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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)

ISSUE OF CONVERTIBLE BONDS UNDER GENERAL MANDATE

ISSUE OF CONVERTIBLE BONDS

On 16 February 2015 (after trading hours), the Company entered into the Subscription Agreements with each of the Subscribers pursuant to which the Subscribers have conditionally agreed to subscribe for, and the Company has conditionally agreed to issue, the convertible bonds in the aggregate principal amount of HK\$60 million. Detailed terms of the Convertible Bonds are set out in the paragraph headed “Principal terms of the Convertible Bonds”. The net proceeds from the Convertible Bonds, after deducting expenses, are expected to be approximately HK\$59.9 million. The Company intends to apply such net proceeds for development and investment of the Group’s financial leasing business in the PRC as well as general working capital.

Upon full conversion of the Convertible Bonds at the initial Conversion Price of HK\$0.2 per Conversion Share, a total of 300,000,000 Conversion Shares will be issued, representing approximately 3.85% of the existing issued share capital of the Company and approximately 3.71% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares.

The Conversion Shares, upon issue, shall rank pari passu in all respects with the Shares then in issue. The Company will allot and issue the Conversion Shares under the General Mandate. The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares. No listing of the Convertible Bonds will be sought on the Stock Exchange or any other exchanges.

As the issue of the Convertible Bonds is subject to the fulfillment of certain conditions precedent and may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

On 16 February 2015 (after trading hours), the Company entered into the Subscription Agreements with each of the Subscribers in relation to the issuance of the Convertible Bonds in the aggregate principal amount of HK\$60 million. Details of the terms of the Subscription Agreements and the Convertible Bonds are summarised below:

SUBSCRIPTION AGREEMENTS

On 16 February 2015, the Company entered into the Subscription Agreements, on substantially the same terms (except as disclosed below in this section), which each of the Subscribers.

1. Parties and Date

The First Subscription Agreement

Date: 16 February 2015 (after trading hours)

Parties

- (a) The Company as issuer
- (b) The First Subscriber as subscriber

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the First Subscriber is a PRC national and a merchant, and is an Independent Third Party.

Principal amount of the Convertible Bonds

Pursuant to the First Subscription Agreement, the First Subscriber will subscribe for Convertible Bonds in the principal amount of HK\$40 million.

The Second Subscription Agreement

Date: 16 February 2015 (after trading hours)

Parties

- (a) The Company as issuer
- (b) The Second Subscriber as subscriber

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Second Subscriber is a PRC national and a merchant, save for holding 329,910,454 Shares (representing approximately 4.24% of the issued share capital of the Company) as at the date of this announcement, the Second Subscriber is an Independent Third Party.

Principal amount of the Convertible Bonds

Pursuant to the Second Subscription Agreement, the Second Subscriber will subscribe for Convertible Bonds in the principal amount of HK\$10 million.

The Third Subscription Agreement

Date: 16 February 2015 (after trading hours)

Parties

- (a) The Company as issuer
- (b) The Third Subscriber as subscriber

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Third Subscriber is a PRC national and a merchant, save for holding 320,990,454 Shares (representing approximately 4.12% of the issued share capital of the Company) as at the date of this announcement, the Third Subscriber is an Independent Third Party.

Principal amount of the Convertible Bonds

Pursuant to the Third Subscription Agreement, the Third Subscriber will subscribe for Convertible Bonds in the principal amount of HK\$10 million.

2. Principal terms of the Convertible Bonds

The principal terms of the Convertible Bonds were arrived at after arm's length negotiations between the Company and each of the Subscribers and are summarized as follows:

Principal amount: HK\$60,000,000

Issue price: 100% of the principal amount of the Convertible Bonds

Interest rate: 7.5% per annum payable annually in arrear (interest to be repaid in RMB based on a fixed exchange rate)

Maturity date and redemption: Unless previously redeemed, repurchased and cancelled or converted, any outstanding Convertible Bonds shall be redeemed at its principal amount (plus any accrued but unpaid interests) on the Maturity Date.

Ranking: The Convertible Bonds constitute direct, unconditional, unsubordinated and unsecured obligations of the Company and at all times ranks pari passu among any part thereof and equally with all other present and future unsecured and unsubordinated obligations of the Company.

