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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)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the special general meeting of the Company (the “SGM”) will be held at Unit D, 16/F., MG Tower, 133 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong on Thursday, 18 March 2021 at 10:30 a.m. for the purpose of transacting the following business:

Passing with or without amendments the following resolutions as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

1. **“THAT**

- (a) the subscription agreement dated 18 September 2020, including the form of the proposed convertible bond (“**Convertible Bond**”) annexed thereto (the “**Subscription Agreement**”), entered into between the Company as issuer and Xiamen Longhai Investment Management Co.,Ltd* (廈門隆海投資管理有限公司)(“**Subscriber**”) as subscriber, a copy of which has been produced to the meeting marked “A” and signed by the chairman of the meeting for the purpose of identification), pursuant to which the Company has conditionally agreed to issue the Convertible Bond in an aggregate principal amount of HK\$30,000,000 to Subscriber upon and subject to the terms and conditions as set out therein, and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;

- (b) the issue of the Convertible Bond by the Company to Subscriber in accordance with the terms and conditions of the Subscription Agreement be and is hereby approved;
 - (c) the allotment and issue of up to 300,000,000 Shares or such other number of shares in the share capital of the Company which may fall to be allotted and issued upon the exercise of the conversion rights attaching to the Convertible Bond in accordance with the terms and conditions of the Convertible Bond (“**Conversion Shares**”) be and is hereby approved;
 - (d) any one Director be and is hereby authorised to do all such things and acts as he/she may in his/her discretion consider necessary, desirable or expedient, for the purposes of or in connection with the implementation of the Subscription Agreement and the transactions contemplated thereunder, including but not limited to the execution of all such documents under seal where applicable, as he/she considers necessary or expedient in his/her opinion to implement and/or give effect to the issue of the Convertible Bond and the issue and allotment of the Conversion Shares which may fall to be allotted and issued upon exercise of the conversion rights attaching to the Convertible Bond.”
2. “**THAT**, to consider and approve the election of Mr. Ding Lei as a non-executive director of the Company.”

By order of the Board
Li Ming
Chairman

Hong Kong, 26 February 2021

Notes:

- 1. A member of the Company who is a holder of two or more Shares, and who is entitled to attend and vote at the Meeting is entitled to appoint more than one proxy or a duly authorised corporate representative to attend and vote in his stead. A proxy needs not be a member of the Company.

2. A form of proxy for the SGM is enclosed with the Company's circular dated 26 February 2021. In order to be valid, the form of proxy duly completed and signed in accordance with the instructions printed thereon together with a valid power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, must be deposited at the Company's branch share registrar in Hong Kong, Tricor Abacus Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude a member of the Company from attending and voting in person at the SGM and any adjournment thereof should he so wish. In such event, his form of proxy will be deemed to have been revoked.
3. The Hong Kong register of members of the Company will be closed from Monday, 15 March 2021, to Thursday, 18 March 2021 (both dates inclusive), for the purposes of determining the entitlements of the Shareholders to attend and vote at the SGM. No transfer of the Shares may be registered on those dates. The record date (being the last date of registration of any transfer of Shares given there will be no closure of register of members) for the purpose of determining the entitlements of the Shareholders to attend and vote at the SGM will be on Friday, 12 March 2021. In order to qualify for the aforesaid entitlements, all transfers must be lodged with the Hong Kong branch share registrar of the Company, Tricor Abacus Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, by no later than 4:30 p.m. on Friday, 12 March 2021.
4. Where there are joint registered holders of any Share, any one of such persons may vote at any meeting, either personally by proxy, in respect of such Share as if he were solely entitled thereto; but if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present being the most or, as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding and, for this purpose, seniority shall be determined by reference to the order in which the names of the joint holders, stand on the register in respect of the relevant joint holding.
5. If a Typhoon Signal No. 8 or above is hoisted or a Black Rainstorm Warning Signal is in force at or at any time after 12:00 noon on the date of the SGM and/or the Hong Kong Observatory has announced at or before 12:00 noon on the date of the SGM that either of the above mentioned warnings is to be issued within the next two hours, the SGM will be adjourned. The Company will publish an announcement to notify Shareholders of the date, time and place of the adjourned SGM.
6. The SGM will be held as scheduled when an Amber or Red Rainstorm Warning Signal is in force. Shareholders of the Company should decide on their own whether they would attend the SGM under bad weather conditions bearing in mind their own situation.

As at the date of this notice, the board of Directors 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.

PRECAUTIONARY MEASURES FOR THE SGM

The Company would like to inform its Shareholders that precautionary measures will be implemented at the SGM to prevent the COVID-19 pandemic, including:

- (i) Compulsory body temperature check;
- (ii) Compulsory wearing of surgical face mask throughout the SGM;
- (iii) No refreshments will be provided and there will be no corporate gift; and
- (iv) Maintaining proper distance between seats.

Any person who does not comply with any of the above precautionary measures, or who has a fever or exhibits flu-like symptoms or is subject to any Hong Kong Government prescribed quarantine may be denied entry to the SGM venue.

For the health and safety of Shareholders, the Company encourages Shareholders NOT to attend the SGM in person, and remind Shareholders that they may appoint the chairman of the SGM as their proxy to vote on the relevant resolutions at the SGM as an alternative to attending the SGM in person.