

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

CHINA OCEAN INDUSTRY GROUP LIMITED

中海重工集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 00651)

**LATEST BUSINESS UPDATE
AND
CONTINUAL SUSPENSION OF TRADING**

Financial adviser to the Company



瓏盛資本有限公司
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 (i) dated 30 March 2021, 30 April 2021, 31 May 2021, 18 June 2021, 30 June 2021, 30 July 2021, 31 August 2021, 30 September 2021, 29 October 2021, 30 November 2021, 31 December 2021, 31 January 2022, 28 February 2022, 31 March 2022, 3 May 2022, 31 May 2022, 6 July 2022, 8 July 2022, 29 July 2022, 2 September 2022 and 13 October 2022, in relation to, among others, the suspension of trading in the shares of the Company on the Stock Exchange; (ii) dated 13 June 2022 in relation to, among others, the judge ordered that the Petition be dismissed; (iii) dated 5 September 2022, 7 September 2022, 29 September 2022 and 30 September 2022 in relation to, among others, the publication of the audited annual results for the year ended 31 December 2020 and 2021 and the interim results for the six months ended 30 June 2021 and 2022 (collectively, the “**Announcements**”). 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:

RECENT BUSINESS DEVELOPMENT OF THE COMPANY

The normal recovery of the shipbuilding business is the focus of the Group’s efforts in the recent years, and is also the key factor for the government to support the Group’s shipbuilding assets restructuring. The Group will continue to search for opportunities to adjust the business model and product mixes of the shipbuilding business for purpose of recovering the shipbuilding business as soon as possible.

The intelligent car-parking and automotive device business of the Group are in the period of adjustment. The intelligent car-parking business will continue to seek the support of creditor banks to promote the gradual recovery of the business, while the automotive device business is required to be adjusted according to the market conditions; and

Currently, the Group is utilizing its existing resources to integrate the steel structure engineering and installation business, which is the main business focus of the Group in the short term.

During the time to gradually recover its profitability on its business segments, the Group would also like to carry out that it has also strived to adjust its shipbuilding business model from contracting the whole shipbuilding process of mid-size to large ships, including the purchase of raw materials and assembling of all parts of the ships which generally requires more capital commitment and longer construction time in the past to transit to more contractor or service works of different procedures in processing or modification for shipbuilding of shorter revenue-generating cycle with less capital commitment to mitigate the business and operating risk and increase the liquidity of the Group amid the deteriorating economic condition, adverse industry atmosphere and the Group's financial condition.

In addition to the measures for adjusting the business model and scopes of projects as abovementioned, under the scope of the existing shipbuilding business activities, the Group has been actively expanding and diversifying its business scope with a view to broaden income source by exploiting and re-vitalising its rich assets and resource in the shipbuilding production base in Jiangxi Province alongside the Yangtze River in responding the adverse situation in the shipbuilding industry, which included the construction of loading and docking berths with cranes, warehouse and installed ancillary facilities for loading charges and docking rental income.

RESUMPTION STATUS OF THE COMPANY

On 30 September 2022, the Company had filed a petition for the Listing Division to recommend the Listing Committee to extend the deadline for the Company to commence the delisting process by one month. As at the date of this announcement, the Company is still working with the Listing Division towards fulfilling the respective Resumption Guideline.

The Company is confident that after further communication with the Stock Exchange to address, answer and resolve the enquires from the Stock Exchange, the Company shall be able to fulfill the Resumption Guidance.

CONTINUED SUSPENSION OF TRADING

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 and will remain suspended until the Company fulfills the Resumption Conditions.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares. When in doubt, shareholders and potential investors of the Company are advised to seek advice from professional or financial advisers.

By the Order of the Board
CHINA OCEAN INDUSTRY GROUP LIMITED
Zhang Shi Hong
Chairman

Hong Kong, 31 October 2022

As at the date of this announcement, the Board of the Company comprises two executive directors, namely, Mr. Zhang Shi Hong (Chairman) 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.