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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)

ANNOUNCEMENT WINDING UP PETITION

VALIDATION ORDER

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, 20 November 2019, 11 December 2019, 16 December 2019, 31 December 2019, 12 January 2020, 17 January 2020, 20 January 2020, 3 February 2020, 20 March 2020, 25 March 2020, 27 March 2020, 31 March 2020, 19 June 2020, 5 October 2020 and 11 January 2021 regarding, inter alia, the winding up petition against the Company and the application for validation orders (collectively, the “**Winding-up Announcements**”).

References are also made to (i) the Company’s announcements dated 10 March 2020, 17 March 2020, 9 April 2020, 15 May 2020, 5 June 2020, 19 June 2020, 10 July 2020, 31 July 2020, 31 August 2020, 30 September 2020, 30 October 2020, 30 November 2020 and 15 January 2021 respectively in relation to the subscription of the Subscription Shares under general mandate (“**Share Subscription**”) and (ii) the Company’s announcement dated 18 September 2020, 5 October 2020, 9 October 2020, 30 October 2020, 30 November 2020 and 15 January 2021 in relation to the subscription of convertible bond under specific mandate (“**CB Subscription**”). Unless otherwise defined herein, capitalised terms used in the section shall have the same meanings as those defined in the announcements of Share Subscription and CB Subscription.

The Company’s application for validation orders to complete the Share Subscription and the CB Subscription has been dealt with by the Court by paper disposal and a decision by the Court has been handed down on 29 January 2021 (the “**Decision**”).

According to the Decision, section 182 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) (“**Section 182**”) is engaged only if the subject matter concerns a “disposition of the property of the company”, “transfer of shares”, or “alteration in the status of the members of the company”.

The Decision clarified that issuing of new shares and convertible bonds by the Company would not engage Section 182, as they would not involve any “transfer of shares” or “alteration in the status of the members” of the Company. Hence, the absence of a validation would not inhibit the Company from proceeding with the Share Subscription and the CB Subscription.

The Company’s application for validation orders to complete the Share Subscription and the CB Subscription was therefore dismissed. The Court also confirmed that if Section 182 had been engaged, the Court would have granted a validation order for the Share Subscription and the CB Subscription as raising of fresh capital would not prejudice the interests of creditors or contributories.

In view of the Decision, the Company has been legally advised that the Company could proceed with the Share Subscription and the CB Subscription. Further announcement(s) will be made by the Company as and when appropriate in accordance with the Listing Rules of any future development of the Share Subscription and the CB Subscription.

For the avoidance of doubt, the validation order granted by the Court on 23 September 2019, as disclosed in the announcement of the Company dated 23 September 2019 for, inter alia, the transfer of the Company’s shares on or after 30 July 2019, remained in effect.

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, 5 February 2021

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 Chuanjun; and three independent non-executive directors, namely, Ms. Xiang Siying, Mr. Hu Bai He and Ms. Xiang Ying.