Conversion: The conversion rights under the Convertible Bonds shall only be exercisable so long as:

- (1) the exercise of the conversion rights under the Convertible Bonds will not result in the relevant Bondholder(s), its associates and parties acting in concert with it will, in aggregate, control or be interested in 30% or more of the voting rights of the Company unless: (i) a whitewash waiver is obtained in accordance with the requirement of the Takeovers Code; or (ii) a general offer is made in accordance with the requirement of the Takeovers Code; and
- (2) not less than 25% of the then issued share capital of the Company as enlarged by the issue of the Conversion Shares are being held in public hands.

Conversion period: The Bondholder(s) shall have the right to convert the whole or part of the principal amount of the Convertible Bonds into Conversion Shares on any Business Day from the date of issue of the Convertible Bonds up to and including the date falling one (1) Business Day prior to the Maturity Date at the then prevailing Conversion Price.

Conversion Price: The Conversion Price is initially HK\$0.2 per Share, subject to customary adjustment for, among other matters, subdivision or consolidation of Shares, capitalisation of profits or reserves, capital distributions and rights issue. In case of any distribution in specie in lieu of cash dividend, the Bondholder(s) will be entitled to certain specific arrangements.

Adjustment(s) to the Conversion Price will be reviewed either by the auditor of the Company for the time being, a financial adviser or a merchant bank.

- Voting: The Bondholder(s) will not be entitled to attend or vote at any meeting of the Company by reason only of it being the holder of the Convertible Bonds.
- Transfer: Subject to the restricted transfer period described below, the Convertible Bonds are freely transferable at any time during the period from the date on which the Subscriber is registered as the holder of the Convertible Bonds provided that no transfer or assignment of the Convertible Bonds shall be made to any connected person of the Company and its associates without the Company's prior written consent.
- Restricted transfer period: The Company will not register any transfer of Convertible Bonds: (i) during the seven (7) days prior to and including the date of payment of any principal amount in respect of the Convertible Bonds; (ii) after the delivery of a conversion notice by the Bondholder(s); or (iii) during the seven (7) days prior to and including the date of interest payment pursuant to the terms of the Convertible Bonds.
- Events of Default: If, among others, any of the following events occurs, the Bondholder(s) may give notice to the Company that the Convertible Bonds are, and they shall accordingly thereby become, immediately due and payable at an amount equal to the sum of the aggregate principal amount of the Convertible Bonds then outstanding and the interest accrued thereon:
- (i) save and except for administrative or technical error and payment has been made within five (5) Business Days after the due date, if the Company fails to pay the principal under the Convertible Bonds on the due date for the payment thereof; or

- (ii) the Company defaults in performance or observance or compliance with any of its other obligations set out in the Convertible Bonds which default will constitute a material adverse effect on the Group's business, operations, assets, financial condition, and such default (a) is incapable of remedy or (b) being a default which is, in the opinion of the Bondholder(s), capable of remedy, remains unremedied for fourteen (14) days after the Bondholder(s) have given written notice thereof to the Company; or
- (iii) an encumbrancer takes possession or a receiver, manager or other similar officer is appointed of the whole or any part of the undertaking, property, assets or revenues of the Company or its major subsidiaries and which will constitute a material adverse effect on the Group's business, operations, assets, financial condition; or
- (iv) the Company or its major subsidiaries is (a) unable to pay its debts as and when they fall due or (b) applies for or consents to or suffers the appointment of any administrator, liquidator or receiver of the Company or its subsidiaries or the whole or any part of the undertaking, property, assets or revenues of the Company or its subsidiaries or (c) initiates any proceeding under any law for a readjustment or deferment of its obligations or any part of them or (d) makes or enters into a general assignment or compromise with or for the benefit of its creditors, which will constitute a material adverse effect on the Group's business, operations, assets, financial condition; or
- (v) an order is made or an effective resolution passed for the dissolution or winding-up of the Company or any of its major subsidiaries except in the case of dissolution or winding-up of subsidiaries in the course of internal reorganisation; or

- (vi) suspension of trading of the Shares on the Stock Exchange or a recognised stock exchange for a continuous period of fourteen (14) Trading Days which constitutes a material adverse effect on the Group's business, operations, assets, financial condition.

