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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)

COMPLETION OF SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE BY WAY OF WAIVER OF LOANS

Reference is made to the announcement (“Announcement”) of the China Ocean Shipbuilding Industry Group Limited (the “Company”) dated 28 September 2015 in relation to, among other things, the Subscription. Capitalised terms used herein shall have the same meanings ascribed to them in the Announcements unless otherwise defined.

COMPLETION OF SUBSCRIPTION

The Board is pleased to announce that all conditions precedent to the Completion as set out in the Subscription Agreement had been fulfilled or waived (as applicable) and Completion took place on 13 November 2015 pursuant to the terms of the Subscription Agreement.

At Completion, the Company allotted and issued an aggregate of 537,761,685 Subscription Shares at the Subscription Price of HK\$0.26 per Subscription Share to the Creditors, in consideration of the Creditors agreeing to waive the Loans in an aggregate amount of approximately RMB114,944,409 (equivalent to about HK\$139,818,038) due from the Borrower together with all the rights and benefits attaching thereto and accruing thereon. The Subscription Price of HK\$0.26 per Subscription Share represents approximately a discount of approximately 7.14% to the closing price of HK\$0.28 per Share as quoted on the Stock Exchange on 13 November 2015, being the date of Completion.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The table below sets out the shareholding structures of the Company (i) immediately before Completion, (ii) immediately after Completion and as at the date of this announcement, (iii) immediately after Completion and upon full conversion of the 2014 Convertible Notes and the 2015 Convertible Notes at their respective initial conversion price, and (iv) immediately after Completion and upon full conversion of the 2014 Convertible Notes and the 2015 Convertible Notes at their respective initial conversion price and exercise of all outstanding share options in full under the Share Option Schemes (assuming there being no other changes in the share capital of the Company):

Shareholder	Immediately before Completion		Immediately after Completion		Immediately after Completion and upon full conversion of the 2014 Convertible Notes and the 2015 Convertible Notes at their respective initial conversion price		Immediately after Completion and upon full conversion of the 2014 Convertible Notes and the 2015 Convertible Notes at their respective initial conversion price and exercise of all outstanding share options in full under the Share Option Schemes	
	No. of shares	Approximate	No. of shares	Approximate	No. of shares	Approximate	No. of shares	Approximate
		percentage		percentage		percentage		percentage
A Director and his associate (Note 1)	654,917,500	5.87	654,917,500	5.60	654,917,500	5.13	764,917,500	5.57
Other Directors	0	0.00	0	0.00	0	0.00	290,434,600	2.12
Bondholder 1	0	0.00	0	0.00	806,126,561	6.32	806,126,561	5.87
Bondholder 2	0	0.00	0	0.00	260,000,000	2.04	260,000,000	1.89
The Creditors	0	0.00	537,761,685	4.60	537,761,685	4.21	537,761,685	3.92
Other Public Shareholders	10,505,804,655	94.13	10,505,804,655	89.80	10,505,804,655	82.30	11,067,819,835	80.63
Total:	<u>11,160,722,155</u>	<u>100.00</u>	<u>11,698,483,840</u>	<u>100.00</u>	<u>12,764,610,401</u>	<u>100.00</u>	<u>13,727,060,181</u>	<u>100.00</u>

Notes:

- Such Shares were held by Mr. Li Ming, an executive Director, of which 359,817,500 Shares were directly held by him and 295,100,000 Shares were held through Lead Dragon Limited, a company wholly and beneficially owned by Mr. Li.

2. The shareholding structure set out in this column is shown for illustration purposes only. The conversion rights under the 2014 Convertible Notes 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 2014 Convertible Notes being held in public hands and will not result in the relevant holder of the 2014 Convertible Notes, 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 Hong Kong Code on Takeovers and Mergers; or (ii) a general offer is made in accordance with the requirements of the Hong Kong Code on Takeovers and Mergers.

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

Hong Kong, 13 November 2015

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.