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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)**

### **CLARIFICATION ANNOUNCEMENT**

Reference is made to the annual report of China Ocean Shipbuilding Industry Group Limited (the “Company”) dispatched on 29 April 2014 for the year ended 31 December 2013 (“2013 Annual Report”), in particular the section headed “Use of Proceeds From Issue of Shares” on page 5 of the 2013 Annual Report.

The Company wishes to clarify and provide additional disclosure of the following information concerning the two subscription agreements entered into by the Company on 23 July 2013 (the “Subscription Agreements”), pursuant to which the Company had raised approximately a total of HK\$20 million by issuing an aggregate of 200,000,000 shares of HK\$0.05 each of the Company (“Shares”).

#### **(A) NAMES OF THE SUBSCRIBERS**

- (i) Ke Rui Ji (being the subscriber under the first subscription agreement subscribing for 100,000,000 Shares); and
- (ii) Zhang Heng Ying (being the subscriber under the second subscription agreement subscribing for 100,000,000 Shares).

#### **(B) MARKET PRICE OF THE SHARES AS AT THE ENTERING INTO OF THE SUBSCRIPTION AGREEMENTS**

As at the date on which the Subscription Agreements were entered into, the closing price of the Shares of the Company was HK\$0.111 per Share as quoted from The Stock Exchange of Hong Kong Limited.

#### **(C) SPECIFIC APPLICATION OF THE PROCEEDS FROM THE SUBSCRIPTIONS**

As at the reporting date of the 2013 Annual Report, all the proceeds raised from the subscriptions had been fully utilized. Approximately HK\$8.5 million had been used as direct costs of production (e.g. wages). Approximately HK\$6.5 million had been used to repay a loan from a financial institution and the remaining balance of approximately HK\$5.0 million had been used as the daily operating costs of the Company.

The aforesaid information concerning items (A) and (B) has already been disclosed in the announcement of the Company dated 23 July 2013.

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

Hong Kong, 24 July 2014

*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.*