Based on the initial Conversion Price of HK\$0.2 per Conversion Share, a maximum number of 300,000,000 Conversion Shares will be allotted and issued upon exercise of the conversion rights attached to the Convertible Bonds in full, which represent: (i) approximately 3.85% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 3.71% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares upon full conversion of the Convertible Bonds.

The Conversion Shares will rank pari passu in all respects with the Shares in issue as at the date of allotment and issue of the Conversion Shares.

The Company will allot and issue the Conversion Shares under the General Mandate granted to the Directors pursuant to a resolution passed by the Shareholders at the annual general meeting of the Company held on 27 June 2014. Under the General Mandate, the Company is authorized to allot and otherwise deal with new Shares (including the issue of any securities convertible into Shares, or options, warrants or similar rights to subscribe for any Shares) of up to 20% of the issued share capital of the Company as at the date of the aforesaid annual general meeting, which amounts to 1,224,144,431 new Shares. As at the date of this announcement, the General Mandate has not been utilized since it was granted. The number of Conversion Shares to be allotted and issued based on the initial Conversion Price will utilize as to approximately 24.51% of the General Mandate. Accordingly, no Shareholders' approval is required for the issue of Convertible Shares.

No application will be made for listing of, or permission to deal in, the Convertible Bonds on the Stock Exchange or any other stock exchange. Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

The initial Conversion Price of HK\$0.2 per Conversion Share was arrived at after arm's length negotiation between the Company and each of the Subscribers with reference to the past trading prices of the Company. The Conversion Price equals approximately 103% of the average closing prices of the last ten Trading Days up to and including the Last Trading Day. The initial Conversion Price represents:

- (i) the closing price of HK\$0.20 per Share as quoted on the Stock Exchange on 16 February 2015, being the Last Trading Day;
- (ii) a premium of approximately 3% to the average of the closing prices per Share of HK\$0.194 for the last five Trading Days up to and including the Last Trading Day; and
- (iii) a premium of approximately 3% to the average of the closing prices per Share of HK\$0.194 for the last ten Trading Days up to and including the Last Trading Day.

3. Conditions precedent

Completion is conditional upon the following conditions:

- (1) the Listing Committee granting the listing of, and permission to deal in, the Conversion Shares; and
- (2) each of the Company and Subscribers having obtained all necessary consents and approvals required to be obtained on their respective part in respect of the Subscription Agreements and the transactions contemplated thereunder (if applicable), and fully complied with relevant laws and regulations (including but not limited to the Listing Rules and relevant laws of Hong Kong). All such consents and approvals shall remain valid up to the date of Completion and there being no rules or regulations imposed by relevant authorities to prohibit or substantially delay the performance and completion of the Subscription Agreements.

In the event that the above conditions are not fulfilled on or before 6 March 2015, the Subscription Agreements shall automatically terminate and lapse, and each of the Subscribers and the Company shall forthwith be released from their respective rights and obligations under the Subscription Agreements, except for the obligations in relation to confidentiality.

Each of the Subscription Agreements is not conditional upon the other.

4. Completion

Subject to the fulfillment of the above conditions, Completion shall take place on the fourth (4th) Business Day after the satisfaction of all of the conditions precedent or such other date as all parties to the Subscription Agreements may agree in writing.

REASONS FOR THE ISSUE OF CONVERTIBLE BONDS AND USE OF PROCEEDS

The Group is principally engaging in shipbuilding related business.

The gross proceeds from the issue of the Convertible Bonds will be approximately HK\$60 million. The net proceeds from the issue of the Convertible Bonds will amount to approximately HK\$59.9 million.

The Board currently intends to use the net proceeds from the issue of the Convertible Bonds as follows:

- (i) approximately 31.1 million of the net proceeds to fund the development and investment of the Group's financial leasing business in the PRC; and
- (ii) approximately 28.8 million of the net proceeds will be used for general working capital purposes (including repayment of debts).

