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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) BUSINESS UPDATE ON THE IMPACT
OF NOVEL CORONAVIRUS EPIDEMIC; AND
(2) NOTIFICATION OF BOARD MEETING**

The board (the “**Board**”) of directors (the “**Directors**”) of China Ocean Industry Group Limited (the “**Company**”) wishes to update the shareholders of the Company (“**Shareholders**”) and potential investors on the business operations of the Company and its subsidiaries (the “**Group**”) and the progress of financial reporting and audit works in preparation of the annual results announcement (the “**Annual Results Announcement**”) of the Group for the year ended 31 December 2019 (“**FY2019**”).

The Group’s business operations are carried out in the PRC. Since late January 2020, travel restrictions and other public health measures (the “**Public Health Measures**”) including the extension of Chinese new year holiday and quarantine requirements of travelers were imposed in various areas in China in an attempt to contain the novel Coronavirus epidemic (the “**Epidemic**”), as a result of which some staff of the Group were restricted from travelling or returning to work after holiday. The prolonged effect of the Epidemic and the Public Health Measures affected the human resources of the Group.

The Annual Results Announcement was originally scheduled to be published by the end of March 2019. The Company is still in the process of finalizing the unaudited management accounts (the “**Management Accounts**”) of the Group for FY2019 and carrying out works which are necessary for the completion of audit procedures on the Group’s financial statements for FY2019 (the “**Financial Reporting and Audit Works**”), to the extent that these works are not affected by the Public Health Measures. However, due to (i) the financial staff of the major subsidiaries of the Group in the PRC was restricted from resuming work for smooth communication; and (ii) the difficulties to contact the key customers and suppliers of the major subsidiaries of the Group in the PRC to obtain certain confirmations, the Company currently cannot rule out the possibility that the completion of some of the Financial Reporting and Audit Works may experience delays. At present, the Company is still hopeful for the alleviation of the Epidemic and other restrictions in the near future such that the Company can finish as much of its Financial Reporting and Audit Works as we can in time. Further announcement(s) will be made in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) as and when appropriate.

However, in order to keep the Shareholders and the public informed of the Group’s business operation and financial position, the Board has decided to publish the announcement of (i) unaudited annual results of the Company or (ii) key financial figures of the Company with narrative discussions of the Group’s financial position and performance for the year ended 31 December 2019 on 31 March 2020.

The Board hereby announces that a meeting of the Board will be held at Unit D, 16/F., MG Tower, 133 Hoi Bun Road, Kwun Tong, Kowloon on Tuesday, 31 March 2020, for the following purposes:

- (1) To consider and approve the unaudited financial results of the Group for the year ended 31 December 2019 and the announcement of (i) the unaudited financial results of the Group or (ii) key financial figures of the Company with narrative discussions of the Group’s financial position and performance for the year ended 31 December 2019 to be published on the website of The Stock Exchange of Hong Kong Limited; and
- (2) To consider and approve other matters, if any.

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

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

Hong Kong, 19 March 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.