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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 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an annual general meeting of China Ocean Shipbuilding Industry Group Limited (“**Company**”) will be held at Unit 1703,17/F., China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong on Thursday, 23 June 2011 at 10:00 a.m. for the following purposes:

1. to receive and approve the audited consolidated financial statements of the Company for the year ended 31 December 2010 and the reports of the directors and auditors thereon;
2. to re-elect the retiring directors and to authorize the board of directors (“**Board**”) to fix the remuneration of the directors of the Company;
3. to re-appoint auditors and to authorize the Board to fix their remuneration;

and as special businesses, to consider and, if thought fit, pass (with or without modification) the following resolutions as ordinary resolutions or, as the case may be, special resolution:

4. To consider and, if thought fit, pass (with or without modification) the following resolution as ordinary resolution:

“THAT:

- (a) subject to paragraph (c) of this resolution and pursuant to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the exercise by the directors (“**Directors**”) of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with the additional shares of HK\$0.05 each in the capital of the Company (“**Shares**”) and to make or grant offers, agreements and options, (including bonds, warrants, debentures and other securities which carry rights to subscribe for or are convertible into Shares) which would or might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this resolution shall authorize the Directors during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options (including bonds, warrants, debentures and other securities which carry rights to subscribe for or are convertible into Shares) which would or might require the exercise of such power after the end of the Relevant Period;

- (c) the aggregate nominal amount of share capital allotted and issued or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) the exercise of any option granted under any share option schemes of the Company adopted from time to time in accordance with the Listing Rules; or (iii) any scrip dividend or similar arrangement providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the bye-laws of the Company as amended from time to time; or (iv) the exercise of rights of subscription or conversion under the terms of any warrants, bonds, debentures, notes or other securities issued by the Company which carry rights to subscribe for or are convertible into Shares, from time to time shall not exceed the aggregate of:
 - (aa) 20 per cent. of the aggregate nominal amount of the issued share capital of the Company on the date of the passing of this resolution; and
 - (bb) (if the Directors are so authorized by a separate ordinary resolution of the shareholders of the Company) the aggregate nominal amount of any share capital of the Company repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10 per cent. of the aggregate nominal amount of the issued share capital of the Company on the date of the passing of this resolution), and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
- (d) for the purposes of this resolution:

“**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company, the Companies Act 1981 of Bermuda (as amended from time to time) (“**Companies Act**”) or any other applicable laws of Bermuda to be held; and
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution;

“**Rights Issue**” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to holders of Shares on the Company’s register of members on a fixed record date in proportion to their then holdings of Shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the

laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognized regulatory body or any stock exchange outside Hong Kong).”

5. To consider and, if thought fit, pass (with or without modification) the following resolution as ordinary resolution:

“THAT:

- (a) subject to paragraph (b) of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all powers of the Company to purchase Shares on the Stock Exchange, or any other stock exchange on which the Shares may be listed and recognized by The Securities and Futures Commission of Hong Kong and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of The Securities and Futures Commission of Hong Kong, the Listing Rules or of any other stock exchange as amended from time to time, the Companies Act and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of Shares which may be repurchased or agreed to be repurchased by the Company pursuant to the approval in paragraph (a) of this resolution during the Relevant Period shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
- (c) for the purposes of this resolution, “**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company, the Companies Act or any other applicable laws of Bermuda to be held; and
 - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution.”

6. To consider and, if thought fit, pass (with or without modification) the following resolution as ordinary resolution:

“THAT:

conditional on the passing of resolution nos. 4 and 5 above, the general mandate granted to the Directors to allot, issue and deal with additional shares pursuant to paragraph (a) of resolution no. 4 above be and is hereby extended by the addition of an amount representing the aggregate nominal amount of the share capital of the Company repurchased or agreed to be repurchased by the Company pursuant to or in accordance with the authority granted under paragraph (a) of Resolution no. 5 above provided that such amount of shares so repurchased shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of the said resolution.”

