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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 DISCLOSEABLE TRANSACTION

Reference is made to the announcements of China Ocean Shipbuilding Industry Group Limited (the “**Company**”) dated 15 October 2015 (the “**Announcements**”) and the circular dated 12 November 2015 (the “**Circular**”) in relation to, among other things, the Acquisition. Unless otherwise defined, capitalised terms used herein shall have the same meanings as defined in the Announcements and the Circular.

The Board is pleased to announce that all the conditions precedent of the Sale and Purchase Agreement had been fulfilled as at the date hereof and Completion took place on the same day. The maximum consideration for the sale and purchase of the Sale Shares is HK\$450,000,000 (subject to adjustment as detailed in the “Profit Guarantee” section in the Circular), which shall be satisfied by the Purchaser procuring the Company to allot and issue the Consideration Shares to the Vendor (or its nominee(s)) in the following manner:

1. as to approximately HK\$67.47 million by the allotment and issuance of 259,500,000 Consideration Shares on Completion credited as fully paid; and
2. as to a maximum of approximately HK\$382.33 million by the allotment and issuance of 1,470,500,000 Consideration Shares credited as fully paid if the Net Profit of RMB60 million for the Relevant Period is attained.

Following Completion, the abovementioned 259,500,000 Consideration Shares have been issued and allotted to the Vendor (or its nominees), and Success Capture Limited has become a direct wholly-owned subsidiary of the Company. The financial results of the Target Company will be consolidated into the consolidated financial statements of the Company.

Pursuant to the Sale and Purchase Agreement, the remaining 1,470,500,000 Consideration Shares will be issued and allotted to the Vendor (or its nominees) in the event that the Net Profit of the Target Group for the Relevant Period attained the Guarantee Profit of RMB60 million. Please refer to the section “Profit Guarantee” set out in the “Letter from the Board” of the Circular for further details. After the Relevant Period, the Company will review and announce the result of the Target Group as soon as practicable and will issue and allot the Consideration Shares in accordance with the terms of the Sale and Purchase Agreement.

As the date of this announcement, the parking equipment sales business has made progress in cities of PRC, according to the information provided by Shandong Dereton Group, Shandong Dereton Group has signed a number of sales agreements and memoranda of understanding in respect of the sale of mechanical parking equipment which comprised approximately 20,000 parking spaces in total and will result in an estimated revenue amounting to approximately RMB500 million. The customers of these sales agreements and memoranda of understanding include:

Shannxi Huafu Investment Company Limited* (陝西華富投資有限公司);

Guizhou Zhonghong Real-estate Development Company Limited* (貴州中泓房地產開發有限公司);

Lanzhou Kaidi Real-estate Company Limited* (蘭州凱地置業有限公司);

Shandong Shenghui Real-estate Company Limited* (山東盛輝置業有限公司);

Xian Xinkun Real-estate Development Company limited* (西安新昆房地產開發有限公司);

Jinan Chuangxin Property Management Service Company Limited* (濟南創信物業服務有限公司);

Shannxi Fuyuan Real-estate Company Limited* (陝西福源置業有限公司);

Harbin First Hospital* (哈爾濱第一醫院); and

Harbin Haguo Property Development Company Limited* (哈爾濱哈鍋實業開發總公司).

The Directors are of the view that the business of Shandong Dereton Group would enjoy a prosperous prospect in the coming years.

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

Hong Kong, 4 December 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.

* *For identification only*