As stated in the 2014 interim report and the circular of the Company dated 3 October 2014, the Group is actively re-evaluating its existing business operations by examining diversification into profitable new business models such as financial leasing business in the PRC. The Directors consider that the issue of Convertible Bonds represents an opportunity to raise additional funds for the Group to implement the business plans including diversification into the financial leasing business in the PRC, as well as to enhance its working capital and financial position.

Taking into account the terms of the Convertible Bonds, the Company believes that it is in the interests of the Company to issue the Convertible Bonds. In addition, the Directors consider that the issue of the Convertible Bonds will provide the Company with immediate funding without immediate dilution of the shareholding of the existing Shareholders. Having considered that (i) the interest rate payable on the Convertible Bonds is fair and reasonable as compared with the prevailing interest rates generally offered by banks and financial institutions for similar loan facilities; and (ii) if the Convertible Bonds are exercised, the financial position of the Group will be strengthened with the conversion of debt into further equity capital, the Directors consider that the issue of the Convertible Bonds is an appropriate means of fund raising for the Company.

The Directors consider that the terms of the Subscription Agreements and the Convertible Bonds, which were arrived at after arm's length negotiations between the Company and each of the Subscribers, are fair and reasonable, and are in the interests of the Company and the Shareholders as a whole.

EFFECTS ON SHAREHOLDING STRUCTURE

The shareholding structures of the Company (i) as at the date of this announcement, (ii) immediately after the allotment and issue of Conversion Shares upon full conversion of the Convertible Bonds at the initial Conversion Price of HK\$0.2 per Share, (iii) immediately after the allotment and issue of Conversion Shares upon full conversion of the Convertible Bonds at the initial Conversion Price of HK\$0.2 per Share and Shares as a result of exercise of subscription rights in full at the initial conversion price under 2017 Convertible Bonds and (iv) immediately after the allotment and issue of Conversion Shares upon full conversion of the Convertible Bonds at the initial Conversion Price of HK\$0.2 per Share and Shares as a result of exercise of subscription rights in full at the initial conversion price under 2017 Convertible Bonds and the Share Option Schemes are as follows (assuming there being no other change in the share capital of the Company):

Shareholder	At the date of this announcement		Immediately after the allotment and issue of Conversion Shares		Immediately after the allotment and issue of Conversion Shares and Shares which may be allotted and issued as a result of the exercise of subscription rights in full under 2017 Convertible Bonds		Immediately after the allotment and issue of Conversion Shares and Shares which may be allotted and issued as a result of exercise of subscription rights in full under 2017 Convertible Bonds and the Share Option Schemes	
	<i>No. of shares</i>	<i>Approximate percentage</i>	<i>No. of shares</i>	<i>Approximate percentage</i>	<i>No. of shares</i>	<i>Approximate percentage</i>	<i>No. of shares</i>	<i>Approximate percentage</i>
					<i>(Note 4)</i>		<i>(Note 4)</i>	
A Director and his associate <i>(Note 1)</i>	394,267,500	5.06	394,267,500	4.88	394,267,500	3.45	434,267,500	3.67
Other Directors	0	0.00	0	0.00	0	0.00	98,434,600	0.83
The First Subscriber	0	0.00	200,000,000	2.47	200,000,000	1.75	200,000,000	1.69
The Second Subscriber	329,910,454	4.24	379,910,454	4.70	379,910,454	3.33	379,910,454	3.21
The Third Subscriber	320,990,454	4.12	370,990,454	4.59	370,990,454	3.25	370,990,454	3.14
Bondholder 1 <i>(Note 2)</i>	14,850,000	0.19	14,850,000	0.18	2,174,850,000	19.04	2,174,850,000	18.38
Bondholder 2 <i>(Note 3)</i>	0	0.00	0	0.00	1,000,000,000	8.76	1,000,000,000	8.45
Public Shareholders	6,725,703,747	86.39	6,725,703,747	83.18	6,900,703,747	60.42	7,174,718,927	60.63
Total:	<u>7,785,722,155</u>	<u>100.00</u>	<u>8,085,722,155</u>	<u>100.00</u>	<u>11,420,722,155</u>	<u>100.00</u>	<u>11,833,171,935</u>	<u>100.00</u>

