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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)

**CLOSING ANNOUNCEMENT
ISSUE OF CONVERTIBLE NOTES UNDER
GENERAL MANDATE**

Reference is made to the announcement, the supplemental announcement and the second supplemental of China Ocean Industry Group Limited dated 6 December 2016, 8 December 2016 and 9 December 2016 respectively in relation to, among other things, the Subscription. Capitalised terms used herein shall have the same meanings ascribed to them in the second supplemental announcement of the Company dated 9 December 2016 unless otherwise defined.

The Board is pleased to announce that all conditions precedent to the Closing as set out in the Subscription Agreement have been fulfilled or waived (as applicable) and the CP Satisfaction date occurred on 14 December 2016 pursuant to the terms of the Subscription Agreement. The Closing Date took place on 15 December 2016, on which the Company issued to the Subscriber first tranche of the Convertible Notes in an aggregate principal amount of HK\$100 million.

By order of the Board

China Ocean Industry Group Limited

LI Ming

Chairman

Hong Kong, 15 December 2016

As at the date of this announcement, the Board of the Company comprises four executive directors, namely, Mr. Li Ming, Mr. Zhang Shi Hong, Mr. Wang San Long and Mr. Liu Jin, one non-executive director, namely, Mr. Chau On Ta Yuen; and three independent non-executive directors, namely, Ms. Xiang Siying, Mr. Hu Bai He and Ms. Xiang Ying.