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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)

**CLARIFICATION ANNOUNCEMENT
MAJOR TRANSACTION
DISPOSAL OF 60% EQUITY INTEREST IN
NANTONG HUAKAI
HEAVY INDUSTRY COMPANY LIMITED**

Reference is made to the announcement of the Company dated 13 June 2019 (the “**Announcement**”) concerning the disposal of 60% equity interest in Nantong Huakai Heavy Industry Company Limited* (南通華凱重工有限公司). Unless otherwise defined, capitalized items used herein shall have the same meanings as those defined in the Announcement.

The Company would like to clarify the following contents in the Announcement:

In the paragraph “Basis of the consideration” on page 4 of the Announcement, the Target Company should not be in net liabilities position, therefore it should not be one of the basis of the consideration.

In the paragraph “INFORMATION OF THE TARGET COMPANY” on page 6 of the Announcement, i) the audited total assets, total liabilities and net assets of Nantong Huakai as at 31 December 2018 should instead be approximately HK\$812,787,000, HK\$781,343,000 and HK\$31,444,000 respectively, ii) the carrying amount of the 60% equity interest in the Nantong Huakai (being the subject of the Nantong Huakai Disposal) as at 31 December 2018 should instead be approximately HK\$18,866,000.

In the paragraph “FINANCIAL EFFECTS OF THE DISPOSAL” on page 7 of the Announcement, i) the carrying amount of the Group’s 60% interest Target Company as at 31 December 2018 should instead be approximately HK\$18,866,000, ii) the expected gain from the Disposal (before considering any tax impact) should instead be approximately HK\$2,713,000.

Except as stated above, all the information in the Announcement remains unchanged.

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

Hong Kong, 12 July 2019

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 Weibing, one non-executive directors, namely, Mr. Chau On Ta Yuen; and three independent non-executive directors, namely, Ms. Xiang Siying, Mr. Hu Bai He and Ms. Xiang Ying.

** For identification purpose only and should not be regarded as the official English translation of the Chinese names. In the event of any inconsistency, the Chinese names prevail.*