Notes:

1. Such Shares were held by Mr. Li Ming, an executive Director, of which 359,817,500 Shares were directly held by him and 34,450,000 Shares were held through Lead Dragon Limited, a company incorporated in the British Virgin Islands and wholly owned by him.
2. Such 2017 Convertible Bonds and Shares were held by Mr. Wang Ping, an Independent Third Party, of which 2017 Convertible Bonds carrying rights to convert into 2,160,000,000 Shares were held through Kingwin Capital Group Limited, a company incorporated in the British Virgin Islands and wholly owned by him.
3. Such 2017 Convertible Bonds were held by Ms. Chu Yuet Wah, an Independent Third Party, of which 2017 Convertible Bonds carrying rights to convert into 1,000,000,000 Shares were held through Open Success Holdings Limited, a company incorporated in the British Virgin Islands and wholly owned by her.
4. The shareholding structure set out in this column is shown for illustration purposes only. The conversion rights under the 2017 Convertible Bonds shall only be exercisable so long as not less than 25% of the then issued share capital of the Company as enlarged by the issue of the Shares as a result of exercise of subscription rights under the 2017 Convertible Bonds being held in public hands and will not result in the relevant holder of the 2017 Convertible Bonds, its associates and parties acting in concert with it will, in aggregate, control or be interested in 30% or more of the voting rights of the Company unless: (i) a whitewash waiver is obtained in accordance with the requirements of the Takeovers Code; or (ii) a general offer is made in accordance with the requirements of the Takeovers Code.

FUND RAISING EXERCISE OF THE COMPANY DURING THE 12 MONTHS PRIOR TO THE DATE OF THIS ANNOUNCEMENT

The Company has conducted the following fund raising activities during the past twelve (12) months immediately preceding the date of this announcement:

Date of Announcement	Description of the fund raising activities	Funds raised	Intended use of proceeds	Actual use of proceeds
6 March 2014	Subscription of 530,000,000 Shares at HK\$0.107 each under general mandate	Net proceeds of about HK\$56.61 million	Repayment of debts and general working capital	Fully utilized as intended with breakdown as follows: (i) approximately HK\$29.57 million was used to repay debts; (ii) approximately HK\$27.04 million was used as general capital of the Company, including settlement of trade payables and operating expenses.

Date of Announcement	Description of the fund raising activities	Funds raised	Intended use of proceeds	Actual use of proceeds
14 May 2014	Issue of 2017 Convertible Bonds in a principal amount of HK\$1 billion	Net proceeds of about HK\$985 million	80% of the net proceeds be used to fund capital expenditure projects; and remaining 20% of which be used for general working capital (including repayment of debts) (for details of the variation of the use of proceeds, please refer to the announcement and circular of the Company dated 6 August 2014 and 3 October 2014 respectively.)	Fully utilized as follows: <ul style="list-style-type: none"> (i) approximately HK\$504 million was used as formation of a joint venture entity at Zhoushan, PRC. (ii) approximately HK\$126 million was used as first tranche of the initial capital requirement of a financial leasing company established in Shenzhen, PRC; (iii) approximately HK\$57 million was used to acquire a minority stake in a company which principally engages in financial leasing business in Zhejiang Province in the PRC (<i>Note 1</i>); (iv) approximately HK\$210 million was used to repay debts and other borrowings (including partially settled loan from employees and promissory notes due on 31 December 2014); (v) approximately HK\$55 million was used to repay loans from banks; (vi) approximately HK\$10 million was used as direct costs of production; and (vii) approximately HK\$23 million was used as daily operating costs of the Group.
30 July 2014	Subscription of 1,200,000,000 Shares at HK\$0.23 each under specific mandate	Net proceeds of about HK\$269 million	As stated in the announcement of the Company dated 30 July 2014, approximately HK\$150 million was intended to be used for the expansion into the financial services business and remaining proceeds be used as the general working capital (including repayment of debts)	Not applicable (<i>Note 2</i>)

Notes:

1. Please refer to the announcement of the Company dated 6 November 2014 in relation to the acquisition of a minority interest in the Zhejiang Ocean Leasing Company.
2. As disclosed in the announcement of the Company dated 2 November 2014, the subscriber decided not to proceed with the subscription. As such, the net proceeds of approximately HK\$269 million arising from the subscription did not come through to the Company.

