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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 STRATEGIC COOPERATION FRAMEWORK AGREEMENT**

This announcement is made by China Ocean Shipbuilding Industry Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis to keep shareholders and potential investors of the Company informed of the Group’s latest business development.

The board of directors (the “**Directors**”) of the Company (the “**Board**”) is pleased to announce that on 27 October 2014, Jiangxi Jiangzhou United Shipbuilding Company Limited\* (江西江洲聯合造船有限責任公司) (“**JJUSCL**”), an indirect wholly owned subsidiary of the Company has entered into a non-legally binding strategic cooperation framework agreement (the “**Framework Agreement**”) with Jianglian Heavy Industries Company Limited\* (江聯重工股份有限公司) (“**Jianglian Heavy Industries**”) in relation to the development of liquefied natural gas (“**LNG**”) carriers in Jiangxi province of the People’s Republic of China (“**PRC**”).

Pursuant to the Framework Agreement, the cooperation contemplated under the Framework Agreement include the following:

- (1) Jianglian Heavy Industries may rent from JJUSCL shipbuilding facilities, factories, premises and shipyards at a rental determined with reference to normal commercial terms, for use in the production of single containment LNG tanks and large size non-standard containers by Jianglian Heavy Industries;
- (2) to jointly develop LNG carriers, LNG fueling stations, carriers adapted for ship-to-ship LNG transfer and modification of dual fuel LNG ships; and

- (3) depending on the development of the LNG carrier and large size container markets, the parties may strengthen the strategic partnership to jointly develop launching ports and assembly plants.

Detailed terms and conditions for the Cooperation will be subject to further negotiation between the parties and definitive agreements shall have to be signed by the parties in respect of the transactions contemplated under the Framework Agreement.

Jianglian Heavy Industries is principally engaged in the development and production of ship boilers, pressure vessels and containers. To the best of the knowledge, information and belief having made all reasonable enquiries by the Directors, Jianglian Heavy Industries and their ultimate beneficial owners are third parties independent of the Company and connected persons (as defined in The Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”)).

The Board believes that the strategic cooperation with Jianglian Heavy Industries will benefit both the Group and Jianglian Heavy Industries by utilising their strengths in their respective businesses to gradually enter into the developing market of LNG carrier shipbuilding sector in the PRC.

The Board would like to emphasise that the Framework Agreement serves as a framework document for the cooperation between the parties, is not legally binding and is subject to definitive agreement(s) in relation thereto being entered into. Accordingly, the transactions contemplated under the Framework Agreement may or may not materialise. The Company will make further announcement(s) in compliance with the Listing Rules as and when appropriate for any material developments or any entering into of legally binding agreement(s) in relation to the transactions contemplated under the Framework Agreement.

**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, 27 October 2014

*The English transliteration of the Chinese name(s) in this announcement, where indicated, is 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.*