

The 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)

**VOLUNTARY ANNOUNCEMENT
COMMENCEMENT OF CONSTRUCTION OF
NEW VESSEL MODEL**

This announcement is made by China Ocean Industry Group Limited (the “Company”, together with its subsidiaries the “Group”) on a voluntary basis to keep shareholders and potential investors of the Company informed of the Group’s latest business development.

The board (“Board”) of directors (“Directors”) of the Company is pleased to announce that on 28 December 2017, the construction of the 18,000 tonnes 4E inland bulk carriers undertaken by Jiangxi Jiangzhou Union Shipbuilding Co., Ltd. (“Jiangzhou Shipbuilding”), a wholly-owned subsidiary of the Company, has been commenced.

There are five 18,000 tonnes 4E inland bulk carriers in total to be constructed this time. This new vessel model, which is jointly developed by Jiangzhou Shipbuilding, Wuhan University of Technology and China Classification Society, reaches the energy consumption requirements of the highest vessel energy efficiency index EEDI3 and possesses 4Es features (i.e. Energy-saving, Environment-friendly, Economy, Efficient). It is a vessel with the largest tonnage in Yangtze designed in accordance with the requirements of the Yangtze River Waterway Regulation Project. The commencement of construction of the new vessel model will bring new opportunities to Jiangzhou Shipbuilding and play a leading role in the development of inland water transportation vessels in Yangtze River.

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

Hong Kong, 29 December 2017

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. Zhang Weibing 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.