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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

- (1) LAPSE OF THE SUBSCRIPTION AGREEMENT IN
RELATION TO THE ISSUE OF CONVERTIBLE BOND;
(2) FURTHER DELAY IN PUBLICATION OF ANNUAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2020; AND
(3) FURTHER POSTPONEMENT OF BOARD MEETING AND
CONTINUAL SUSPENSION OF TRADING**

This announcement is made by China Ocean Industry Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rules 13.09(2)(a) and 13.49(3)(i) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”).

**LAPSE OF THE SUBSCRIPTION AGREEMENT IN RELATION TO THE
ISSUE OF CONVERTIBLE BOND**

Reference is made to the circular of the Company (the “**CB Circular**”) dated 26 February 2021 and the announcements (the “**CB Announcements**”) of the Company dated 18 September 2020, 5 October 2020, 9 October 2020, 30 October 2020 and 30 November 2020, 15 January 2021 and 26 February 2021 in relation to the subscription of convertible bond under specific mandate. Unless otherwise defined or the context otherwise requires, capitalised terms herein shall have the same meanings as those defined in the CB Announcements and the CB Circular.

Pursuant to the Subscription Agreement, Completion is subject to the fulfilment of the conditions precedent on or before the Long Stop Date (i.e. 30 April 2021) or such other date as agreed by the parties to the Subscription Agreement. The Board would like to update the Shareholders and potential investors that, since the condition precedent (3) of the Subscription Agreement has not been fulfilled by the Long Stop Date, the Subscription Agreement has automatically lapsed on 30 April 2021.

FURTHER DELAY IN PUBLICATION OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2020

Reference is made to the announcement (the “**Delay Announcement**”) of the Company dated 30 March 2021 whereby it was announced that the publication of 2020 Annual Results will be postponed around the end of April 2021 and therefore, the board meeting to approve the 2020 Annual Results will be postponed to a date to be determined by the Board. Unless otherwise defined or the context otherwise requires, capitalised terms in this announcement shall have the same meanings as defined in the Delay Announcement.

Pursuant to Rule 13.49(1) and Rule 13.49(2) of the Listing Rules on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the Company is required to publish the 2020 Annual Results not later than three months after the end of the financial year, i.e. 31 March 2021, and such results shall be based on the financial statements for the financial year which shall have been agreed with the auditors. As the Company was unable to publish the 2020 Annual Results on or before 31 March 2021, trading in the shares of the Company on the Stock Exchange was suspended with effect from 9: 00 a.m. on 1 April 2021 until the publication of the announcement in relation to the 2020 Annual Results by the Company.

However, additional time is required for the auditors of the Company to complete its audit procedures, including but not limited to 1) the return of the audit confirmations from debtors, creditors and financial institutions; 2) valuation reports on various accounting balances; 3) audit evidence in relation to the net realisable values of the rescinded vessels, the Company is unable to publish the 2020 Annual Results on or before 30 April 2021.

Based on the current assessment of the Board, it is expected that the Company will be able to agree with its auditors on the financial statements of the Group for the year ended 31 December 2020 by mid-May 2021 and the 2020 Annual Results will be published by the end of May 2021.

Rule 13.49(3) of the Listing Rules provides that where an issuer is unable to make an announcement of its preliminary results based on its financial statements in accordance with Rules 13.49(1) and 13.49(2) of the Listing Rules, it must announce its financial results which have yet to be agreed with its auditors not later than three months after the end of the financial year. However, after due and careful consideration and taking into consideration of the expected date of publication of the 2020 Annual Results, the Board is of the view that it would be more prudent and in the interest of the shareholders of the Company as a whole and potential investors to publish the 2020 Annual Results, which is based on the financial statements agreed with its auditors, before trading commences by the end of May 2021.

FURTHER POSTPONEMENT OF BOARD MEETING AND CONTINUAL SUSPENSION OF TRADING

Due to the delay in finalising 2020 Annual Result, the Board hereby announces that the date of the Board Meeting will be postponed to by the end of May 2021.

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended since 9:00 a.m. on 1 April 2021, pending publication of the 2020 Annual Results which is currently expected to be published by the end of May 2021.

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

Hong Kong, 30 April 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; one non-executive director, namely Mr. Ding Lei; and three independent non-executive directors, namely, Ms. Xiang Siying, Mr. Hu Bai He and Ms. Xiang Ying.