7. To consider and, if thought fit, pass (with or without modification) the following resolution as ordinary resolution:

“THAT:

“the authorised share capital of the Company be and is hereby increased from HK\$250,000,000 divided into 5,000,000,000 shares of HK\$0.05 each to HK\$1,000,000,000 divided into 20,000,000,000 shares of HK\$0.05 each by the creation of an additional 15,000,000,000 shares of HK\$0.05 each and the directors of the Company be and are hereby authorised for and on behalf of the Company to execute all such documents, deeds, instruments and agreements and to do all such acts and things as they may, in their absolute discretion, consider necessary to effect or to be incidental to, ancillary to or in connection with such increase in the authorised share capital of the Company.”

8. To consider and, if thought fit, pass (with or without modification) the following resolution as special resolution:

“THAT:

the bye-laws of the Company (Bye-laws”) be and are hereby amended in the following manner:

BYE-LAW 1

- (i) by deleting in its entirety the definition of “clearing house” in Bye-law 1 and substituting therefor the following new definition: “clearing house” a clearing house recognized by the laws of the jurisdiction in which the shares of the Company are listed or quoted on a stock exchange in such jurisdiction.

- (ii) by inserting the following new definition of “address” immediately after the existing definition of “Act” under the existing Bye-law 1:-

““address” shall have the ordinary meaning given to it and shall include any facsimile number, electronic number or address or website used for the purposes of any communication pursuant to these Bye-laws.”

- (iii) by inserting the following new definition of “Business day” immediately after the existing definition of ““Board” or “Directors”” under the existing Bye-law 1:—

““Business day” shall mean a day on which the Designated Stock Exchange generally is open for the business of dealing in securities in Hong Kong. For the avoidance of doubt, where the Designated Stock Exchange is closed for the business of dealing in securities in Hong Kong on a business day by reason of a Number 8 or higher typhoon signal, black rainstorm warning, such day shall not for the purposes of these Bye-laws be counted as a business day.”

- (iv) by inserting the following new definition of “electronic” immediately after the existing definition of ““dollars” and “\$”” under the existing Bye-law 1:—

““electronic” shall mean relating to technology having electrical, digital, magnetic, wireless, optical electromagnetic or similar capabilities and such other meanings as given to it in the Electronic Transactions Act 1999 of Bermuda as may be amended from time to time.”

- (v) by inserting the following new definition of “Relevant Territory” immediately after the existing definition of “Registration Office” under the existing Bye-law 1:—

““Relevant Territory” shall mean Hong Kong or such other territory as the Directors may from time to time decide if the issued ordinary share capital of the Company is listed on a stock exchange in such territory.”

- (vi) by inserting the following new definition of “Securities Seal” immediately after the existing definition of “Secretary” under the existing Bye-law 1:—

““Securities Seal” shall mean a seal for use for sealing certificates for shares or other securities issued by the Company which is a facsimile of the Seal of the Company with the addition on its face of the words “Securities Seal”.”

BYE-LAW 2

- (i) by deleting the existing wording of Bye-law 2(e) in its entirety and substituting therefor the following new Bye-law 2(e):-

“(e) expressions referring to writing shall, unless the contrary intention appears, be construed as including printing, lithography, photography and other modes of representing words or figures in a visible, legible and non-transitory form, and including where the representation takes the form of electronic display, provided that both the mode of service of the relevant document or notice and the Member’s election comply with all applicable Statutes, rules and regulations.”

- (ii) by deleting the existing Bye-law 2(h) in its entirety and substituting therefor the following new Bye-law 2(h):-

“(h) a resolution shall be a special resolution when it has been passed by a majority of not less than three-fourths of votes cast by such Members as, being entitled so to do, vote in person or, in the case of such Members as are corporations, by their respective duly authorised representative or, where proxies are allowed, by proxy at a general meeting of which Notice has been duly given in accordance with Bye-law 59.”

- (iii) by deleting the existing Bye-law 2(i) in its entirety and substituting therefor the following new Bye-law 2(i):-

“(i) a resolution shall be an ordinary resolution when it has been passed by a simple majority of votes cast by such Members as, being entitled so to do, vote in person or, in the case of any Member being a corporation, by its duly authorised representative or, where proxies are allowed, by proxy at a general meeting of which Notice has been duly given in accordance with Bye-law 59.”

BYE-LAW 6

By deleting Bye-law 6 in its entirety and substituting therefore the following:

“The Company may from time to time by special resolution, subject to any confirmation or consent required by law, reduce its authorized or issued share capital or, save for the use of share premium as expressly permitted by the Act, any share premium account or other undistributable reserve.”

