

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)

VOLUNTARY ANNOUNCEMENT ON THE PROVISION OF COUNTER-GUARANTEE IN FAVOUR OF A WHOLLY-OWNED SUBSIDIARY

The Counter-Guarantee

The Board of the Company announces that, on 16 April 2010, the Company, the PRC Subsidiary and the Guarantor entered into the Counter-Guarantee Agreement, pursuant to which the Company agreed to provide a counter-guarantee in favour of the Guarantor in consideration of the Guarantor's agreement to enter into the Guarantee Agreement. Under the Guarantee Agreement, the Guarantor had agreed to guarantee the PRC Subsidiary for all its payment obligations under a loan agreement with the Bank for the loan in the sum of RMB80,000,000. Apart from the counter-guarantee in favour of the Guarantor, the PRC Subsidiary also agreed to pledge its export tax rebates to the Guarantor as security.

Though the Counter-Guarantee does not constitute any notifiable transaction of the Company under Chapter 14 of the Listing Rules, nor any connected transaction under Chapter 14A of the Listing Rules, the Board wishes to make a voluntary disclosure of the arrangement relating to the Counter-Guarantee and to inform the shareholders of the Company of the details of the Counter-Guarantee.

The Wang Guarantee

The Board also announces that Mr. Wang, the legal representative of the PRC Subsidiary and an executive Director and Mr. Wang's spouse executed the Wang Guarantee, pursuant to which Mr. and Mrs. Wang agreed to provide a counter-guarantee in favour of the Guarantor in consideration of the Guarantor's agreement to enter into the Guarantee Agreement.

Mr. Wang, being a legal representative of the PRC Subsidiary and an executive Director, and his spouse are connected persons of the Company and therefore the Wang Guarantee constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the Wang Guarantee executed by Mr. and Mrs. Wang to the Guarantor was made for the benefit of the Group on normal commercial terms where no security over the assets of the Company is granted in respect of such counter guarantee, the Wang Guarantee and the transactions contemplated thereunder fall within Rule 14A.65(4) of the Listing Rules and thus shall be exempted from reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The board of directors (the “**Board**”) of China Ocean Shipbuilding Industry Group Limited (the “**Company**”) announces that, on 16 April 2010, the Company, its wholly-owned subsidiary, namely 江西江州聯合造船有限責任公司 (the “**PRC Subsidiary**”) and 江西省信用擔保股份有限公司 (the “**Guarantor**”) entered into a deed of counter-guarantee (the “**Counter-Guarantee Agreement**”), pursuant to which the Company agreed to provide a counter-guarantee in favour of the Guarantor (the “**Counter-Guarantee**”) in consideration of the Guarantor’s agreement to enter into a guarantee agreement with the PRC Subsidiary on 13 April 2010 (the “**Guarantee Agreement**”). Under the Guarantee Agreement, the Guarantor had agreed to guarantee the PRC Subsidiary for all its payment obligations under a loan agreement with a bank in China (the “**Bank**”) for the loan in the sum of RMB80,000,000.

Apart from the counter-guarantee in favour of the Guarantor, the PRC Subsidiary also agreed to pledge its export tax rebates to the Guarantor as security.

The Board also announces that Mr. Wang San Long (“**Mr. Wang**”), the legal representative of the PRC Subsidiary and an executive director of the Company (the “**Director**”) and Mr. Wang’s spouse (collectively “**Mr. and Mrs. Wang**”) executed a counter guarantee in favour of the Guarantor (the “**Wang Guarantee**”), pursuant to which Mr. and Mrs. Wang agreed to provide a counter-guarantee in favour of the Guarantor in consideration of the Guarantor’s agreement to enter into the Guarantee Agreement.

THE COUNTER-GUARANTEE

- Date : 16 April 2010
- Parties : the PRC Subsidiary, the Guarantor and the Company
- Subject Matter : In consideration of the Guarantor's agreement to enter into the Guarantee Agreement with the PRC Subsidiary on 13 April 2010 and to guarantee the PRC Subsidiary for all its payment obligations under a loan agreement with the Bank, the Company agreed to counter-guarantee the Guarantor for, amongst other things, all payment obligations of the PRC Subsidiary under the loan agreement with the Bank in the sum of RMB80,000,000, the guarantee fees paid by the PRC Subsidiary to the Guarantor including the extension fee (if any) and all loss and damages suffered by the Guarantor arising from the guarantee it provided to the PRC Subsidiary pursuant to the Guarantee Agreement.
- Counter-guarantee period : From the commencement date of the Guarantee Agreement to the 2nd anniversary after the expiry of the Guarantee Agreement.
- Undertakings : The Company undertakes that it would not dispose of all or large part of its assets or undergo any material reorganization with respect to its corporate structure without the prior consent of the Guarantor.

The Counter-Guarantee does not constitute any notifiable transaction of the Company under Chapter 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"), nor any connected transaction under Chapter 14A of the Listing Rules. However, the Board wishes to make a voluntary disclosure of the Counter-Guarantee to inform the shareholders of the Company of the details of the Counter-Guarantee.

THE WANG GUARANTEE

- Parties : Mr. Wang and his spouse
- Subject Matter : In consideration of the Guarantor’s agreement to enter into the Guarantee Agreement with the PRC Subsidiary on 13 April 2010 and to guarantee the PRC Subsidiary for all its payment obligations under a loan agreement with the Bank, Mr. and Mrs. Wang agreed to counter-guarantee the Guarantor for, amongst other things, all payment obligations of the PRC Subsidiary under the loan agreement with the Bank in the sum of RMB80,000,000, the guarantee fees paid by the PRC Subsidiary to the Guarantor including the extension fee (if any) and all loss and damages suffered by the Guarantor arising from the guarantee it provided to the PRC Subsidiary pursuant to the Guarantee Agreement.
- Counter-guarantee period : From the commencement date of the Guarantee Agreement to the 2nd anniversary after the expiry of the Guarantee Agreement.

Mr. Wang, being a legal representative of the PRC Subsidiary and an executive Director, and his spouse are connected persons (as defined in the Listing Rules) of the Company and therefore the Wang Guarantee constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the Wang Guarantee executed by Mr. and Mrs. Wang to the Guarantor was made for the benefit of the Company and its subsidiaries (the “Group”) on normal commercial terms where no security over the assets of the Company is granted in respect of such counter guarantee, the Wang Guarantee and the transactions contemplated thereunder fall within Rule 14A.65(4) of the Listing Rules and thus shall be exempted from reporting, announcement and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules. In consideration of

Mr. and Mrs. Wang's agreement to enter into the Wang Guarantee in favour of the Guarantor, the Company agreed in principle to enter into an indemnity in favour of Mr. and Mrs. Wang in respect of their obligations under the Wang Guarantee. The Directors consider that the Wang Guarantee are in the interests of the Company and its shareholders.

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

Hong Kong, 16 April 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.