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CHINA OCEAN SHIPBUILDING INDUSTRY GROUP LIMITED

中海船舶重工集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 00651)

ANNOUNCEMENT ON STRATEGIC COOPERATION AGREEMENT

This announcement is made by the board (the “Board”) of directors (the “Directors”) of China Ocean Shipbuilding Industry Group Limited (the “Company”), together with its subsidiaries, the (“Group”) on a voluntary basis.

On 12 November 2015, the Company entered into a non legal-binding strategic cooperation agreement (the “Strategic Cooperation Agreement”) with Zhongan Anchan Technology Development Co, Ltd* (中安安產科技發展有限公司) (“Party B”) and China Safety Industry Association (中國安全產業協會) (“Party C”, with the Company and Party B collectively named as the “Parties”).

Party B is a wholly-owned subsidiary of a state-holding enterprise, and its controlling shareholder is mainly comprised of state-holding companies established by PRC governmental authorities.

Party C is a national industrial association. As the sole safety industrial association in the PRC, it was established to coordinate all parties in the safety industry, promote the development of safety industry and provide the government and enterprises with efficient and quality intermediary service in the market.

The Strategic Cooperation Agreement contains the following principal terms:

- (1) The Company and Party B intend to establish a JV company (the “JV Company”), principal business activities of which include, among others, the investment, construction, operation and provision of service to public car parks, the construction and management of Intelligent parking lots etc.

The formation of the JV Company is subject to the further entering into of a formal agreement (the “Formal Agreement”), details of which is still under negotiation between the Parties;

- (2) the Parties to the Strategic Cooperation Agreement shall on a best effort basis assist in business development of the JV Company in the intelligent parking equipment industry;
- (3) the Company shall provide Party C the comprehensive business training services in relation to the construction, operation, utilization and maintenance of intelligent car parks and recharging facilities for electric automobiles. In addition, the Company shall assist Party C to formulate relevant national standards for the safety production of intelligent parking system and equipment as well as the management, operation and maintenance of intelligent car parks;
- (4) the Parties intend to jointly initiate and establish China Safety Industry Association Intelligent Safety Parking Branch, China Intelligent Safety Parking Design Institute and China Safety Industrial Training Centers. The Parties also intend to jointly initiate or establish relevant funds so as to provide capital for the business development of the JV Company.

The Board considers that the Strategic Cooperation Agreement will facilitate the rapid development of the intelligent automotive parking equipment business to be carried out the Group, which will be beneficial to the Group and the shareholders of the Company as a whole.

By Order of the Board
China Ocean Shipbuilding Industry Group Limited
Li Ming
Chairman

Hong Kong, 12 November 2015

As at the date of this announcement, the executive directors of the Company are Mr. Li Ming, Mr. Zhang Shi Hong, Mr. Wang San Long and Mr. Liu Jin, the non-executive director of the Company is Mr. Chou On Ta Yuen and the independent non-executive directors of the Company are Ms. Xiang Si Ying, Mr. Hu Bai He and Ms. Xiang Ying.