

The Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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 LATEST BUSINESS DEVELOPMENT

This announcement is made by China Ocean Shipbuilding Industry Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis.

The board of directors (the “**Directors**” and each a “**Director**”) of the Company (the “**Board**”) has noted the recent decrease in the price and increase in the trading volume of the shares of the Company. The Directors wish to confirm that the Company is not in possession of any inside information undisclosed to the public and the Company has informed its shareholders and potential investors of major events of the Group in order to keep them informed of the latest business development of the Group, which has been disclosed in the interim report of the Company dated 29 August 2014 (the “**Interim Report**”) and the circular of the Company dated 3 October 2014 (the “**Circular**”). The Board takes this opportunity to summarise them as below:

(1) THE MAJOR SUBSIDIARY OF THE COMPANY HAS BEEN NAMED AS A QUALIFIED SHIPBUILDING ENTERPRISE ON THE QUALIFIED ENTERPRISE LIST UNDER THE REGULATORY CONDITIONS FOR SHIPBUILDING INDUSTRY* 《船舶行業規範條件》

As disclosed in the Interim Report, the Group has passed the review carried out by The Office of Scientific Technological Industry of National Deference in Jiangxi Province in June 2014 and was recommended to the Ministry of Industry and Information Technology of the People’s Republic of China (the “**PRC**”) for further experts review. A list of first batch qualified shipbuilding enterprises (“**Qualified Enterprise List**”) and an official announcement of the Qualified Enterprise List were published by the

Ministry of Industry and Information Technology of the PRC on 3 September 2014 and 29 September 2014 respectively. The Board is pleased to announce that the Group has been named as a qualified shipbuilding enterprise on the Qualified Enterprise List. Please refer to the section “**MANAGEMENT DISCUSSION AND ANALYSIS – SHIPBUILDING BUSINESS**” of the Interim Report for further details.

(2) FORMATION OF JOINT VENTURE IN ZHOUSHAN, THE PRC

As disclosed in the Interim Report and the Circular, on 6 August 2014, the Group entered into a joint venture agreement with two independent third parties for the formation of a joint venture entity to invest in shipbuilding and related ocean engineering business in Zhoushan, the PRC. The joint venture obtained its business licence on 15 August 2014 and the Group contributed a sum of RMB400 million (equivalent to approximately HK\$504 million) to the joint venture as part of the initial registered capital on 3 September 2014. As at the date of this announcement, the joint venture has commenced its business and is in the course of identifying suitable shipbuilding enterprises in Zhoushan, the PRC for equity investment. Please refer to the section “**BUSINESS PLANS – Shipbuilding and related ocean engineering business**” of the Circular for further details.

(3) ESTABLISHMENT OF FINANCIAL LEASING BUSINESS VENTURE IN QIANHAI, SHENZHEN, THE PRC

As disclosed in the Interim Report and the Circular, the Group intends to expand into the business of provision of financial services, such as financial leasing business (especially for shipping related companies) in the PRC. On 2 September 2014, the Group obtained the business licence for China Ocean Shipbuilding (Shenzhen) Financial Leasing Limited* (中海船舶(深圳)融資租賃有限公司) (“**COSFL**”), a company established in Qianhai, Shenzhen, the PRC, whose business scope includes the businesses of financial leasing and leasing, acquisition of lease properties in the PRC; maintenance of lease properties and handling of the scalp value of such properties; consultation and guarantee of leasing transactions* (融資租賃業務; 租賃業務; 向國內購買租賃財產; 租賃財產的殘值處理及維修; 租賃交易諮詢和擔保) .

As at the date of this announcement, the Group is conducting negotiations with two potential customers for financial leasing arrangements. Please refer to the section “**BUSINESS PLANS – Establishment of financial leasing business venture in Qianhai**” in the Circular for further details.

Shareholders of the Company and/or potential investors are advised to exercise caution when 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, 8 October 2014

For the purpose of illustration only and unless otherwise stated, conversion of RMB to HK\$ in this announcement is based on the exchange rate of RMB1.00 to HK\$1.26. Such conversion should not be construed as a representation that any amounts have been, could have been, or may be, exchanged at this or any other rate.

*The English transliteration of the Chinese name(s) in this announcement, where indicated by *, are included for information purpose only, and should not be regarded as the official English name(s) of such Chinese names.*

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