BYE-LAW 8

By inserting the following Bye-laws after Bye-law 8 as a new Bye-law 8A and Bye-law 8B:

“8A. Where any share is issued without voting rights, the words “non-voting” must appear in the designation of such share.”

“8B. Where shares are issued with different voting rights, the designation of each class of shares, other than those with the most favourable voting rights, must include the words “restricted voting” or “limited voting”.”

BYE-LAW 9

By inserting the following Bye-law after Bye-law 9 as a new Bye-law 9A:

“9A. No powers shall be taken to freeze or otherwise impair any of the rights attaching to any share by reason only that the person or persons who are interested directly or indirectly therein have failed to disclose their interests to the Company.”

BYE-LAW 12(2)

By deleting Bye-law 12(2) in its entirety and substituting therefor the following new Bye-law 12(2):

“(2) The Board may issue warrants or convertible securities or securities of similar nature conferring the right upon the holders thereof to subscribe for any class of shares or securities of the Company, which warrants or convertible securities or securities of similar nature may be issued on such terms as the Board may from time to time determine. Where warrants or convertible securities or securities of similar nature are issued to bearer, no certificate thereof shall be issued to replace one that has been lost unless the Board is satisfied beyond reasonable doubt that the original certificate thereof has been destroyed and the Company has received an indemnity in such form as the Board shall think fit with regard to the issue of any such replacement certificate.”

BYE-LAW 23

By inserting the word “(14)” immediately after the words “fourteen” in the existing Bye-law 23.

BYE-LAW 48

By inserting the following after Bye-law 48(1) a new Bye-law 48(1A):

“(1A) Fully-paid shares shall be free from any restriction on the right of transfer (except when permitted by the Designated Stock Exchange) and shall also be free from all liens.”

BYE-LAW 59(1)

By deleting the existing Bye-law 59 (1) in its entirety and substituting therefor the following new Bye-law 59 (1):—

“59. (1) An annual general meeting shall be called by Notice of not less than twenty-one (21) clear days and not less than twenty (20) clear business days and any special general meeting at which the passing of a special resolution is to be considered shall be called by Notice of not less than twenty-one (21) clear days and not less than ten (10) clear business days. All other special general meetings may be called by Notice of not less than fourteen (14) clear days and not less than ten (10) clear business days but if permitted by the rules of the Designated Stock Exchange, a general meeting may be called by shorter notice if it is so agreed:

- (a) in the case of a meeting called as an annual general meeting, by all the Members entitled to attend and vote thereat; and
- (b) in the case of any other meeting, by a majority in number of the Members having the right to attend and vote at the meeting, being a majority together holding not less than ninety-five per cent. (95%) in nominal value of the issued shares giving that right.”

BYE-LAW 63

By inserting the words “or (in the case of a Member being a corporation) by its duly authorised representative” immediately after the words “the Members present in person” in the 7th line of the existing Bye-law 63.

BYE-LAW 66

By deleting the existing Bye-law 66 in its entirety and substituting therefor the following new Bye-law 66:-

“66. Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with these Bye-laws, at any general meeting on a poll every Member present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy shall have one vote for every fully paid share of which he is the holder but so that no amount paid up or credited as paid up on a share in advance of calls or instalments is treated for the foregoing purposes as paid up on the share. A resolution put to the vote of a meeting shall be decided by way of a poll.”

BYE-LAW 67

By deleting the existing Bye-law 67 in its entirety and substituting therefor the words “intentionally deleted”.

BYE-LAW 68

By deleting the existing Bye-law 68 in its entirety and substituting therefor the following new Bye-law 68:-

“68. The result of the poll shall be deemed to be the resolution of the meeting. The Company shall only be required to disclose the voting figures on a poll if such disclosure is required by the rules of the Designated Stock Exchange.”

BYE-LAW 69

By deleting the existing Bye-law 69 in its entirety and substituting therefor the words “intentionally deleted”.

BYE-LAW 70

By deleting the existing Bye-law 70 in its entirety and substituting therefor the words “intentionally deleted”.

BYE-LAW 73

By deleting the words “whether on a show of hands or on a poll,” after the words “In the case of any equality of votes,” in the 1st line of the existing Bye-law 73.

