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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 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**”) has been informed by Jiangzhou Union Shipbuilding Co., Ltd.* (江州聯合造船有限責任公司) (“**Jiangzhou Union**”), an indirect wholly owned subsidiary the Company on 19 December 2014, that Jiangzhou Union has entered into a strategic cooperation agreement (the “**Strategic Cooperation Agreement**”) with Auerbach Schiffahrt GmbH & Co. KG (“**Auerbach Schiffahrt**”) and Xiamen ITG Shipbuilding Imp. & Exp. Co. Ltd.* (廈門國貿船舶進出口有限公司) (“**Xiamen ITG**”) in relation to the development and production of multi-purpose vessels in the People’s Republic of China (“**PRC**”) on 17 December 2014.

Pursuant to the Strategic Cooperation Agreement, the rights and obligations of the parties include the following:

- (1) Auerbach Schiffahrt shall provide the parties with market information in relation to multi-purpose vessels in a timely manner;
- (2) Jiangzhou Union shall assist Auerbach Schiffahrt in the design and optimisation of design of multi-purpose vessels;
- (3) Auerbach Schiffahrt shall first consider Jiangzhou Union when placing orders for multi-purpose vessels, and Jiangzhou Union shall give priority in handling such orders from Auerbach Schiffahrt; and

- (4) Xiamen ITG shall provide financing support to Jiangzhou Union, and to assist Jiangzhou Union on project management of the construction of multi-purpose vessels.

The term of the Strategic Cooperation Agreement is valid for three years commencing from 17 December 2014, subject to (i) early termination by either party upon giving one-month written notice and (ii) extension pursuant to the written consent of the parties given in the last month of the term of the Strategic Cooperation Agreement.

The Company is an investment holding company and, through its subsidiaries (including Jiangzhou Union), is principally engaged in shipbuilding related business.

Auerbach Schiffahrt is principally engaging in the operation of multi-purpose vessels.

Xiamen ITG is principally engaging in trading of vessels, the provision of financing support to shipyards and shipbuilding project management.

To the best of the knowledge, information and belief having made all reasonable enquiries by the Directors, Auerbach Schiffahrt, Xiamen ITG and each of 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 Auerbach Schiffahrt and Xiamen ITG will benefit the Group, as the Group can utilise the strengths in the respective businesses of Auerbach Schiffahrt and Xiamen ITG to develop, strengthen and expand the market shares of its multi-purpose vessels related businesses in the PRC.

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

Hong Kong, 22 December 2014

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.