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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)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (the “**Meeting**”) of China Ocean Shipbuilding Industry Group Limited (the “**Company**”) will be held at Units 1702-03, 17th Floor, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong on 28 January 2011 at 10:00 a.m. for the purpose of considering and, if thought fit, passing with or without amendments the following ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

1. “**THAT**

- a. the subscription agreements (the “Subscription Agreements”) dated 21 December 2010 and entered into between the Company and each of the Subscribers (as defined in the circular of the Company dated 11 January 2011) in relation to subscription of an aggregate of 1,412,745,760 shares of HK\$0.05 each in the share capital of the Company (the “Subscription Shares”) at a price of HK\$0.20 per Subscription Share (a copy of the Subscription Agreements have been produced to the Meeting marked “A”-“G” respectively and initialed by the chairman of the Meeting for identification purpose), the transactions contemplated thereunder and the performance by the Company thereof be and are hereby confirmed, ratified and approved;
- b. subject to fulfillment of the conditions precedent set out in the Subscription Agreements, the allotment and issue of the Subscription Shares to the Subscribers pursuant to the Subscription Agreements be and is hereby approved; and
- c. any one or more of the directors of the Company (the “Directors”) be and are hereby authorised to sign or execute such other documents or supplemental agreements or deeds on behalf of the Company and to do all such things and take all such actions as he or they may consider necessary or desirable for the purpose of giving effect to the Subscription Agreements and completing the transactions contemplated by the Subscription Agreements with such changes as any such Director(s) may consider necessary, desirable or expedient.”

2. “**THAT**

- a. the amendment deed dated 21 December 2010 (the “Amendment Deed”) (a copy of which is marked as “H” and initialed by the Chairman of the Meeting for the purpose of identification has been produced to the Meeting) entered into between the Company and the Noteholders (as defined in the circular of the Company dated 11 January 2011)

to amend certain terms and conditions of the convertible notes (the “Convertible Notes”) issued by the Company on 16 April 2008, the outstanding aggregate principal amount of which is approximately HK\$507.55 million, and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;

- b. subject to fulfillment of the conditions precedent set out in the Amendment Deed, the allotment and issue of new shares of the Company up to the maximum number which may be required to be issued on conversion in full of the conversion rights under the Convertible Notes as amended by the Amendment Deed be and is hereby approved; and
- c. any one or more of the Directors be and are hereby authorised to sign or execute such other documents or supplemental agreements or deeds on behalf of the Company and to do all such things and take all such actions as he or they may consider necessary or desirable for the purpose of giving effect to the Amendment Deed and completing the transactions contemplated by the Amendment Deed with such changes as any such Director(s) may consider necessary, desirable or expedient.”

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

Hong Kong, 11 January 2011

Registered Office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

*Head office and principal place of
business in Hong Kong:*
Units 1702-03, 17th Floor
China Merchants Tower
Shun Tak Centre
168-200 Connaught Road Central
Hong Kong

Notes:

1. A member of the Company entitled to attend and vote at the Meeting convened by the above notice is entitled to appoint one or, if he is the holder of more than one share, more proxies to attend and, subject to the provisions of the bye-laws of the Company, vote in his stead. A proxy need not be a member of the Company.
2. To be valid, the form of proxy together with a power of attorney or other authority, if any, under which it is signed or a certified copy of such power or authority must be lodged with the Company's branch share registrar in Hong Kong, Tricor Abacus Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof.

As at the date hereof, (i) the executive Directors are Mr. Chau On Ta Yuen, Mr. Li Ming, Mr. Zhang Shi Hong and Mr. Wang San Long; and (ii) the independent non-executive Directors are Mr. Zhang Xi Ping, Ms. Xiang Siying, Mr. Hu Bai He and Ms. Xiang Ying.