 2014

As at the date of this announcement, the Board comprises CHAU On Ta Yuen, LI Ming, ZHANG Shi Hong and WANG San Long as executive Directors, and XIANG Siying, HU Bai He and XIANG Ying as independent non-executive Directors.