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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 FORMATION OF JOINT VENTURE**

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.

Reference is made to the announcement of the Company dated 6 August 2014 in relation to, among others, the formation of Zhoushan China Ocean Investment Fund\* (舟山中海投創業投資企業) (“**Zhoushan Ocean**”).

As disclosed in the said announcement, Zhoushan Ocean is a foreign invested venture capital enterprise (外商投資創業投資企業) established in Zhoushan, Zhenjiang Province of the People’s Republic of China (“**PRC**”) which is owned as to approximately 78.74% by the Group. Zhoushan Ocean is principally engaging in equity investment using its own capital fund and provision of management consultancy services and consultancy services for setting up enterprises.

Since the Group is entitled to appoint only two of the five members in the management committee which manages Zhoushan Ocean, Zhoushan Ocean is not regarded as a subsidiary of the Company (as defined in The Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited).

## FORMATION OF JOINT VENTURE

The board of directors (the “**Directors**”) of the Company (the “**Board**”) has been informed by Zhoushan Ocean on 18 December 2014 that Zhoushan Ocean and Zhejiang Ouhua Shipbuilding Company Limited\* (浙江歐華造船股份有限公司) (“**Zhejiang Ouhua**”) have formed a joint venture company, namely Zhoushan China Ocean Technology Development Company Limited\* (舟山中海投海洋科技發展有限公司) (the “**Joint Venture**”) in Zhoushan, Zhejiang Province of the PRC on 11 December 2014. Details of the Joint Venture are as follows:

- Capital contribution:**
- (1) RMB300,000,000 (equivalent to approximately HK\$376,500,000) to be contributed by Zhoushan Ocean, representing 75% of the registered capital of the Joint Venture; and
  - (2) RMB100,000,000 (equivalent to approximately HK\$125,500,000) to be contributed by Zhejiang Ouhua, representing 25% of the registered capital of the Joint Venture.

The aforesaid capital contributions are required to be paid to the Joint Venture in cash in full at within 1 month from the date of issue of the business license of the Joint Venture.

The aforesaid capital contributions are determined after arm’s length negotiation of the parties and with reference to the initial funding needs of the Joint Venture and the agreed share of each party in the interest in the Joint Venture.

- Scope of business:**
- The Joint Venture will engage in (i) development and application of energy saving technologies; (ii) research and development and production of clean energy facilities and equipment; (iii) storage of clean energy and other complementary services; (iv) development and consultancy services on ocean engineering related equipment technology; (v) production and processing, whole-sale and retail of mechanical equipment; (vi) import and export services of products and technologies; (vii) selling of metallic materials; and (viii) provision of investment consultancy services, provision of business consultation services and investment management services.

Zhejiang Ouhua is a company established in the PRC which is principally engaging in design and production of container ships, bulk cargo ships, multi-purpose vessels and ocean engineering related equipment. To the best of the knowledge, information and belief having made all reasonable enquiries by the Directors, Zhejiang Ouhua and its ultimate beneficial owner(s) are third parties independent of the Company and connected persons (as defined in the Listing Rules).

As Zhoushan Ocean is not a subsidiary of the Company (as defined in the Listing Rules), the formation of the Joint Venture will not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

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

Hong Kong, 18 December 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\$1.255. 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 with “\*”, 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.*