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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
IN RELATION TO SECOND SUPPLEMENTAL AGREEMENTS
RELATING TO THE SUBSCRIPTION OF
CONVERTIBLE BONDS
UNDER SPECIFIC MANDATE**

References are made to the announcement of China Ocean Industry Group Limited (the “**Company**”, together with its subsidiaries, collectively the “**Group**”) dated 19 July 2019, 2 August 2019, 23 August 2019, 20 September 2019, 27 September 2019 and 30 November 2019 respectively (“**Announcements**”) and the circular of the Company despatched on 3 October 2019 (the “**Circular**”) in relation to the issue of the Convertible Bonds under specific mandate. Unless defined otherwise, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements and the Circular.

The Company hereby supplements information contained in the announcement of the Company dated 30 November 2019 as follows:

To the best of the Director's knowledge, information and belief having made all reasonable enquires, after the discussion between the Directors and each of the Subscribers, both Subscribers are obtaining the internal approvals and consents required by their board and the management respectively. The Directors have enquired and discussed with the Subscribers in relation to the completion schedule of the Subscriptions from time to time since 31 October 2019, on which conditions precedent (1) to (3) of each of the Subscription Agreements had been fulfilled. During the discussions, the Directors noted that both Subscribers were aware of the prevailing political instability and have been continuously evaluating its potential impact to the financial market in Hong Kong. As such, each of the Subscribers is still internally formulating the completion schedule of its respective Subscription and therefore the Company is pending for such consents and approvals from the Subscribers. The Company is actively communicating with each of the Subscribers and would update potential investors and shareholders when and where appropriate. It is expected that the remaining condition precedent (4) to the Subscription Agreements will be fulfilled on or before 11 December 2019.

From the discussion between the Directors and each of the Subscribers, as advised by the Subscribers, the Subscribers intend to complete the Subscription of the Convertible Bonds in aggregate of principal amount not more than HK\$50 million on or before 11 December 2019, the hearing date of the Petition. It is expected that the Subscribers shall complete the remaining amount of Subscription by the end of December 2019.

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

Hong Kong, 4 December 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; and three independent non-executive directors, namely, Ms. Xiang Siying, Mr. Hu Bai He and Ms. Xiang Ying.