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CHINA OCEAN INDUSTRY GROUP LIMITED

中海重工集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 00651)

**SUPPLEMENTAL ANNOUNCEMENT –
MAJOR TRANSACTION
IN RELATION TO
DISPOSAL OF 20% EQUITY INTEREST IN
ZHEJIANG OCEAN**

Reference is made to the announcement of the Company dated 28 February 2019 (“**Announcement**”) in relation to, among other things, the Disposal. Unless the context requires otherwise, capitalised terms used in this announcement shall have the same meaning as those defined in the Announcement.

The Company would like to provide additional information in relation to the financial effect of the Disposal.

As disclosed in the Announcement, the Company is expected to record a gain on Disposal. For illustrative purpose, based on (i) the carrying amount of the Group’s 20% interest in Zhejiang Ocean as at 30 June 2018 of approximately HK\$151,927,000; (ii) the maximum Consideration of RMB170,000,000 (equivalent to approximately HK\$199,801,000; and (iii) the estimated professional fees attributable to the Disposal of approximately HK\$1,000,000, it is expected that the Company will record a gain (before considering any tax impact) of approximately HK\$46,874,000 from the Disposal, and the gain on Disposal would be recognised in the consolidated statement of profit or loss and other comprehensive income of the Group upon the completion of the Disposal. However, the actual amount of gain or loss as a result of the Disposal to be recorded by the Company will be subject to the final audit by the auditors of the Company.

By order of the Board
China Ocean Industry Group Limited
LI Ming
Chairman

Hong Kong, 6 March 2019

As at the date of this announcement, the Board of the Company comprises four executive directors, namely, Mr. Li Ming, Mr. Zhang Shi Hong, Mr. Zhang Weibing and Mr. Liu Jin, two non-executive directors, namely, Mr. Chau On Ta Yuen and Mr. Lin Lie; and three independent non-executive directors, namely, Ms. Xiang Siying, Mr. Hu Bai He and Xiang Ying.