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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)

**(1) QUARTERLY UPDATE ON STATUS OF RESUMPTION;
(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**

Financial Adviser to the Company



Draco Capital Limited

This announcement is made by China Ocean Industry Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rules 13.09(2) and 13.24A of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcements of the Company dated 30 March 2021, 30 April 2021 and 31 May 2021 and 18 June 2021 (the “**Announcements**”), in relation to, among others, the suspension of trading in the shares of the Company on the Stock Exchange. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements. The board of directors of the Company (the “**Board**”) wishes to provide the shareholders of the Company (the “**Shareholders**”) further update as follows:

BUSINESS OPERATIONS

The Group is principally engaged in the engaged in the intelligent car-parking and automotive electronics, shipbuilding and steel structure engineering and installation business.

Since the beginning of the financial year of 2021, the Group has entered into several contracts in respect of the principal businesses of the Group and continues to review its existing businesses of the Company from time to time. Also, the Group strives to improve its business operation and financial position of the Group through actively seeking for fund raising and business opportunities.

RECENT DEVELOPMENT AND RESUMPTION CONDITIONS

As disclosed in the announcement of the Company dated 18 June 2021, the Stock Exchange requested the Company to comply with below “**Resumption Conditions**”:

- (i) publish all outstanding financial results required under the Listing Rules and address any audit modifications;
- (ii) demonstrate the Company’s compliance with Rule 13.24 of the Listing Rules; and
- (iii) inform the market of all material information for the Company’s shareholders and investors to appraise the Company’s position.

The Company is committed to the Resumption Guidance and has been in discussions with the Stock Exchange and its professional advisers to explore and consider options available to the Company in formulating a viable resumption proposal to address the Resumption Guidance. Further announcements will be made as and when appropriate should there be any material development on the Resumption Guidance.

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

As announced in the announcement dated 31 May 2021 of the Company whereby it was announced that the publication of 2020 Annual Results will be postponed around the end of June 2021 and therefore, the board meeting to approve the 2020 Annual Results will be postponed to a date to be determined by the Board.

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 still 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 June 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 and the 2020 Annual Results will be published by the end of July 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 July 2021.

FURTHER POSTPONEMENT OF BOARD MEETING

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 July 2021.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on The Stock Exchange of Hong Kong Limited has been suspended since 9:00 a.m. on 1 April 2021 and will remain suspended until the Company fulfills the Resumption Conditions.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
CHINA OCEAN INDUSTRY GROUP LIMITED
Li Ming
Chairman

Hong Kong, 30 June 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.