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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)

**INSIDE INFORMATION
UPDATE ON CONVERTIBLE NOTES DUE 2017**

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

Reference is made to (i) the announcements of the Company dated 3 June 2015, 12 June 2015 and 8 July 2015 in relation to the issue of the Convertible Notes in principal amount of HK\$200 million; (ii) announcements of the Company dated 7 July 2016 and 28 July 2016 in relation to the extension of Maturity Date of the Convertible Notes to 8 July 2017; and (iii) the announcement of the Company dated 19 July 2017 (“**Announcement**”) in relation to the delay in repayment of the Redemption Amount in respect of the Convertible Notes. Unless otherwise defined, capitalised terms used herein shall have the same meanings as defined in the Announcement.

The Board announces that on 16 January 2018, the Company has repaid all the remaining Redemption Amount of HK\$100 million to the Investor. Accordingly, the Convertible Notes have been cancelled and the Company has been discharged from all of its obligations under and in respect of the Convertible Notes.

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

Hong Kong, 16 January 2018

As at the date of this announcement, the Board of the Company comprises four executive directors, namely, Mr. Li Ming, Mr. Zhang Shi Hong, Mr. Zhang Weibing and Mr. Liu Jin, one non-executive director, namely, Mr. Chau On Ta Yuen; and three independent non-executive directors, namely, Ms. Xiang Siying, Mr. Hu Bai He and Ms. Xiang Ying.