BYE-LAW 75(1)

By deleting the words “,whether on a show of hands or on a poll,” after the words “persons incapable of managing their own affairs may vote,” in the 3rd and 4th lines of the existing Bye-law 75(1) and by deleting the words “or poll” after the words “or adjourned meeting” in the last line of the existing Bye-law 75(1).

BYE-LAW 80

By deleting the existing Bye-law 80 in its entirety and substituting therefor the following new Bye-law 80:-

“80. The instrument appointing a proxy and (if required by the Board) the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be delivered to such place or one of such places (if any) as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the meeting (or, if no place is so specified at the Registration Office or the Office, as may be appropriate) not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve (12) months from the date named in it as the date of its execution, except at an adjourned meeting in cases

where the meeting was originally held within twelve (12) months from such date. Delivery of an instrument appointing a proxy shall not preclude a Member from attending and voting in person at the meeting convened and in such event, the instrument appointing a proxy shall be deemed to be revoked.”

BYE-LAW 81

By deleting the words “to demand or join in demanding a poll and” from the 5th line of the existing Bye-law 81.

BYE-LAW 82

By deleting the words “or the taking of the poll,” from the 7th line and 8th line of the existing Bye-law 82.

BYE-LAW 84(2)

By deleting the existing Bye-law 84(2) in its entirety and substituting therefor the following new Bye-law 84(2):—

“(2) Where a Member is a clearing house or its nominee(s) (and in each case, being a corporation), it may authorise such person or persons as it thinks fit to act as its representative(s) or proxy(ies) at any Members’ meetings or any meetings of any class of Members provided that, if more than one person is so authorised, the authorization or proxy form must specify the number and class of shares in respect of which each such person is so authorised. Each person so authorised will be deemed to have been duly authorised without the need of producing any documents of title, notarized authorization and/or further evidence for substantiating the facts it is duly authorised and will be entitled to exercise the same rights and powers on behalf of the clearing house (or its nominee(s)) as if such person was the registered holder of the shares of the Company held by the clearing house (or its nominee(s)) in respect of the number and class of shares specified in the relevant authorisation. .”

BYE-LAW 86(2)

By deleting Bye-law 86(2) in its entirety and substituting therefor the following new Bye-law 86(2):

“(2) The Directors shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or subject to authorisation by the Members in general meeting, as an addition to the existing Board but so that the number of Directors so appointed shall not exceed any maximum number determined from time to time by the Members in general meeting. Any Director so appointed shall hold office until the next following general meeting of the Company (in the case of filling a casual vacancy) or until the next following annual general meeting of the Company (in the case of an

addition to the existing Board), and shall then be eligible for re-election at such meeting. The Directors to retire at an annual general meeting pursuant to this Bye-law 86(2) shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at such annual general meeting pursuant to Bye-law 87(1).”

BYE-LAW 101

By deleting Bye-law 101 in its entirety and substituting therefor with the following:

“101. Subject to the Act and to these Bye-laws, no Director or proposed or intending Director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatsoever, nor shall any such contract or any other contract or arrangement in which any Director or his associate(s) is/are in any way interested be liable to be avoided, nor shall any Director or whose associate(s) so contracting or being so interested be liable to account to the Company or the Members for any remuneration, profit or other benefits realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established provided that such Director shall disclose the nature of interest in any contract or arrangement in which he or his associate(s) is/are interested in accordance with Bye-law 102 herein.”

BYE-LAW 102

By deleting Bye-law 102 in its entirety and substituting therefor with the following:

“102. A Director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the Company shall declare the nature of his interest or interest of his associate(s) at the meeting of the Board at which the question of entering into the contract or arrangement is first considered, if he knows his/their interest then exists, or in any other case at the first meeting of the Board after he knows that he/they is/are or has/have become so interested. For the purposes of this Bye-law, a general notice to the Board by a Director to the effect that:

- (a) he or his associate(s) is/are a member or officer of a specified company or firm and is/are to be regarded as interested in any contract or arrangement which may after the date of the notice be made with that company or firm; or
- (b) he or his associate(s) is/are to be regarded as interested in any contract or arrangement which may after the date of the notice be made with a specified person who is/are connected with him or his associate(s);

shall be deemed to be a sufficient declaration of interest under this Bye-law in relation to any such contract or arrangement, provided that no such notice shall be effective unless either it is given at a meeting of the Board or the Director takes reasonable steps to secure that it is brought up and read at the next meeting of the Board after it is given.”

