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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)

RESIGNATION OF AUDITOR

The Board announces that Deloitte has resigned as the auditor of the Group with effect from 29 December 2011.

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The board of directors (“**Board**”) of China Ocean Shipbuilding Industry Group Limited (the “**Company**”) announces that Deloitte Touche Tohmatsu (“**Deloitte**”) has resigned as the auditor of the Company and its subsidiaries (collectively, the “**Group**”) with effect from 29 December 2011. Deloitte has taken into account many factors including the professional risk associated with the audit, the level of audits fees and its available internal resources in light of current work flows to determine whether to continue to act for its audit clients. Subsequently, the Company and Deloitte could not reach consensus on the audit fees to be charged for the year ending 31 December 2011. Deloitte has confirmed that there are no matters connected with its resignation that need to be brought to the attention of the shareholders of the Company. The Board also confirms that there are no other matters in respect of the change of auditor which should be brought to the attention of the shareholders of the Company.

The Company is currently in the process of identifying a suitable replacement to fill the vacancy following the resignation of Deloitte and further announcement will be made by the Company in due course in relation to the appointment of the new auditors of the Group.

The Board would like to express its appreciation for the services of Deloitte provided to the Group in the past years.

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

Hong Kong, 29 December 2011

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