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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your securities in **China Ocean Industry Group Limited**, you should at once hand this circular and proxy form enclosed herein to the purchaser or the transferee or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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**CHINA OCEAN INDUSTRY GROUP LIMITED****中海重工集團有限公司**

*(Formerly known as 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)**

**PROPOSED GENERAL MANDATES TO ISSUE SHARES AND  
TO REPURCHASE SHARES  
PROPOSED RE-ELECTION OF RETIRING DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the annual general meeting of China Ocean Industry Group Limited to be held at Units 1702-03, 17/F., China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong on Wednesday, 29 June 2016 at 10:00 a.m. is set out on pages 13 to 17 of this circular.

A form of proxy for use at the annual general meeting is enclosed. Whether or not you are able to attend and vote at the annual general meeting, you are requested to complete the enclosed proxy form in accordance with the instructions printed thereon and deposit the same with the Company's branch share registrar in Hong Kong, Tricor Abacus Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the Annual General Meeting or any adjournment thereof should you so wish.

27 May 2016

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:*

“Adoption Date”	27 June 2012, being the date on which the Share Option Scheme was adopted by resolution of the Company in general meeting;
“Annual General Meeting” or “AGM”	the annual general meeting of the Company to be convened and held at Units 1702-03, 17/F., China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong on Wednesday, 29 June 2016 at 10:00 a.m. or any adjournment thereof;
“Board”	the board of Directors of the Company for the time being;
“Bye-laws”	bye-laws of the Company as amended from time to time;
“Close Associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Companies Act”	the Companies Act 1981 of Bermuda (as amended from time to time);
“Company”	China Ocean Industry Group Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the main board of the Stock Exchange (Stock Code: 00651);
“Core Connected Person(s)”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	director(s) of the Company for the time being;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;

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## DEFINITIONS

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“Issue Mandate”	the proposed general mandate to allot, issue and deal with Shares not exceeding 20% of the issued share capital of the Company as at the date of passing of relevant resolution;
“Latest Practicable Date”	23 May 2016, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained therein;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time;
“Member(s)”	holder(s) of the Shares;
“Repurchase Mandate”	the proposed general mandate to exercise the power of the Company to repurchase Shares up to a maximum of 10% of the issued share capital of the Company as at the date of passing of relevant resolution;
“Securities and Futures Ordinance”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	ordinary share(s) of HK\$0.05 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers;
“%”	per cent

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## LETTER FROM THE BOARD

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### CHINA OCEAN INDUSTRY GROUP LIMITED

### 中海重工集團有限公司

(Formerly known as 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)

*Executive directors:*

Mr. Li Ming (*Chairman*)  
Mr. Zhang Shi Hong (*CEO*)  
Mr. Wang San Long  
Mr. Liu Jin

*Registered office:*

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Non-executive director:*

Mr. Chau On Ta Yuen (*Honorary Chairman*)

*Principal place of business:*

Units 1702-03, 17/F  
China Merchants Tower,  
Shun Tak Centre  
168-200 Connaught Road Central  
Hong Kong

*Independent non-executive directors:*

Ms. Xiang Siying  
Mr. Hu Bai He  
Ms. Xiang Ying

27 May 2016

*To the Shareholders*

Dear Sir/Madam

**PROPOSED GENERAL MANDATES TO ISSUE SHARES AND  
TO REPURCHASE SHARES  
PROPOSED RE-ELECTION OF RETIRING DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**1. INTRODUCTION**

The purpose of this circular is to provide you with information in respect of the resolutions to be proposed at the Annual General Meeting in order to enable you to make an informed decision on whether to vote for or against the resolutions to be proposed at the Annual General Meeting.

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## **LETTER FROM THE BOARD**

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Resolutions to be proposed at the Annual General Meeting include, in addition to the ordinary business, ordinary resolutions relating to the general mandates to issue Shares and to repurchase Shares, proposed re-election of retiring Directors and the refreshment of Scheme Mandate Limit.

### **2. RE-ELECTION OF RETIRING DIRECTORS**

Mr. Zhang Shi Hong, Ms. Xiang Siying and Mr. Hu Bai He will retire from office as Directors by rotation in the Annual General Meeting in accordance with Bye-law no. 87 and, being eligible, will offer themselves for re-election. If re-elected at the AGM, Ms. Xiang Siying and Mr. Hu Bai He will hold office until the conclusion of the annual general meeting held in 2018. Furthermore, under Bye-law no.86(2) of the Company's Bye-laws, any Director appointed during the year to fill a casual vacancy or as an addition to the existing board should retire at the first general meeting after his appointment. Accordingly, Mr. Liu Jin will also retire at the forthcoming annual general meeting and being eligible, offer himself for re-election.

