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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)**

**PROFIT WARNING**

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

The Board wishes to inform the shareholders of the Company and potential investors that the Group is expected to record a substantial loss for the year ended 31 December 2009 as compared to the results for the corresponding year in 2008. The expected loss was mainly attributable to the impairment loss to be recognized on goodwill and intangible asset.

**Shareholders of the Company and potential investors are advised to exercise caution in dealing in the shares of the Company.**

This announcement is made by the China Ocean Shipbuilding Industry Group Limited (the “**Company**”) 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 the Company wishes to inform the shareholders of the Company and potential investors that the Company and its subsidiaries (the “**Group**”) is expected to record a substantial loss for the year ended 31 December 2009 as compared to the results for the corresponding year in 2008. Based on the information currently available to the Company, the Board considers that the expected loss was mainly attributable to impairment loss to be recognized on goodwill and intangible assets. The Board wishes to point out that the mentioned impairment loss is of non-cash in nature and does not have impact on the operating cash flows of the Group.

The information contained in this announcement is only a preliminary assessment made by the Company with reference to the Group’s management accounts for the year ended 31 December 2009 and the results of preliminary assessment on the goodwill and intangible asset at 31 December 2009. The information contained in this announcement has not been audited by the Company’s auditors. The Company is in the process of preparing the Group’s audited financial results for the year ended 31 December 2009. Detailed financial results of the Group for the year ended 31 December 2009 will be disclosed as and when the final results of the Group are announced.

**Shareholders of the Company and potential investors are advised to exercise caution in 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, 19 March 2010

*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, Mr. Zhang Xi Ping and Ms. Xiang Ying.*