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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)**

**FOURTH SUPPLEMENTAL AGREEMENT RELATING TO  
THE SUBSCRIPTION OF CONVERTIBLE BONDS  
UNDER SPECIFIC MANDATE**

**Financial Adviser**



**FOURTH SUPPLEMENTAL AGREEMENT TO SUBSCRIPTION  
AGREEMENT I**

Reference is made to the announcements of the Company dated 19 July 2019, 2 August 2019, 23 August 2019, 20 September 2019, 27 September 2019, 30 November 2019, 4 December 2019, 11 December 2019, 31 December 2019, 9 January 2020 and 12 January 2020 respectively (the “**CB Announcements**”) and the circular of the Company despatched on 3 October 2019 (the “**CB Circular**”) in relation to the issue of the Convertible Bonds. Unless otherwise defined herein, capitalised terms used herein shall have the same meanings as those defined in the CB Announcements and the CB Circular.

The Board announces that on 31 January 2020 (after trading hours), the Company entered into the fourth supplemental agreement to the Subscription Agreement I (as amended and supplemented by the Supplemental Agreement I, the 2nd Supplemental Agreement I and the 3rd Supplemental Agreement I dated 27 September 2019, 30 November 2019 and 31 December 2019 respectively) (“**4th Supplemental Agreement I**”) with Subscriber 1, pursuant to which the respective parties thereto agreed to, among other things, amend and supplement the terms of the Subscription Agreement I as follows:

- (i) to extend the Long Stop Date to 29 February 2020 (or such other dates as the Company and the Subscriber 1 may agree in writing).

Save as aforesaid, all other terms and conditions of the Subscription Agreement I shall remain unchanged and shall continue to be in full force and effect.

## **UPDATE ON THE SUBSCRIPTION ON THE CONVERTIBLE BONDS BY THE SUBSCRIBER 1**

The Board would like to update the Shareholders and potential investors that, as at the date of this announcement, and to the best of the Directors’ knowledge, information and belief, having made reasonable enquiries; as advised by the Subscriber 1, the conditions precedent (4) of the Subscription Agreement I has yet to be fulfilled as of the date of this announcement. The Subscriber 1 is confident about the prospect of the Company, since 30 November 2019 the Subscriber 1 has been internally evaluating the prevailing uncertain political environment and analysing the potential impact to the financial market in Hong Kong. The Subscriber 1 is still in the course of procuring all the necessary consents and approvals required for the Subscription as of the date of this announcement. Save as the aforementioned conditions precedent (4) of the Subscription Agreement I, all other conditions precedent of the Subscription Agreement I have been fulfilled. As stated in the announcement of the Company dated 31 December 2019, in the event the conditions precedent of the Subscription Agreements are not fulfilled on or before 31 January 2020 (as amended by the 3rd Supplemental Agreements), or such other date as the Company and the Subscriber 1 may agree in writing, the Subscription Agreement I shall automatically terminate and lapse. As such, the Board considers that the extension of the Long Stop Date to 29 February 2020 (or such other dates as the Company and the Subscriber 1 may agree in writing), which is agreed by the Subscriber 1 in writing pursuant to the 4th Supplemental Agreement I, would not constitute a material change to the terms and conditions of the Subscription Agreement I.

As at the date of this announcement, save for extending the Long Stop Date as set out above, no definitive agreement is made between the Company and the Subscriber 1 on any other revision to the Subscription Agreement I. As advised by the Directors of the Company, after the discussion between the Directors and the Subscriber 1, the Subscriber 1 considers that the general social and political environment in Hong Kong is moderating but still uncertain. All the necessary consents and approvals required for the Subscription by the Subscriber 1 are expected to be obtained and hence condition precedent (4) is expected to be fulfilled by the end of February 2020.

The Company shall ensure compliance of the Listing Rules and will update the Shareholders and potential investors by way of announcement in connection with the Subscription as and when appropriate in accordance with the Listing Rules.

**Shareholders of the Company and potential investors should accordingly exercise caution when dealing in the securities of the Company.**

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

Hong Kong, 31 January 2020

*As at the date of this announcement, the Board of the Company comprises two executive directors, namely, Mr. Li Ming, Mr. Zhang Shi Hong; and three independent non-executive directors, namely, Ms. Xiang Siying, Mr. Hu Bai He and Ms. Xiang Ying.*