BYE-LAW 103

By deleting Bye-law 103 in its entirety and substituting therefor with the following:

“103. (1) A Director shall not vote (nor be counted in the quorum) on any resolution of the Board approving any contract or arrangement or any other proposal in which he or any of his associate(s) is/are materially interested, and if he shall do so his vote shall not be counted (nor shall he be counted in the quorum for such resolution), but this prohibition shall not apply to any of the following matters namely:

- (i) the giving of any security or indemnity either:
 - (a) to the Director or his associate(s) in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries; or
 - (b) to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his associate(s) has himself/themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (ii) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase where the Director or his associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
- (iii) any proposal concerning any other company in which the Director or his associate(s) is/are interested only, whether directly or indirectly, as an officer or executive or shareholder or in which the Director or his associate(s) is/are beneficially interested in shares of that company, provided that the Director or any of his associates are not in aggregate beneficially interested in 5% or more of the issued shares of any class of such company (or of any third company through which his interest or that of his associate(s) is derived) or of the voting rights;
- (iv) any proposal or arrangement concerning the benefit of employees of the Company or its subsidiaries including:
 - (a) the adoption, modification or operation of any employee's share scheme or any share incentive or share option scheme involving the issue or grant of options over shares or other securities by the Company under which the Director or his associate(s) may benefit; or

- (b) the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates both to Directors, his associates and employees of the Company or any of its subsidiaries and does not provide in respect of any Director or his associate(s), as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and
- (v) any contract or arrangement in which the Director or his associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company.

For the purpose of this Bye-law 103(1), “subsidiary” shall have the meaning as defined in the rules of the Designated Stock Exchange.

- (2) A company shall be deemed to be a company in which a Director and/or his associate(s) owns five (5) per cent. or more if and so long as (but only if and so long as) he and/or his associates, (either directly or indirectly) is/are the holder(s) of or beneficially interested in five (5) per cent. or more of any class of the equity share capital of such company or of the voting rights available to members of such company (or of any third company through which his/their interest or that of any of his associates is derived). For the purpose of this paragraph there shall be disregarded any shares held by a Director or his associate(s) as bare or custodian trustee and in which he or any of them has no beneficial interest, any shares comprised in a trust in which the interest of the Director or his associate(s) is/are in reversion or remainder if and so long as some other person is entitled to receive the income thereof, and any shares comprised in an authorised unit trust scheme in which the Director or any of his associates is interested only as a unit holder and any shares which carry no voting right at general meetings and very restrictive dividend and return of capital right.
- (3) Where a company in which a Director and/or his associate(s) holds five (5) per cent. or more of any class of the equity share capital of such company or of the voting rights of any class of shares available to shareholders of the company is/are materially interested in a transaction, then that Director and/or his associate(s) shall also be deemed materially interested in such transaction.
- (4) If any question shall arise at any meeting of the Board as to the materiality of the interest of a Director (other than the chairman of the meeting) or his associate(s) or as to the entitlement of any Director (other than such chairman) to vote or be counted in the quorum and such question is not resolved by his voluntarily agreeing to abstain from voting or not to be counted in the quorum, such question shall be referred to the chairman of the meeting and his ruling in relation to such other Director shall be final and conclusive except in a case where the nature or extent of the interest of the Director and/or his associate(s) concerned as known to such Director has not been fairly disclosed to the Board. If any question as aforesaid shall arise in respect of the chairman of the meeting and any of his associates such question shall be decided by

a resolution of the Board (for which purpose such chairman shall not vote thereon or be counted in the quorum) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of such chairman as known and any of his associates to such chairman has not been fairly disclosed to the Board.”

