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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: 651)

VOLUNTARY ANNOUNCEMENT

INVESTMENT FRAMEWORK AGREEMENT

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The board of directors (the “**Board**”) of China Ocean Shipbuilding Industry Group Limited (the “**Company**”) is pleased to announce that on 9 June 2012, the Company entered into an investment framework agreement (the “**Framework Agreement**”) with Ruichang Municipal People’s Government (瑞昌市人民政府) in relation to a possible acquisition by the Company of a piece of land in Ruichang City, Jiangxi Province, the People’s Republic of China (“**Project Site**”) to engage in a project for manufacturing combine harvester (the “**Production Project**”). The Production Project will be engaged either by the Company alone or the Company together with other investors. The Company treats the Production Project as an opportunity to diversify its business.

The total estimated area of the Project Site is 300 mu (畝) but the exact area is subject to the confirmation set out in the permit for the planned land use (規劃用地許可證) to be issued for the Production Project. Pursuant to the Framework Agreement, the price of the Project Site will be RMB80,000/mu and the total estimated consideration for the acquisition will be around RMB24 millions. As a reward for its investment in basic infrastructure in Ruichang City, Ruichang Municipal People’s Government will make certain rebate to the Company. The parties shall, within two months from the date of the Framework Agreement or such other period as the parties may agree, sign a formal agreement in relation to the proposed acquisition of the Project Site.

The negotiation for the Production Project is still at a preliminary stage and the acquisition of the Project Site need to go through the process of bidding invitation, auction or listing. There is no certainty that the Company will be successful under the process of bidding invitation, auction or listing, the Production Project and the proposed acquisition of the Project Site may or may not be proceed. If materialised, the Production Project and / or the proposed acquisition of the Project Site may constitute a notifiable transaction of the Company which may be subject to the notification, publication and shareholders' approval requirements under Chapter 14 of the Listing Rules.

The Board wishes to emphasize that there can be no assurance that the Production Project will be carried out and any formal agreement in relation to the proposed acquisition of the Project Site will be signed. Shareholders and potential investors of the Company should exercise caution when dealing in the shares of the Company.

By order of the Board
China Ocean Shipbuilding Industry Group Limited
CHAU On Ta Yuen
Chairman

Hong Kong, 11 June 2012

As at the date of this announcement, (i) the executive directors of the Company are Mr. Chau On Ta Yuen, Mr. Li Ming, Mr. Zhang Shi Hong and Mr. Wang San Long; and (ii) independent non-executive directors of the Company are Ms. Xiang Siying, Mr. Hu Bai He and Ms. Xiang Ying.