

The Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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)

ISSUE OF CONVERTIBLE BONDS UNDER GENERAL MANDATE – LAPSE OF SUBSCRIPTION AGREEMENT

Reference is made to the announcements published by China Ocean Shipbuilding Industry Group Limited (the “**Company**”) dated 26 October 2015 and 30 November 2015 (“**Announcements**”) in relation to the issue of Convertible Bonds under General Mandate. Unless otherwise defined, capitalised terms used herein shall have the same meanings as defined in the Announcement.

Pursuant to the Subscription Agreement (as amended and supplemented by the supplemental agreement to the Subscription Agreement dated 30 November 2015 entered into between the Company and the Subscriber), the Subscription Agreement shall automatically terminate and lapse if the conditions precedent to Completion are not fulfilled on or before 31 December 2015. As the Subscriber could not obtain the necessary foreign exchange clearance in respect of the transactions contemplated under the Subscription Agreement, the conditions precedent were not fulfilled on or before 31 December 2015, the Board hereby announces that the Subscription Agreement has automatically terminated and lapsed pursuant to the terms thereof and the proposed issue of Convertible Bonds will not proceed.

The Board considers that the lapse of the Subscription Agreement does not have any material adverse impact on the business operation and financial position of the Company.

By order of the Board

China Ocean Shipbuilding Industry Group Limited

LI Ming

Chairman

Hong Kong, 3 January 2016

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.