BYE-LAW 134

By deleting the existing Bye-law 134 in its entirety and substituting therefor the following new Bye-law 134:—

- “134. (1) Subject to the Statutes, the Company shall have one or more Seals as the Directors may determine. The Directors shall provide for the safe custody of each Seal, and no Seal shall be used without the authority of the Directors or a committee authorised by the Directors in that behalf.
- (2) Subject as otherwise provided in these Bye-laws, every instrument to which a Seal shall be affixed shall be signed autographically by one Director and the Secretary or by two Directors or any person or persons (including a Director and/or the Secretary) appointed by the Board for the purpose provided that as regards any certificates for shares or debentures or other securities of the Company the Directors may by resolution determine that such signatures or either of them shall be dispensed with or affixed by some method or system of mechanical signature other than autographic as specified in such resolution or that such certificates need not be signed by any person.
- (3) The Company may have a Securities Seal for use for sealing certificates for shares or other securities issued by the Company and no signature of any Director, officer or other person and no mechanical reproduction thereof shall be required on any such certificates or other document and any such certificates or other document to which such Securities Seal is affixed shall be valid and deemed to have been sealed and executed with the authority of the Board notwithstanding the absence of any such signature or mechanical reproduction as aforesaid. The Board may by resolution determine that the affixation of Securities Seal on certificates for shares or other securities issued by the Company be dispensed with or be affixed by printing the image of the Securities Seal on such certificates.”

BYE-LAW 153

By deleting the existing Bye-law 153 in its entirety and substituting therefor the following as new Bye-law 153:—

- “153. Subject to Section 88 of the Act and Bye-law 153A, a printed copy of the Directors’ report, accompanied by the balance sheet and profit and loss account, including every document required by law to be annexed thereto, made up to the end of the applicable financial year and containing a summary of the assets and liabilities of the Company

under convenient heads and a statement of income and expenditure, together with a copy of the Auditors' report, shall be sent to each person entitled thereto at least twenty-one (21) days before the date of the general meeting and at the same time as the notice of annual general meeting and laid before the Company at the annual general meeting in accordance with the requirements of the Act provided that this Bye-law shall not require a copy of those documents to be sent to any person whose address the Company is not aware of or to more than one of the joint holders of any shares or debentures."

By inserting the following new Bye-laws 153A and 153B immediately after Bye-law 153:

"153A. To the extent permitted by and subject to due compliance with all applicable Statutes, rules and regulations, including, without limitation, the rules of the Designated Stock Exchange, and to obtaining all necessary consents, if any, required thereunder, the requirements of Bye-law 153 shall be deemed satisfied in relation to any person by sending to the person in any manner not prohibited by the Statutes, summarised financial statements derived from the Company's annual accounts and the directors' report which shall be in the form and containing the information required by applicable laws and regulations, provided that any person who is otherwise entitled to the annual financial statements of the Company and the directors' report thereon may, if he so requires by notice in writing served on the Company, demand that the Company sends to him, in addition to summarised financial statements, a complete printed copy of the Company's annual financial statement and the directors' report thereon.

153B. The requirement to send to a person referred to in Bye-law 153 the documents referred to in that provision or a summary financial report in accordance with Bye-law 153A shall be deemed satisfied where, in accordance with all applicable Statutes, rules and regulations, including, without limitation, the rules of the Designated Stock Exchange, the Company publishes copies of the documents referred to in Bye-law 153 and, if applicable, a summary financial report complying with Bye-law 153A, on the Company's computer network or in any other permitted manner (including by sending any form of electronic communication), and that person has agreed or is deemed to have agreed to treat the publication or receipt of such documents in such manner as discharging the Company's obligation to send to him a copy of such documents."

BYE-LAW 157

By deleting the existing Bye-law 157 in its entirety and substituting therefor the following as new Bye-law 157:—

"157. If the office of auditor becomes vacant by the resignation or death of the Auditor, or by his becoming incapable of acting by reason of illness or other disability at a time when his services are required, the Directors shall fill the vacancy and fix the remuneration of the Auditor so appointed. Any Auditor so appointed shall hold office until the close of the next annual general meeting of the Company"

BYE-LAW 160

By deleting the existing Bye-law 160 in its entirety and substituting therefor the following new Bye-law 160:—

