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CHINA OCEAN INDUSTRY GROUP LIMITED

中海重工集團有限公司

(Formerly known as 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 FORMATION OF JOINT VENTURE

This announcement is made by the Company on a voluntary basis to keep shareholders and potential investors of the Company informed of the Group's latest business development.

Reference is made to the announcement of the Company dated 18 December 2015 in relation to the formation of the Joint Venture. Unless otherwise defined, capitalised terms used herein shall have the same meanings as defined in the announcement dated 18 December 2015.

The Board is pleased to announce that the relevant industry and commerce registration of the Joint Venture at the relevant PRC governmental authority has completed and on 6 April 2016, the Joint Venture has obtained the business licence issued by the Market Supervision Administration of Shenzhen Municipality (深圳市市場監督管理局) ("**Business Licence**"). The scope of business of Joint Venture includes (i) design, construction and installation of parking facilities and charging facilities; (ii) management of carparks; (iii) research and development, and sale of parking facilities; (iv) operation of carpark projects; (v) sale of electric vehicle charging facilities; (vi) domestic trading; (vii) import and export business; and (viii) supply chain management and related services.

Pursuant to the terms of the JV Agreement, the Joint Venture now proceeds to make investments to upgrade and refurbish car parks owned by SEG, and then commence construction of public car parks and electric vehicle charging facilities in Shenzhen. The Joint Venture shall then promote its business throughout PRC via various local branches of SEG and the Group.

The Directors are of the view that the commencement of the Joint Venture's operation will enable the Company to expand its presence in the automotive parking management service business in the PRC.

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

Hong Kong, 7 April 2016

As at the date of this announcement, the Board of the Company comprises Mr. Li Ming, Mr. Zhang Shi Hong, Mr. Wang San Long and Mr. Liu Jin as executive Directors, Mr. Chau On Ta Yuen as non-executive Director and Mr. Hu Bai He, Ms. Xiang Siying and Ms. Xiang Ying as independent non-executive Directors.