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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)

INSIDE INFORMATION UPDATE ON (1) WINDING UP PETITION AND (2) ISSUE OF CONVERTIBLE BONDS UNDER SPECIFIC MANDATE

This announcement is made by China Ocean Industry Group Limited (the “**Company**”, together with its subsidiaries, collectively the “**Group**”), 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**”).

UPDATE ON WINDING UP PETITION

References are made to the announcements of the Company dated 5 August 2019, 28 August 2019, 23 September 2019, 25 September 2019, 27 September 2019 and 20 November 2019 regarding the winding-up petition against the Company (collectively, the “**Announcements**”). Unless the context otherwise specified, capitalized terms used herein shall have the same meanings as those defined in the Announcements.

The board of directors of the Company (the “**Board**”) wishes to announce that at the hearing held on 11 December 2019 at the High Court of Hong Kong, the High Court Master has ordered to adjourn the hearing before a Judge to 16 December 2019 at 9:30 a.m..

The Company will seek further legal and financial advice and endeavor to reach a settlement with the Petitioner.

UPDATE ON ISSUE OF CONVERTIBLE BONDS UNDER SPECIFIC MANDATE

References are made to the announcement of the Company dated 19 July 2019, 2 August 2019, 23 August 2019, 20 September 2019, 27 September 2019 and 30 November 2019 respectively (“**CB Announcements**”) and the circular of the Company despatched on 3 October 2019 (the “**CB 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 CB Announcements and the CB Circular.

The Board wishes to announce that all conditions precedent of the Subscription Agreements II have been fulfilled. As at the date of the announcement, the Subscriber 2 has completed the Subscription of the Convertible Bonds in principal amount of approximately HK\$11.1 million (equivalent to approximately RMB10.0 million). The Company is still pending for the consent and approval from Subscriber 1. It is expected that (i) the remaining condition precedent (4) to the Subscription Agreement I will be fulfilled on or before 31 December 2019 and (ii) the Subscribers shall complete the remaining amount of Subscription by the end of December 2019.

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

Shareholders of the Company and potential investors should accordingly exercise caution when dealing in the securities of the Company.

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

Hong Kong, 11 December 2019

As at the date of this announcement, the Board of the Company comprises two executive directors, namely, Mr. Li Ming and Mr. Zhang Shi Hong; and three independent non-executive directors, namely, Ms. Xiang Siying, Mr. Hu Bai He and Ms. Xiang Ying.