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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 further 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 Board considers that apart from the impairment loss to be recognized on goodwill and intangible asset, the expected loss was also attributable to the increase in operating losses of the Group as a result of the increase in cost of sales arising from, among other things, fluctuation of foreign currencies and the provisions made for the late delivery of ships to customers.

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 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**”).

Reference is made to the announcement of the Company dated 19 March 2010 in relation to the profit warning (the “**Announcement**”). In the Announcement, the Board announced that the Group is expected to record a substantial loss for the year ended 31 December 2009. The purpose of this announcement is to provide further update on the financial position of the Group.

The board of directors (the “**Board**”) of the Company wishes to further 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 latest draft consolidated accounts of the Group for the year ended 31 December 2009, the Board considers that apart from the impairment loss to be recognized on goodwill and intangible assets as disclosed in the Announcement, the expected losses was also attributable to the increase in the operating losses of the Group as a result of the increase in cost of sales arising from, among other things, fluctuation of foreign currencies and the provisions made for the late delivery of ships to customers. Furthermore, as a result of the aforesaid late delivery of ships to customers, a customer served a notice on Jiangxi Jiangzhou Union Shipbuilding Co., Ltd, a wholly-owned subsidiary of the Company, among other things, to rescind the relevant sale contract, which resulted in increase in operating losses of the Group, and the aforesaid matter was referred to the agreed arbitration proceeding.

The Company is in the process of finalizing the Group's annual results for the year ended 31 December 2009. The information contained in this announcement is only a preliminary assessment made by the Company based on information currently available to the Company. Details of the Group's final information will be disclosed as and when the final results for the financial year ended 31 December 2009 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
Zhang Shi Hong
Director

Hong Kong, 21 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.