

*The Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

**CHINA OCEAN INDUSTRY GROUP LIMITED**

**中海重工集團有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 00651)**

**INSIDE INFORMATION  
UPDATE ON WINDING UP PETITION**

This announcement is made by China Ocean Industry Group Limited (the “**Company**”), pursuant to the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09 of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

References are made to (i) the announcement of the Company dated 19 July 2019 in respect of the subscription of convertible bonds of the Company under specific mandate to independent third parties, and (ii) the announcement of the Company dated 2 August 2019 regarding the winding-up petition against the Company (collectively, the “**Announcements**”). Unless the context otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

## **ALLEGED BASIS OF THE PETITION**

The Petitioner alleges that it has provided a loan in the amount of HK\$9.0 million to the Company pursuant to a loan agreement dated 12 January 2018 entered into between the Company and the Petitioner (the “**Loan Agreement**”), and the Company failed to repay the amount due under the Loan Agreement, which is totally HK\$10,659,201.10, i.e. the principal of the Loan Agreement, plus the interest and surcharge thereof (the “**Debts**”). Based on the above, the Petitioner alleges that the Company is unable to repay the Debts and should be wound up by reasons of sections 327(3)(b) and 327(4)(a) of Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) (the “**Ordinance**”).

## **POTENTIAL IMPACT OF THE PETITION**

According to section 182 of the Ordinance, article 166 of the Bermuda Companies Act 1981 and by referring the circular ref. no. CD/DNS/CCASS/332/2016 dated 28 December 2016 issued by Hong Kong Securities Clearing Company Limited (“**HKSCC**”), the Company would like to remind its shareholders and potential investors of the risk that until the Petition has been struck-out, dismissed or permanently stayed, or the Company has obtained necessary validation order(s), (i) HKSCC may suspend any of its services in respect of the Shares, (ii) any transfer of Shares since the date of presentation of the Petition may be void, and (iii) the subscription for the Convertible Bonds and any issuance of Conversion Shares upon exercising the conversion rights by the Subscribers under the Convertible Bonds may be void.

## **ACTIONS OF THE COMPANY IN RESPECT OF THE PETITION**

As at the date of this announcement, the Company has negotiated with the Petitioner for a settlement and an amicable disposal of the matter under the Petition, and endeavored to agree on a joint application to dismiss the Petition.

Based on the risk exposures as disclosed above, in order to eliminate the uncertainties arising from the Petition, which are associated with the transfer of the Shares, the subscription of the Convertible Bonds and any issuance of Conversion Shares thereafter, the Company has engaged and consulted legal advisers to negotiate with the Petitioner for application for necessary validation order(s) from the High Court. As at the date of this announcement, the Company has received a letter from the Petitioner, pursuant to which the Petitioner will show no objection in case of the application by the Company for a validation order in way of consent summons.

On 9 August 2019, Forward Fund SPC – Double Management Fund SP (the “**Supporting Creditor**”), a creditor for HK\$12,900,000.00 of the Company, served notice to the Company of its intention to appear on the hearing in respect of the Petition to be held before the High Court at 9:30 a.m. on 25 September 2019. As at the date of this announcement, the Supporting Creditor has also informed the Company that it adopts a neutral stance and will neither support nor oppose the application by the Company for a validation order in way of consent summons.

Based on the current progresses, it is expected that an application for a validation order may be filed by the Company to the High Court on or before 6 September 2019.

The Company will keep its shareholders and potential investors informed of any significant development of the Petition and will make further announcement(s) as and when appropriate in accordance with the Listing Rules.

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares of the Company.**

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

Hong Kong, 28 August 2019

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