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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, 31 October 2022, 28 December 2022, 5 January 2023 and 27 March 2023, 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.

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders and potential investors of the Company that the Company has entered into a shipbuilding contract with a customer in the PRC in January 2022, pursuant to which the Company will be responsible for the design and construction of a 155 meter DP2 cable laying vessel (the “**155m DP2 Vessel**”). After a year of construction, the 155m DP2 Vessel has been launched on 29 March 2023. It is expected the construction of the 155m DP2 Vessel would be delivered to the customer in September 2023 after the completion of the final interior finishing of the cabin of the vessel.

The 155m DP2 Vessel is reported as the world’s **LARGEST** and the **FIRST** 10,000-ton ocean-going communication cable laying vessel in the PRC. Such vessel adopts all-electric propulsion and power positioning control system and is classed by China Classification Society, and the research and development, design and manufacture of the whole vessel are fully controlled and supported by manufacturers in the PRC.

The 155m DP2 Vessel, with a length of 155 meters, a width of 23.2 meters, a maximum speed of 15 knots, and a one-time cable capacity of 10,000 tons, can complete the laying of submarine fiber optic cables across the Pacific Ocean from the PRC at one time, and is first 10,000-ton DP2 ocean-going cable laying vessel that flies the Chinese flag in the PRC. For further information regarding the launch of the 155m DP2 Vessel, Shareholder and potential investors of the Company could visit the link as follows: https://content-static.cctvnews.cctv.com/snow-book/index.html?item_id=10709192931028768299&toc_style_id=feeds_default&share_to=wechat&track_id=e6b62fe0-8ee5-41e8-993c-b22e642661db.

Being one of the largest shipbuilding factories in Jiangxi Province, the Group is reputable for its heavy industrial production capacity and abundant land and shoreline resources alongside Yangtze River with experienced production, technical and management teams. The success launch of the 155m DP2 Vessel has definitely demonstrated that the Company retains its ability and capacity in its shipbuilding business and customers in the region which demands processing/production capacity for heavy industrial products, which mainly comprise customers of established state-owned and private construction companies, ship companies and steel engineering companies, other transport related companies and governmental authorities have always been attracted to the Company and expressed support for the Company.

The launch of the 155m DP2 Vessel has also exhibited the Group successful transition of its business model into more contractor or service works of different procedures in processing or modification for shipbuilding of shorter revenue-generating cycle with less capital commitment while retaining its skilled team and competent shipbuilding capability, to mitigate the business and operating risk and increase the liquidity of the Group amid the deteriorating economic condition, adverse industry atmosphere and the Group's financial condition. The Company still has a number of contracts ongoing and negotiation in progress, including but not limited to shipbuilding business.

Should there be any material development(s) in relation to the operations of the Group as well as other matters, 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, 31 March 2023

As at the date of this announcement, the Board of the Company comprises two executive directors, 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.