Brief biographical details of the retiring Directors who are proposed to be re-elected at the Annual General Meeting are set out in Appendix II to this circular.

### **3. GENERAL MANDATE TO ISSUE SHARES**

At the annual general meeting of the Company held on 29 June 2015, general mandates were given by the Company to the Directors to exercise the powers of the Company to repurchase Shares and to issue Shares. Under the Listing Rules, these general mandates will lapse at the conclusion of the forthcoming Annual General Meeting. Ordinary resolutions will therefore be proposed at the Annual General Meeting for the grant of the general mandates to repurchase Shares and to issue Shares.

At the Annual General Meeting, ordinary resolutions nos. 4 and 6 will be proposed that the Directors be granted a general and unconditional mandate to allot, issue and deal with new Shares up to 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolution. Based on 11,997,983,840 Shares in issue as at the Latest Practicable Date and assuming that no Shares are allotted and issued or repurchased thereafter until the Annual General Meeting, the Company will be allowed under the Issue Mandate to issue up to 2,399,596,768 Shares. In addition, an ordinary resolution will be proposed so that the Issue Mandate will be extended by the addition to the Issue Mandate the aggregate nominal value of the share capital of the Company repurchased by the Company pursuant to the Repurchase Mandate provided that such extended amount will not exceed 10% of the aggregate of the total nominal value of the issued share capital of the Company in issue on the date of the resolution approving the Issue Mandate.

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## LETTER FROM THE BOARD

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### 4. GENERAL MANDATE TO REPURCHASE SHARES

At the Annual General Meeting, ordinary resolution no.5 will also be proposed to grant the Directors a general and unconditional mandate to exercise all powers of the Company to repurchase, on the Stock Exchange or on any other stock exchange on which the Shares may be listed, Shares up to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolution (the “**Repurchase Resolution**”).

The Repurchase Mandate and the Issue Mandate would expire at the earliest of: (a) the conclusion of the next annual general meeting of the Company; or (b) at the end of the period within which the Company is required by Bermuda law or the Bye-laws to hold its next annual general meeting; or (c) when revoked or varied by ordinary resolutions of the Shareholders in a general meeting prior to the next annual general meeting of the Company.

An explanatory statement as required under the Listing Rules to provide the requisite information regarding the Repurchase Mandate is set out in Appendix I to this circular.

### 5. ANNUAL GENERAL MEETING

The notice of Annual General Meeting which contains, inter alia, ordinary resolutions to re-elect the retiring Directors, to approve the Issue Mandate and the Repurchase Mandate and refreshment of share option scheme mandate limit is set out on pages 13 to 17 of this circular.

Whether or not you are able to attend the Annual General Meeting in person, please complete the accompanying form of proxy in accordance with the instructions printed thereon and lodged the same with the Company’s branch share registrar in Hong Kong, Tricor Abacus Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong as soon as possible and, in any event not later than 10:00 a.m., 27 June 2016, or not less than 48 hours before the time for any adjournment of the Annual General Meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting or any adjournment thereof should you so wish.

Under Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Accordingly, all the resolutions proposed at the Annual General Meeting will be conducted by way of poll.

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## LETTER FROM THE BOARD

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### 6. RECOMMENDATION

The Directors believe that the resolutions proposed in the notice of AGM are beneficial to the Company and the Shareholders as a whole.

The Directors believe that an exercise of the Issue Mandate will enable the Company to take advantage of market conditions to raise additional capital for the Company.

The Directors also believe that the exercise of the Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such repurchases of Shares will benefit the Company and the Shareholders as a whole.

Exercise of the Repurchase Mandate in full may have a material adverse impact on the working capital and gearing position of the Company compared with that as at 31 December, 2015, being the date of its latest audited consolidated accounts. However, the Directors do not intend to make any repurchase, in the circumstances that would have a material adverse impact on the working capital or gearing position of the Company.

Accordingly, the Directors recommend Shareholders to vote in favour of all the resolutions to be proposed as set out in the notice of the Annual General Meeting.

