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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)

**FURTHER ANNOUNCEMENT
DELAY IN PUBLICATION OF AUDITED RESULTS
ANNOUNCEMENT AND DISPATCH
OF ANNUAL REPORT FOR THE YEAR ENDED
31 DECEMBER 2019
AND
POSTPONEMENT OF 2020 ANNUAL GENERAL MEETING**



Draco Capital Limited

Financial adviser to the Company

The board of directors (the “**Board**”) of China Ocean Industry Group Limited (the “**Company**”) makes this announcement to provide certain updates to its shareholders and potential investors relating to the publication of the audited annual results (the “**2019 Annual Results**”) and the despatch of the annual report (the “**2019 Annual Report**”) for the year ended 31 December 2019 and the postponement of 2020 annual general meeting (“**2020 AGM**”).

Reference is made to the announcement of the Company in relation to the unaudited annual results of the Company for the year ended 31 December 2019 dated 31 March 2020 (the “**Announcement**”) and the announcements of the Company in relation to the delay in publication of the 2019 Annual Results and the Annual Report dated 4 May 2020, 15 May 2020, 29 June 2020 and 31 July 2020 (the “**Delay Announcements**”). Unless otherwise defined or the context otherwise requires, capitalised terms in this announcement shall have the same meanings as defined in the Announcement and Delay Announcements.

The Company wish to update that the on-site audit works in Jiangxi and Shandong have just been completed by the auditors of the Company, which was still a bit later than the expected date of mid July 2020 set out in the Delay Announcements, primarily attributable to the fact that the preventive measures and restrictions, among others, the compulsory quarantine measures for inbound travellers had still been put in place in the PRC and Hong Kong and therefore the timelines of the audit procedures had also been disrupted and delayed.

As stated in the Delay Announcements, the Company considered it could not rule out the possibility that the impairment assessments conducted by the Company’s management over the fair value of accounting items set out in the Announcements may be adjusted after taking the advice from professional advisers during the course of the audit process. As such, with a view to conduct the abovementioned impairment assessments, the Board has been communicating and liaising with the valuers and the auditor of the Company for the valuations and audit and adopting possible ways to comply with the financial reporting requirements in accordance with the Listing Rules.

Since the commencement of the valuation works on, including but not limited, business valuation, intangible assets, property, plant and equipment, right-of-use assets, the Company has been providing documents and information as requested by the auditor and the valuers of the Company from time to time. However, given (i) additional preventive measures and restrictions were imposed by the HKSAR government amid the rebound of infected cases of COVID-19 in recent weeks and (ii) the continual quarantine requirements and travel restrictions implemented by the PRC government, the personnel of the Group and the valuers of the Company participating in the valuations were affected by work-from-home arrangements and other precautionary measures concerning the severity of the pandemic. As such, the valuation works are behind schedule and the Company is endeavoring to discuss with the Valuers and continuously facilitate the process of collecting supporting documents and evidence for the valuations. It is expected that the draft valuations would be circulated to the Company and the auditor of the Company on or before early August 2020.

As a result, application had been made to the Stock Exchange for a waiver from strict compliance with Rule 13.46(2)(a) of the Listing Rules and “Further Guidance on the Joint Statement in relation to results announcements in light of the COVID-19 Pandemic” (the “**Statement**”) issued by the Securities and Futures Commission and the Stock Exchange dated on 16 March 2020 about the defer on the publication of its annual report initially for up to 60 days from the date of the Statement to further extend the deadline for the publication of both the 2019 Annual Results and despatch of 2019 Annual Report to a date falling on or before 17 August 2020.

Due to the delay on publication of audited financial statements, the notice of AGM and related documents can only be sent to the shareholders right after its publication. In view of the policy about sending out the AGM documents for at least 21 working days in advance before the AGM, if the audited financial statements can only be published on or before 17 August 2020 as proposed the AGM is expected to be postponed beyond six months from the financial year ended dated. Application had been made to the Stock Exchange for a waiver from strict compliance with 13.46(2)(b) of the Listing Rules and postpone the date of 2020 AGM to a date falling on or before 18 September 2020.

Pursuant to the Company’s Bye-Laws (the “**Bye-Laws**”), an AGM shall be held in each year other than the year in which its statutory meeting is convened at such time (within a period of not more than fifteen (15) months after the holding of the last preceding annual general meeting unless a longer period would not infringe the rules of the designated stock exchange, if any) and place as may be determined by the board of directors of the Company. Given that the previous annual general meeting of the Company was held on 21 June 2019, the rescheduled AGM as proposed will not contravene the Bye-Laws.

The key events and expected timeline in relation to the audit procedures, 2019 Annual Results, 2019 Annual Report and the 2020 AGM are set out as follows:

Key events	Expect timeline
Completion of valuation works	on or before early August 2020
Audit committee meeting and Board meeting to approve the 2019 Annual Results	on or before 17 August 2020
Publication of 2019 Annual Results and despatch of 2019 Annual Report	on or before 17 August 2020
2020 AGM	on or before 18 September 2020

Application had been made to the Stock Exchange for the approval for the delay in publication of the announcement for the 2019 Annual Results, the 2019 Annual Report and AGM and on 5 August 2020, the Stock Exchange has granted to the Company (i) a waiver from strict compliance with Rule 13.46(2)(a) of the Listing Rules on the basis that the Company will despatch the 2019 Annual Report on or before 17 August, 2020; and (ii) a waiver from strict compliance with rule 13.46(2)(b) of the Listing Rules subject to the Company's compliance with the Bye-Laws. The Company will keep the shareholders and potential investors informed of the latest progress of the 2019 Annual Results, 2019 Annual Report and 2020 AGM and will make further announcement as and when appropriate in accordance with the Listing Rules.

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

Hong Kong, 5 August 2020

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