- “160. (A) (1) Except where otherwise expressly stated, any notice or document to be given to or by any person pursuant to these Bye-laws shall be in writing or, to the extent permitted by the Statutes and any applicable rules of the Designated Stock Exchange from time to time and subject to this Bye-law, contained in an electronic communication. A notice calling a meeting of the Directors need not be in writing.
- (2) Any notice or document to be given to or by any person pursuant to these Bye-laws may be served on or delivered to any Member either personally or by sending it through the post in a prepaid envelope or wrapper addressed to such Member at his registered address as appearing in the register or by leaving it at that address addressed to the Member or by any other means authorised in writing by the Member concerned or (other than share certificates) by publishing it by way of advertisement in at least one English language newspaper and one Chinese language newspaper circulating generally in the relevant Territory. In case of joint holders of a share, all notices shall be given to that one of the joint holders whose name stands first in the register and notice so given shall be sufficient notice to all the joint holders. Without limiting the generality of the foregoing but subject to the Statutes and any rules of the Designated Stock Exchange from time to time, a notice or document may be served or delivered by the Company to any Member by electronic means to such address as may from time to time be authorised by the Member concerned or by publishing it on the Company’s website or the website of the stock exchange in the Relevant Territory and notifying the Member concerned, in such manner as he may from time to time authorise, that it has been so published.
- (3) Any such notice or document may be served or delivered by the Company by reference to the register as it stands at any time not more than fifteen days before the date of service or delivery. No change in the register after that time shall invalidate that service or delivery. Where any notice or document is served or delivered to any person in respect of a share in accordance with these Bye-laws, no person deriving any title or interest in that share shall be entitled to any further service or delivery of that notice or document.
- (B) (1) Any notice or document required to be sent to or served upon the Company, or upon any officer of the Company, may be sent or served by leaving the same or sending it through the post in a prepaid envelope or wrapper addressed to the Company or to such officer at the head office or the Office.

- (2) The Board may from time to time specify the form and manner in which a notice may be given to the Company by electronic means, including one or more addresses for the receipt of an electronic communication, and may prescribe such procedures as it thinks fit for verifying the authenticity or integrity of any such electronic communication. Any notice may be given to the Company by electronic means only if it is given in accordance with the requirements specified by the Board.”

BYE-LAW 161

By deleting the existing Bye-law 161 in its entirety and substituting therefor the following as new Bye-law 161:—

“161. Any notice or other document:

- (a) if served or delivered by post, shall where appropriate be sent by airmail and shall be deemed to have been served or delivered on the day following that on which the envelope containing the same, properly prepaid and addressed, is put into the post; in proving such service or delivery it shall be sufficient to prove that the envelope or wrapper containing the notice or document was properly addressed and put into the post and a certificate in writing signed by the Secretary or other officer of the Company or other person appointed by the Board that the envelope or wrapper containing the notice or other document was so addressed and put into the post shall be conclusive evidence thereof;
- (b) if sent by electronic communication, shall be deemed to be given on the day on which it is transmitted from the server of the Company or its agent. A notice or document placed on the Company’s website or the website of the Designated Stock Exchange, is taken to be sent by the Company to a Member on the day on which a notice of availability in compliance with the rules of the Designated Stock Exchange is sent or if later, the date on which the notice or document first appears on the Company’s website after the notice of availability is sent;
- (c) if served or delivered in any other manner contemplated by these Bye-laws (other than by advertisement in newspapers in accordance with these Bye-laws), shall be deemed to have been served or delivered at the time of personal service or delivery or, as the case may be, at the time of the relevant despatch, transmission or publication; and in proving such service or delivery a certificate in writing signed by the Secretary or other officer of the Company or other person appointed by the Board as to the fact and time of such service, delivery, despatch, transmission or publication shall be conclusive evidence thereof;
- (d) if served by advertisements in newspapers in accordance with these Bye-laws, shall be deemed to have been served on the day on which the advertisement is first published; and

- (e) may be given to a Member either in the English language or the Chinese language, subject to due compliance with all applicable Statutes, rules and regulations.”

BYE-LAW 162(1)

By inserting the words “or served by any means permitted by and” immediately after the words “of any Member” in the 2nd line of the existing Bye-law 162(1).

A copy of the revised Bye-laws incorporating all the above amendments, having been produced to the meeting marked “A” and signed by the chairman of the meeting for the purpose of identification, be and is hereby approved and adopted as the new Bye-laws of the Company.”

By order of the Board of
China Ocean Shipbuilding Industry Group Limited
Ngai Man Wo
Company Secretary

Hong Kong, 20 May 2011

Principal place of business:

Units 1702-03, 17/F,
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 more proxies to attend and, subject to the provisions of the Bye-laws, 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 of this circular, (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.