### 7. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

### 8. MISCELLANEOUS

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

Yours faithfully,  
For and on behalf of the Board of  
**China Ocean Industry Group Limited**  
**LI Ming**  
*Chairman*



*This appendix serves as an explanatory statement, as required by the Listing Rules, to provide requisite information as to the proposed Repurchase Mandate.*

## **1. LISTING RULES RELATING TO THE REPURCHASE OF SHARES**

The Listing Rules permit companies whose primary listing is on the Stock Exchange to repurchase their shares on the Stock Exchange and any other stock exchange on which the securities of the company are listed and such exchange is recognized by the Hong Kong Securities and Futures Commission subject to certain restrictions. Among such restrictions, the Listing Rules provide that the shares of such a company must be fully paid up and all repurchase of shares by such a company must be approved in advance by an ordinary resolution of shareholders, either by way of repurchase mandate or by specific approval of a particular transaction.

## **2. SHARE CAPITAL**

As at the Latest Practicable Date, there was a total of 11,997,983,840 Shares in issue. Subject to the passing of the proposed resolution granting the Repurchase Mandate and on the basis that no further Shares are allotted and issued or repurchased prior to the Annual General Meeting, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 1,199,798,384 Shares (representing 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the Repurchase Resolution).

## **3. REASONS FOR THE REPURCHASE**

The Directors believe that it is in the best interests of the Company and the Shareholders to seek a general authority from the Shareholders to enable the Company to repurchase its Shares on the Stock Exchange or on stock exchange on which the Shares are listed. The exercise of the Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset per Share and/or earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders as a whole.

## **4. FUNDING OF REPURCHASES**

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the Company's memorandum of association and Bye-laws, the Companies Act, the applicable laws of Bermuda and other applicable laws.

There might be material adverse impact on the working capital and gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the Company's annual report for the year ended 31 December, 2015, being the date of its last audited accounts) in the event that the Repurchase Mandate was to be exercised in full at any time during the proposed repurchase period. However, the Directors do not intend to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse impact on the working capital requirements or the gearing levels of the Company.

## **5. UNDERTAKING**

The Directors have undertaken to the Stock Exchange, so far as the same may be applicable, to exercise the powers of the Company to make repurchases pursuant to the Repurchase Mandate in accordance with the Bye-laws, the Listing Rules and the applicable laws of Bermuda.

## **6. DIRECTORS, ASSOCIATES AND CONNECTED PERSON**

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their Close Associates, have any present intention to sell any Shares to the Company or its subsidiaries under the Repurchase Mandate if such is approved by the Shareholders.

The Company has not been notified by any Core Connected Persons of the Company that they have a present intention to sell any Shares, or that they have undertaken not to sell any Shares held by them, to the Company or its subsidiaries in the event that the Repurchase Mandate is approved by the Shareholders.

## **7. EFFECT OF TAKEOVERS CODE AND MINIMUM PUBLIC HOLDING**

If as a result of a repurchase of the Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Rule 32 of the Takeovers Code. As a result, a shareholder or group of shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, Mr. Li Ming, Chairman of the Company, was interested and deemed to be interested in 1,255,792,954 Shares, representing approximately 10.47% of the total issued share capital of the Company. In the event that the Directors exercise the proposed Repurchase Mandate in full, the interest and deemed interest in shareholding of Mr. Li Ming would be increased to approximately 11.63% of the total issued share capital of the Company.

On the basis that no Shares are allotted and issued or repurchased from the Latest Practicable Date to the Annual General Meeting and assuming that none of the outstanding share options and convertible bonds have been exercised or converted prior to repurchase shares pursuant to the Repurchase Mandate, no person are obligated to make a mandatory offer under Rule 26 of the Takeovers Code or result in the amount of shares held by the public being reduced to less than 25%.

The Directors are not aware of any consequences which would arise under the Takeovers Code as a result of any repurchase made under the Repurchase Mandate.

## 8. SHARES REPURCHASES MADE BY THE COMPANY

The Company did not purchase any Shares (whether on the Stock Exchange or otherwise) during the six months prior to the Latest Practicable Date.

