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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)**

### **VOLUNTARY ANNOUNCEMENT**

#### **UPDATE ON THE 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 and with reference to the Company’s announcement dated 25 June 2015 in relation to the acquisition of 47% equity interest in Jiangxi Gas (“**Announcement**”). Unless otherwise defined, capitalised terms used herein shall have the same meanings as defined in the Announcement.

#### **THE SUPPLEMENTAL AGREEMENTS**

In view of the fact that China Ocean (LNG)’s payments for the first tranche of consideration under the First Equity Transfer Agreement and the Second Equity Transfer Agreement (collectively the “**Equity Transfer Agreements**”) were returned by the First Vendor and the Second Vendor (collectively the “**Vendors**”) as the Vendors have yet obtained a waiver of pre-emptive rights from the existing shareholders of Jiangxi Gas, which is necessary for obtaining the relevant PRC governmental approval for the equity transfers under the Equity Transfer Agreements, the transactions contemplated under the Equity Transfer Agreements were not able to proceed under the agreed time frame. Accordingly, the parties to the Equity Transfer Agreements entered into further negotiation to discuss how the transactions contemplated under the Equity Transfer Agreements should proceed.

On 9 December 2015, China Ocean (LNG):

- (1) entered into a supplemental agreement in relation to the First Equity Transfer Agreement (“**First Supplemental Agreement**”) with the Second Purchaser, the First Vendor, and the Company as guarantor, to amend and supplement certain terms of the First Equity Transfer Agreement; and
- (2) entered into a supplemental agreement in relation to the Second Equity Transfer Agreement (“**Second Supplemental Agreement**”) with the Second Vendor and the Company as guarantor, to amend and supplement certain terms of the Second Equity Transfer Agreement.

(The First Supplemental Agreement and the Second Supplemental Agreement together are referred to as “**Supplemental Agreements**”).

Set out below are the major terms of the Equity Transfer Agreements which have been varied pursuant to the Supplemental Agreements:

### **First Supplemental Agreement to the First Equity Transfer Agreement**

#### ***A. Payment terms of the consideration***

Pursuant to the First Supplemental Agreement, it was agreed by the parties that the consideration in respect of the 23% Equity Interest shall be paid by China Ocean (LNG) in the following manner, instead of that as disclosed in the Announcement:–

- (1) RMB9,387,750 (equivalent to approximately HK\$11,828,565), being 50% of the consideration in respect of the 23% Equity Interest, within 3 business days upon obtaining the approval from the relevant PRC governmental authority in relation to the equity transfers under the First Equity Transfer Agreement; and
- (2) RMB9,387,750 (equivalent to approximately HK\$11,828,565), being 50% of the consideration in respect of the 23% Equity Interest, within 180 days upon completion of the equity transfers under the First Equity Transfer Agreement.

**B. Guarantee**

The Company agreed to guarantee the obligations of China Ocean (LNG) under the First Equity Transfer Agreement (as amended and supplemented by the First Supplemental Agreement).

Save for the information disclosed above, all other terms under the First Equity Agreement remain unchanged.

**Second Supplemental Agreement to the Second Equity Transfer Agreement**

**A. Payment terms of the consideration**

Pursuant to the Second Supplemental Agreement, it was agreed by the parties that the consideration shall be paid by China Ocean (LNG) in the following manner, instead of that as disclosed in the Announcement:–

- (1) RMB9,795,900 (equivalent to approximately HK\$12,342,834), being 50% of the consideration in respect of the 24% equity interest of Jiangxi Gas (“**24% Equity Interest**”), within 3 business days upon obtaining the approval from the relevant PRC governmental authority in relation to the transfer of the 24% Equity Interest; and
- (2) RMB9,795,900 (equivalent to approximately HK\$12,342,834), being 50% of the consideration in respect of the 24% Equity Interest, within 180 days upon completion of the transfer of the 24% Equity Interest.

**B. Guarantee**

The Company agreed to guarantee the obligations of China Ocean (LNG) under the Second Equity Transfer Agreement (as amended and supplemented by the Second Supplemental Agreement).

Save for the information disclosed above, all other terms under the Second Equity Agreement remain unchanged.

The Directors are of the view that the terms and conditions of each of the Supplemental Agreements are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

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

Hong Kong, 9 December 2015

*For the purpose of illustration only and unless otherwise stated, conversion of 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.*

*As at the date of this announcement, the Board of the Company comprises four executive directors, namely, Mr. Li Ming, Mr. Zhang Shi Hong, Mr. Wang San Long and Mr. Liu Jin, 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.*