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CHINA OCEAN SHIPBUILDING INDUSTRY GROUP LIMITED

中海船舶重工集團有限公司

(Incorporated in the Bermuda with limited liability)

(Stock Code: 00651)

RESULTS OF THE OPEN OFFER OF 451,049,825 OFFER SHARES ON THE BASIS OF ONE OFFER SHARE FOR EVERY TWO SHARES HELD ON THE RECORD DATE WITH BONUS ISSUE ON THE BASIS OF TWO BONUS SHARES FOR EVERY ONE OFFER SHARE TAKEN UP

The Board is pleased to announce that the Open Offer has become unconditional at 4:00 p.m. on Friday, 3 September 2010.

As at 4:00 p.m. on Wednesday, 1 September 2010, being the latest time for acceptance of and payment for the Offer Shares and application for Excess Offer Shares, a total of 356 valid applications for Offer Shares have been received for a total of 351,803,390 Offer Shares, representing approximately 78% of the total number of the Offer Shares available for subscription under the Open Offer and a total of 289 valid applications for Excess Offer Shares have been received for a total of 183,983,651 Offer Shares, representing approximately 185.38% of 99,246,435 Offer Shares available for excess application.

Based on the results of the Open Offer referred to above, the Open Offer is over-subscribed by 84,737,216 Offer Shares. The Underwriter is not obliged to take up any untaken Offer Shares pursuant to the Underwriting Agreement. The obligations of the Underwriter under the Underwriting Agreement have been fully discharged.

Regarding the 183,983,651 Offer Shares having been applied for by way of excess application, the Board has resolved to allot and issue an aggregate of 99,246,435 Offer Shares available for excess application on a fair and equitable basis, on a pro-rata basis to the Excess Offer Shares applied for by the Qualifying Shareholders.

It is expected that the share certificates for the Offer Shares, together with the relevant Bonus Shares in respect of the valid acceptances of the Offer Shares on the Application Forms and applications for Excess Offer Shares, in their fully-paid form, will be despatched to the addresses as shown on the register of members of the Company by ordinary post on Tuesday, 7 September 2010 at the relevant Shareholders' own risks. Dealings in the Offer Shares and the Bonus Shares, in their fully-paid form, are expected to commence on the Stock Exchange at 9:30 a.m. on Thursday, 9 September 2010.

ADJUSTMENTS TO THE SHARE OPTIONS AND CONVERTIBLE NOTES

As the Company's auditors require more time to review the adjustments to the number and subscription price of the Share Options and the conversion price of the Convertible Notes, the Company will publish another announcement on the adjustments as soon as it receives confirmation from its auditors in this regard.

Reference is made to the prospectus of China Ocean Shipbuilding Industry Group Limited (the "**Company**") dated 17 August 2010 (the "**Prospectus**"). Capitalised terms used in this announcement shall have the same meaning as defined in the Prospectus unless otherwise stated.

RESULTS OF THE OPEN OFFER

The Board is pleased to announce that all of the conditions set out in the Underwriting Agreement have been fulfilled and the Underwriting Agreement has not been terminated in accordance with its terms.

As at 4:00 p.m. on Wednesday, 1 September 2010, being the latest time for acceptance of and payment for the Offer Shares and application for Excess Offer Shares, a total of 356 valid applications for Offer Shares have been received for a total of 351,803,390 Offer Shares, representing approximately 78% of the total number of the Offer Shares available for subscription under the Open Offer, and a total of 289 valid applications for Excess Offer Shares have been received for a total of 183,983,651 Offer Shares, representing approximately 185.38% of 99,246,435 Offer Shares available for excess application.

The Open Offer has become unconditional at 4:00 p.m. on Friday, 3 September 2010.

UNDERWRITING ARRANGEMENTS

Based on the results of the Open Offer referred to above, the Open Offer is over-subscribed by 84,737,216 Offer Shares. The Underwriter is not obliged to take up any untaken Offer Shares pursuant to the Underwriting Agreement. The obligations of the Underwriter under the Underwriting Agreement have been fully discharged.

EXCESS APPLICATION

Regarding 183,983,651 Offer Shares having been applied for by way of excess application, the Board has resolved to allot and issue an aggregate of 99,246,435 Offer Shares available for excess application on a fair and equitable basis, on a pro-rata basis to the Excess Offer Shares applied for by the Qualifying Shareholders as follows:

Number of Excess Offer Shares applied for	Number of valid excess application	Total number of Excess Offer Shares applied for	Basis of allotment	Total number of Offer Shares allotted	Approximate percentage of allocation based on the total number of Excess Offer Shares applied for
1 to 13,400,000	288	49,901,216	Approximately 53.94% of the Excess Offer Shares applied for	26,916,764	53.94%
134,082,435	1	134,082,435	Approximately 53.94% of the Excess Offer Shares applied for	72,329,671	53.94%

CHANGES IN THE SHAREHOLDING STRUCTURE OF THE COMPANY

To the best knowledge of the Board, the following is a table showing the changes in the shareholding structure of the Company immediately prior to and after completion of the Open Offer (with Bonus Issue):

Shareholders	Before completion of the Open Offer (with Bonus Issue)		Upon completion of the Open Offer (with Bonus Issue)	
	<i>No. of Shares</i>	<i>Approximately %</i>	<i>No. of Shares</i>	<i>Approximately %</i>
Mr. Li Ming	92,705,000	10.28%	231,762,500	10.28%
Underwriter	—	—	—	—
Public				
Shareholders	<u>809,394,651</u>	<u>89.72%</u>	<u>2,023,486,626</u>	<u>89.72%</u>
Total:	<u>902,099,651</u>	<u>100.00%</u>	<u>2,255,249,126</u>	<u>100.00%</u>

DESPATCH OF SHARE CERTIFICATES

The share certificates for the Offer Shares, together with the relevant Bonus Shares, in respect of the valid acceptances of the Offer Shares on the Application Forms and applications for Excess Offer Shares, in their fully-paid form, will be despatched to the addresses as shown on the register of members of the Company by ordinary post on Tuesday, 7 September 2010 at the relevant Shareholders own risks. Dealings in the Offer Shares and the Bonus Shares, in their fully-paid form, are expected to commence on the Stock Exchange at 9:30 a.m. on Thursday, 9 September 2010.

ADJUSTMENTS TO THE SHARE OPTIONS AND CONVERTIBLE NOTES

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By Order of the Board
CHINA OCEAN SHIPBUILDING INDUSTRY GROUP LIMITED
CHAU On Ta Yuen
Chairman

Hong Kong, 7 September 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 Mr. Zhang Xi Ping, Ms. Xiang Siying, Mr. Hu Bai He and Ms. Xiang Ying.