## 9. SHARE PRICES

The highest and lowest prices at which the Shares were traded on the Stock Exchange in each of the 12 calendar months before the Latest Practicable Date and the current month up to the Latest Practicable Date are as follows:

	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
<b>2015</b>		
May	0.335	0.235
June	0.450	0.280
July	0.360	0.127
August	0.255	0.161
September	0.239	0.198
October	0.255	0.222
November	0.295	0.242
December	0.255	0.227
<b>2016</b>		
January	0.235	0.158
February	0.191	0.159
March	0.210	0.178
April	0.218	0.188
May (up to the Latest Practicable Date)	0.213	0.180

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## APPENDIX II     DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION

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*Details of the Directors proposed to be re-elected at the Annual General Meeting are set out as follows:*

**Mr. Zhang Shi Hong**, aged 47, was appointed as a Director in December 2007 and is the Chief Executive Office of the Company. Mr. Zhang has over 20 years of experience in finance, credit management and investment management. He has worked for the head office of the Bank of China for around nine years and was mainly responsible for credit management. He also pursued investment management in various institutions in the People's Republic of China. Mr. Zhang holds a Master's degree in Economics. Mr. Zhang is directors of certain subsidiaries of the Company. He does not hold any directorships in other listed public companies in the past three years.

Mr. Zhang has entered into a service contract with the Company, commencing from 1 August 2008, which will continue thereafter until terminated by either party by giving the other party not less than three months' written notice. He is entitled to a monthly emolument of HK\$91,250 and he may also entitle to a discretionary bonus at the sole determination of the Board. His emolument is determined by reference to his duties and responsibilities and the prevailing market conditions.

Mr. Zhang is not connected with any directors, senior management or substantial or controlling shareholders (as respectively defined in the Listing Rules) of the Company. Mr. Zhang has personal interest in 31,140,000 Shares of the Company. Mr. Zhang was also granted options by the Company entitling him to subscribe for up to 107,581,000 shares in the Company. Save as disclosed above, he does not have any interest in any shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance. Save as disclosed above, there are no other matters that need to be brought to the attention of the Shareholders nor other information required to be disclosed pursuant to the requirements of Rule 13.51(2) of the Listing Rules in relation to the proposed re-election of Mr. Zhang as a Director.

**Ms. Xiang Siying**, aged 53, was appointed as an independent non-executive Director in May 2008. Ms. Xiang holds an MBA degree from the London Business School. She has extensive experience in all sectors of corporate finance, restructuring and merge and acquisitions practice. Ms. Xiang currently is an executive director of CDH Investments, a leading private equity firm in China. Prior to joining CDH, she had worked for China International Capital Corporation Limited since returning to China in early 2004. Before that Ms. Xiang had long career with International Finance Corporation, the private investment arm of the World Bank Group in Washington, United States of America. Ms. Xiang is currently an independent non-executive director of Titan Petrochemicals Group Limited, the shares of which are listed on the Stock Exchange of Hong Kong Limited. Ms. Xiang is currently a member of audit committee, remuneration committee and nomination committee of the Company. Save as disclosed above, Ms. Xiang does not hold any position with the Company or other members of the Company's group and has not been a director in any other listed company in the past three years. Ms. Xiang has entered into a service contract with the Company under which she is appointed for a term of two years and is entitled to director's fees of HK\$100,000 per annum, which is determined by the Board with reference to her qualification, experience and scope of responsibilities.

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## APPENDIX II     DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION

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Ms. Xiang is not connected with any directors, senior management or substantial or controlling shareholders (as respectively defined in the Listing Rules) of the Company. Ms. Xiang was granted options by the Company entitling her to subscribe for up to 1,000,000 shares in the Company. Save as disclosed above, she does not have any interest in any shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance. Save as disclosed above, there are no other matters that need to be brought to the attention of the Shareholders nor other information required to be disclosed pursuant to the requirements of Rule 13.51(2) of the Listing Rules in relation to the proposed re-election of Ms. Xiang as a Director.

**Mr. Hu Bai He**, aged 53, was appointed an independent non-executive Director of the Company in May 2008. Mr. Hu was graduated from Jiangxi University of Finance & Economics. He is a Senior Accountant, Certified Public Accountant, Certified Public Valuer and Certified Tax Agent in the People's Republic of China (the "PRC"). He has extensive experience in finance and accounting field. Mr. Hu is currently the General Manager of Peking Certified Public Accountants. Before he joined Peking Certified Public Accountants in 1993, he has had over seven years working experience with Ministry of Finance of the PRC. Mr. Hu currently is the chairman of audit committee of the Company and a member of remuneration committee and nomination committee of the Company. Save as disclosed above, Mr. Hu does not hold any position with the Company or other members of the Company's group and has not been a director in any other listed company in the past three years. Mr. Hu has entered into a service contract with the Company under which he is appointed for a term of two years and is entitled to director's fees of HK\$100,000 per annum, which is determined by the Board with reference to his qualification, experience and scope of responsibilities.

