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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 ACQUISITION OF 47% EQUITY INTEREST IN JIANGXI GAS**

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 EQUITY TRANSFER AGREEMENTS**

The Board is pleased to announce that, on 25 June 2015, China Ocean (LNG) Limited, an indirect wholly-owned subsidiary of the Company (“**China Ocean LNG**”):

1. entered into an equity transfer agreement (the “**First Equity Transfer Agreement**”) with Zhejiang Guopei Energy Investment Management Limited\* (浙江國沛能源投資管理有限公司 “**Second Purchaser**”) and Sanya Chengda Investment Limited\* (三亞成大投資有限公司 “**First Vendor**”), pursuant to which, among other things, Sanya Chengda agreed to sell, and China Ocean LNG agreed to acquire the 23% equity interest of Jiangxi Petrochina Kunlun Gas Co., Ltd.\* (“**Jiangxi Gas**”) at a consideration of RMB18,775,500 (equivalent to approximately HK\$23,657,100); and
2. entered into an equity transfer agreement (the “**Second Equity Transfer Agreement**”) with Nancheong Fubon Pipeline Gas Company Limited\* (南昌富幫管道天然氣有限公司 “**Second Vendor**”), pursuant to which Nancheong Fubon agreed to sell and China Ocean LNG agreed to acquire the 24% equity interest of Jiangxi Gas at a consideration of RMB19,591,800 (equivalent to approximately HK\$24,685,600).

Set out below are the major terms of the First Equity Transfer Agreement and the Second Equity Transfer Agreement:

### **First Equity Transfer Agreement**

Date: 25 June 2015

Parties: (1) China Ocean (LNG) Limited, being the first purchaser;

(2) Zhejiang Guopei Energy Investment Management Limited\* (浙江國沛能源投資管理有限公司), being the second purchaser; and

(3) Sanya Chengda Investment Limited\* (三亞成大投資有限公司), being the vendor.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Second Purchaser, the First Vendor and their ultimate beneficial owners are independent of the Company and its connected persons.

Interest to be acquired: (1) China Ocean LNG agreed to acquire equity interest representing 23% of the registered capital of RMB\$50 million of Jiangxi Gas ("**23% Equity Interest**"); and

(2) the Second Purchaser agreed to acquire equity interest representing 2% of the registered capital of RMB\$50 million of Jiangxi Gas ("**2% Equity Interest**").

**Consideration and payment terms:**

The total consideration is RMB20.41 million (equivalent to approximately HK\$25.72 million).

The consideration in respect of the 23% Equity Interest is RMB18.78 million (equivalent to approximately HK\$23.66 million, being 92% of the total consideration and is in proportion to the 23% Equity Interest to be acquired by China Ocean LNG. Such consideration shall be paid to the First Vendor in the following manner:

- (1) RMB5.63 million (equivalent to approximately HK\$7.09 million), being 30% of the consideration in respect of the 23% Equity Interest, within 7 days upon signing of the First Equity Transfer Agreement; and
- (2) RMB9.39 million (equivalent to approximately HK\$11.83 million), being 50% of the consideration in respect of the 23% Equity Interest, within 3 business days upon the Vendor having provided all necessary documents in relation to the acquisition of the 23% Equity Interest to the relevant parties; and
- (3) RMB3.76 million (equivalent to approximately HK\$4.74 million), being 20% of the consideration in respect of the 23% Equity Interest, within 3 business days upon completion of the relevant registration in relation to the acquisition of the 23% Equity Interest.

The total consideration is determined based on arm's length negotiations among China Ocean LNG, the Second Purchaser and the First Vendor with reference to, among others, the net asset value of Jiangxi Gas as at 31 May 2015.

## **Second Equity Transfer Agreement**

Date: 25 June 2015

Parties: (1) China Ocean (LNG) Limited, being the purchaser; and  
(2) Nancheong Fubon Pipeline Gas Company Limited\* (南昌富幫管道天然氣有限公司), being the vendor.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Second Vendor and its ultimate beneficial owners are independent of the Company and its connected persons.

Interest to be acquired: Equity interest representing 24% of the registered capital of RMB\$50 million of Jiangxi Gas

### **Consideration and payment terms:**

The consideration is RMB19.59 million (equivalent to approximately HK\$24.69 million), which shall be paid to the Second Vendor in the following manner:

- (1) RMB5.88 million (equivalent to approximately HK\$7.41 million), being 30% of the consideration, within 7 days upon signing of the Second Equity Transfer Agreement; and
- (2) RMB9.79 million (equivalent to approximately HK\$12.34 million), being 50% of the consideration, within 3 business days upon the Vendor having provided all necessary documents in relation to the acquisition to the relevant parties; and
- (3) RMB3.92 million (equivalent to approximately HK\$4.94 million), being 20% of the consideration, within 3 business days upon completion of the relevant registration in relation to the acquisition.

The Consideration is determined based on arm's length negotiations between China Ocean LNG and the Second Vendor with reference to, among others, the net asset value of Jiangxi Gas as at 31 May 2015.

## **INFORMATION ABOUT JIANGXI GAS**

Jiangxi Gas is a company established under the laws of the People's Republic of China (the "PRC") in 2010 focused in natural gas business with registered capital of RMB50 million (equivalent to approximately HK\$63 million). As at the date of this announcement, its scope of business includes, among other things, investment, operation, development, manufacture, sale, transportation and storage of natural gas and related products in Jiangxi Province, the PRC; provision of natural gas related infrastructure installation and technical services and consultancy services. Jiangxi Gas is owned as to 51% by Petrochina Kunlun Gas Co., Ltd\* (中石油崑崙燃氣有限公司) ("**Petrochina Kunlun**"), 25% by the First Vendor and 24% by the Second Vendor as at the date of this announcement. Upon completion of the aforesaid acquisitions, Jiangxi Gas will be owned as to 51% by Petrochina Kunlun, 47% by China Ocean LNG and 2% by the Second Purchaser. To the best of the knowledge, information and belief having made all reasonable enquiries by the Directors, the shareholders of Jiangxi Gas, the Second Purchaser and their ultimate beneficial owner(s) are third parties independent of the Company and connected persons (as defined in the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited ("**Listing Rules**")).

## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

The Directors consider that it is beneficial for the Company to invest in Jiangxi Gas, with a controlling shareholder (being Petrochina Kunlun) which is a state-owned enterprise with good connection in the natural gas related industries, as part of the strategic transformation of the Group's business. Further, the investment in Jiangxi Gas also enables the Group to enter into natural gas related business in the Yangtse River region, and hence laying foundation for the Group's potential development in the energy logistics business.

## **IMPLICATIONS UNDER THE LISTING RULES**

As all the percentage ratios (as calculated in accordance with Rule 14.07 of the Listing Rules) for the transactions contemplated under the First Equity Transfer Agreement and the Second Equity Transfer Agreement are less than 5%, the transactions contemplated under the First Equity Transfer Agreement and the Second Equity Transfer Agreement do not constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules. The Board wishes to make a voluntary disclosure to keep shareholders and potential investors of the Company informed of the Group's latest business development.

By order of the Board  
**China Ocean Shipbuilding Industry Group Limited**  
**LI Ming**  
*Chairman*

Hong Kong, 25 June 2015

*For the purpose of illustration only and unless otherwise stated, conversion) 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 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 three executive directors, namely, Mr. Li Ming, Mr. Zhang Shi Hong and Mr. Wang San Long, one non-executive director, namely, Mr. Chau On Ta Yuen; and three independent non-executive directors, namely, Ms. Xiang Siying, Mr. Hu Bai He and Ms. Xiang Ying.*