Save as disclosed above, the Company has not conducted any fund raising activity in the past 12 months immediately preceding the date of this announcement.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the meaning ascribed to them below:

“2017 Convertible Bonds”	the convertible bonds issued by the Company expiring on 27 June 2017
“acting in concert”	has the meaning ascribed thereto in the Takeovers Code
“associate(s)”	has the meaning ascribed thereto in the Listing Rules
“Board”	board of the Directors
“Bondholder(s)”	a holder(s) of a Convertible Bond and in whose name such Convertible Bond is for the time being registered in the register of bondholders kept by the Company
“Business Day(s)”	a day (excluding Saturday, Sunday and public holiday) on which licensed banks in Hong Kong are open for business
“Company”	China Ocean Shipbuilding Industry Group Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the main board of the Stock Exchange (stock code: 00651)
“Completion”	completion of the issue of the Convertible Bonds by the Company and subscription for the Convertible Bonds by the Subscribers as contemplated under the Subscription Agreements
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Conversion Price”	The conversion price per Conversion Share, initially being HK\$0.2 (subject to adjustment)

“Conversion Share(s) “	the Share(s) which may fall to be allotted and issued upon exercise of the conversion rights attaching to the Convertible Bonds
“Convertible Bonds”	the convertible Bonds in aggregate principal amount of HK\$60,000,000 to be issued by the Company to the each of the Subscribers pursuant to the Subscription Agreements
“Director(s)”	director(s) of the Company
“First Subscriber”	Jiang Liqun, an Independent Third Party
“First Subscription Agreement”	the subscription agreement dated 16 February 2015 entered into between the Company and the First Subscriber in relation to the subscription of Convertible Bonds in the principal amount of HK\$40,000,000
“General Mandate”	the general mandate from the Shareholders granted to the Directors at the annual general meeting of the Company held on 27 June 2014 to allot and issue Shares (including the issue of any securities convertible into Shares, or options, warrants or similar rights to subscribe for any Shares) up to an aggregate number of Shares not exceeding 20% of the number of Shares in issue as at 27 June 2014, i.e. 1,224,144,431 Shares, in accordance with the relevant provisions of the Listing Rules
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	a person(s) or company(ies) and their respective ultimate beneficial owner(s) who, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, is not a connected person of the Company or an associate of such connected person

“Last Trading Day”	16 February 2015, being the last Trading Day immediately before the entering into of the Subscription Agreements
“Listing Committee”	the listing committee of the Stock Exchange for considering applications for listing and the granting of listing
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Maturity Date”	the third (3rd) anniversary of the date of issue of the Convertible Bonds
“PRC”	People’s Republic of China
“RMB”	renminbi, the lawful currency of the People’s Republic of China
“Second Subscriber”	Ma Xingqiao, an Independent Third Party
“Second Subscription Agreement”	the subscription agreement dated 16 February 2015 entered into between the Company and the Second Subscriber in relation to the subscription of Convertible Bonds in the principal amount of HK\$10,000,000
“Share(s)”	ordinary share(s) of HK\$0.05 each in the share capital of the Company
“Share Option Schemes”	the share option schemes adopted respectively by the Company on 27 May 2002 and 27 June 2012
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber(s)”	The First Subscriber, the Second Subscriber and the Third Subscriber, and a “Subscriber” shall mean any one of them

“Subscription Agreements”	The First Subscription Agreement, the Second Subscription Agreement and the Third Subscription Agreement
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“Third Subscriber”	Wan Zhangqing, an Independent Third Party
“Third Subscription Agreement”	the subscription agreement dated 16 February 2015 entered into between the Company and the Third Subscriber in relation to the subscription of Convertible Bonds in the principal amount of HK\$10,000,000
“Trading Day”	means a day on which trading of the Shares is conducted on the Stock Exchange in accordance with the rules and regulations of the Stock Exchange promulgated from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 16 February 2015

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 Ms. Xiang Ying.