Mr. Hu is not connected with any directors, senior management or substantial or controlling shareholders (as respectively defined in the Listing Rules) of the Company. Mr. Hu was granted options by the Company entitling him to subscribe for up to 1,000,000 shares in the Company. Save as disclosed above, he does not have any interest in any shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance. Save as disclosed above, there are no other matters that need to be brought to the attention of the Shareholders nor other information required to be disclosed pursuant to the requirements of Rule 13.51(2) of the Listing Rules in relation to the proposed re-election of Mr. Hu as a Director.

**Mr. Liu Jin**, aged 47, was appointed as a Director in September 2015 and is currently an executive director of the Company. Mr. Liu obtained a Diploma in Business Administration from Singapore Institute of Management and a Master Degree of Business Administration from Hong Kong Baptist University. Mr. Liu is also a Certified Dealmaker endorsed by the China Mergers & Acquisition Association. Mr. Liu has nearly 20 years' experience in the investment industry. He held senior positions in brokerage firm, investment companies and private equity management companies and has extensive experience in corporate finance matters, such as corporate management, risks management, mergers and acquisitions, corporate advisory and initial public offering in the People's Republic of China. From August 2014 to July 2015, Mr. Liu was a member of the management committee of 舟山中海投創業投資企業 (Zhoushan China Ocean Investment Fund), a joint venture in which the Company has invested in. Save as disclosed above, Mr. Liu does not hold any directorships in other listed public companies in the past three years.

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## **APPENDIX II    DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION**

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Mr. Liu has entered into a service contract with the Company, commencing from 22 September 2015, which will continue thereafter until terminated by either party by giving the other party not less than three months' written notice. He is entitled to a monthly emolument of HK\$80,000 and he may also entitle to a discretionary bonus at the sole determination of the Board. His emolument is determined by reference to his duties and responsibilities and the prevailing market conditions.

Mr. Liu is not connected with any directors, senior management or substantial or controlling shareholders (as respectively defined in the Listing Rules) of the Company. Mr. Liu was granted options by the Company entitling him to subscribe for up to 110,000,000 shares in the Company. Save as disclosed above, he does not have any interest in any shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance. Save as disclosed above, there are no other matters that need to be brought to the attention of the Shareholders nor other information required to be disclosed pursuant to the requirements of Rule 13.51(2) of the Listing Rules in relation to the proposed re-election of Mr. Liu as a Director.

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## NOTICE OF ANNUAL GENERAL MEETING

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### CHINA OCEAN INDUSTRY GROUP LIMITED

### 中海重工集團有限公司

*(Formerly known as 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 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 Wednesday, 29 June 2016 at 10:00 a.m. to consider and transact the following ordinary businesses:

1. to receive and approve the audited consolidated financial statements of the Company for the year ended 31 December 2015 and the reports of the directors and auditors thereon;
2. to re-elect the retiring directors (Mr. Zhang Shi Hong, Ms. Xiang Siying, Mr. Hu Bai He and Mr. Liu Jin) 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:

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;

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## NOTICE OF ANNUAL GENERAL MEETING

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- (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



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## NOTICE OF ANNUAL GENERAL MEETING

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- (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

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## NOTICE OF ANNUAL GENERAL MEETING

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- (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% of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of the said resolution.”

By order of the Board of  
**China Ocean Industry Group Limited**  
**Cheung Tin Shu**  
*Company Secretary*

Hong Kong, 27 May 2016

*Principal place of business:*

Units 1702-03, 17/F,  
China Merchants Tower,  
Shun Tak Centre,  
168-200 Connaught Road Central,  
Hong Kong

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## NOTICE OF ANNUAL GENERAL MEETING

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*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 Level 22, Hopewell Centre, 183 Queen's Road East, 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. Li Ming, Mr. Zhang Shi Hong, Mr. Wang San Long and Mr. Liu Jin; (ii) the non-executive of the Company is Mr. Chau On Ta Yuen; and (iii) independent non-executive directors of the Company are Ms. Xiang Siying, Mr. Hu Bai He and Ms. Xiang Ying.*