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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)

BUSINESS UPDATE

Financial adviser to the Company



This announcement is made by China Ocean Industry Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rules 13.09(2) and 13.24A of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcements of the Company (i) dated 30 March 2021, 30 April 2021, 31 May 2021, 18 June 2021, 30 June 2021, 30 July 2021, 31 August 2021, 30 September 2021, 29 October 2021, 30 November 2021, 31 December 2021, 31 January 2022, 28 February 2022, 31 March 2022, 3 May 2022, 31 May 2022, 6 July 2022, 8 July 2022, 29 July 2022, 2 September 2022, 13 October 2022 and 31 October 2022, in relation to, among others, the suspension of trading in the shares of the Company on the Stock Exchange; (ii) dated 28 December 2022 and 5 January 2023 in relation to, among others, the decision of the Listing Committee on cancellation of listing of the Company (collectively, the “**Announcements**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

With reference to the announcement of audited annual results for the year ended 31 December 2021 of the Company dated 29 September 2022, as stated in the section headed “**DISCLAIMER OPINION**”, among others, there is only one of the Four Vessels being unsold (the “**Unsold Vessel**”) as at the date of the announcement. The board of directors of the Company (the “**Board**”) wishes to inform the shareholders and potential investors of the Company that the Company has obtained notice from Wuhan Maritime Court* (武漢海事法院)(the “**Maritime Court**”) in March 2023 that the Unsold Vessel will be arranged to be sold through public auction. Therefore, the Group is in the process in communicating with the Maritime Court and the secured creditor and the management of the Group expects it would be able to complete the disposal of the Unsold Vessel by the end of April 2023.

Based on the previous communicated between the Company and its auditor (the “**Auditor**”), in case the Unsold Vessel is sold as scheduled which could provide sufficient information and explanation to satisfy the Auditor regarding the issues giving rise to the respective disclaimer opinion and therefore be fully addressed, there would be audit modifications in respect of the respective disclaimer opinion remaining on the Group’s consolidated financial statements for the year ended 31 December 2023 and on the comparative figures and related disclosures in the consolidated financial statements for the year ended 31 December 2024, but no more audit modification regarding such issue for the subsequent financial years.

Should there be any material development(s) in relation to the aforementioned matter, further announcement(s) will be made by the Company as and when appropriate and in accordance with the requirements of the Listing Rules.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended since 9:00 a.m. on 1 April 2021 and will remain suspended until the Company fulfils the Resumption Conditions.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares. When in doubt, shareholders and potential investors of the Company are advised to seek advice from professional or financial advisers.

By the Order of the Board
CHINA OCEAN INDUSTRY GROUP LIMITED
TONG Yiu On
Company Secretary

Hong Kong, 27 March 2023

As at the date of this announcement, the Board of the Company comprises two executive director, namely Mr. Cao Yong and Mr. Xu Conghui; one non-executive director, namely Mr. Ding Lei; and three independent non-executive directors, namely, Ms. Xiang Siying, Mr. Hu Bai He and Ms. Xiang Ying.