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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)

PROFIT WARNING

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

The board of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors of the Company that, based on the information currently available to the Company and preliminary review of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2018, the loss of the Group record in its interim results for the six months ended 30 June 2018 may be increased, as compared to that of the Group for the six months ended 30 June 2017. The possible increased loss was mainly attributable to the significant decrease in overall revenue, the increase in share of loss of joint ventures and finance costs.

As the Company is still in the process of finalising the interim results of the Group for the six months ended 30 June 2018, the information contained in this profit warning announcement is only based on information currently available to the Company, including a preliminary review and assessment of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2018 by the management of the Company, which have not been finalised, or reviewed by the audit committee of the Company.

Further details of the Group's financial information for the six months ended 30 June 2018 will be disclosed in the Company's interim results announcement, which are expected to be published on 30 August 2018.

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

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

Hong Kong, 20 August 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.