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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)

EXTENSION OF THE MATURITY DATE OF THE OUTSTANDING CONVERTIBLE NOTES

The Board announces that on 27 April 2010, the Company and the Noteholders entered into Extension Letters whereby the parties agreed to extend the Maturity Date of the Outstanding Convertible Notes from 15 April 2011 to 15 April 2012. Save as the extension of the Maturity Date of the Outstanding Convertible Notes, each and every term and condition under the Outstanding Convertible Notes shall remain unchanged and valid.

The Extension is subject to (i) all necessary consents and approvals by of the Stock Exchange required to be obtained on the Proposed Amendments and the transactions contemplated thereunder having been obtained; and (ii) the passing of resolution(s) at the SGM by the Shareholders to approve, among other things, the Proposed Amendments and the transactions contemplated thereunder (including but not limited to the allotment and issue of the Conversion Shares), if necessary.

The Directors consider that the terms of the Extension Letters are fair and reasonable and the Extension is in the interests of the Company and its Shareholders as a whole.

Reference is made to the announcement of China Ocean Shipbuilding Industry Group Limited (the “**Company**”) dated 14 November 2007 (the “**Announcement**”) and the circular of the Company dated 6 February 2008 (the “**Circular**”) in respect of, among other things, the acquisition relating to the vessel manufacturing business. Capitalised terms used herein shall have the same meanings as those defined in the Circular unless otherwise stated.

EXTENSION OF THE MATURITY DATE OF THE OUTSTANDING CONVERTIBLE NOTES

The Board announces that on 27 April 2010, the Company entered into a Extension Letter with each of the Noteholders whereby the parties agreed to extend the Maturity Date of the Outstanding Convertible Notes from 15 April 2011 to 15 April 2012. Save as the extension of the Maturity Date of the Outstanding Convertible Notes, each and every term and condition under the Outstanding Convertible Notes (including but not limited to the payment of interest until the Maturity Date of the Outstanding Convertible Notes) shall remain unchanged and valid.

To the best of the Director's knowledge, information and belief having made all reasonable enquiries, the Noteholders are third parties independent of and not connected with the Company and its connected persons.

The Extension is subject to:

1. all necessary consents and approvals by of the Stock Exchange required to be obtained on the Proposed Amendments and the transactions contemplated thereunder having been obtained; and
2. the passing of resolution(s) at the SGM by the Shareholders to approve, among other things, the Proposed Amendments and the transactions contemplated thereunder (including but not limited to the allotment and issue of the Conversion Shares), if necessary.

As at the date of this announcement, the Outstanding Convertible Notes are convertible into 69,910,351 Shares at a conversion price of HK\$7.26 per Share, representing approximately 7.75% of the existing issued share capital of the Company and approximately 7.19% of the enlarged share capital of the Company assuming that the Outstanding Convertible Notes are converted in full and no change in the shareholding structure of the Company. Such Conversion Shares may be issued upon exercise of the conversion right of the Convertible Notes pursuant to a specific mandate to be sought at the SGM.

The Directors considers that the Extension will provide more flexibility for the Group to plan its working capital requirement.

The Directors considers that the terms of the Extension Letters are fair and reasonable and the Extension is in the interests of the Company and its Shareholders as a whole.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions having the following meanings:

“Board”	the board of Directors
“Company”	China Ocean Shipbuilding Industry Group Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	the meaning ascribed thereto in the Listing Rules
“Conversion Share(s)”	new Shares to be issued to the holders of the Outstanding Convertible Notes upon exercise of the conversion right under the Outstanding Convertible Notes
“Convertible Note(s)”	the convertible note(s) due 2011 issued by the Company on 16 April 2008, details and principal terms of which are set out in the Circular
“Director(s)”	the director(s) of the Company
“Extension”	the proposed extension of the Maturity Date of the Outstanding Convertible Notes for a period of one year from 15 April 2011 to 15 April 2012 pursuant to the Extension Letters
“Extension Letters”	the extension letters dated 27 April 2010 entered into between the Company and the Noteholders in relation to the Extension
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Maturity Date”	the date on which the Convertible Notes become due
“Noteholder(s)”	the existing holder(s) of the Outstanding Convertible Note(s)

“Outstanding Convertible Note(s)”	the Convertible Note(s) in an aggregate outstanding principal amount of HK\$507,549,152 as at the date hereof
“Proposed Amendments”	the proposed amendments to the terms of the Convertible Notes in relation to, among other things, the Extension
“SGM”	the special general meeting of the Company to be convened and held for the approving, amongst other things, the Extension
“Share(s)”	ordinary share(s) of HK\$0.05 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	the lawful currency of Hong Kong

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

Hong Kong, 27 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.