

The Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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 SETTLEMENT AGREEMENT

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) and 13.25(1)(e) of the Rules (“**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Reference is made to the announcement of the Company dated 5 September 2019 in relation to the Settlement Agreement (“**Announcement**”). Unless the context otherwise requires, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

UPDATE ON SETTLEMENT AGREEMENT

As disclosed in the Announcement, pursuant to the Settlement Agreement, among other things, Zhejiang Ouhua agreed to, within 5 business days from the date of the Settlement Agreement, withdraw two lawsuits (“**Lawuits**”) relating to disputes over the revoking rights of bankruptcy against the Relevant Subsidiaries and Zhoushan Investment Fund.

The Board announces that by two orders (“**Orders**”) both dated 10 September 2019 and issued by the People’s Intermediate Court of Zhoushan City, Zhejiang Province* (浙江省舟山市中級人民法院) (“**Court**”), the Court has respectively allowed Zhejiang Ouhua’s applications to withdraw the Lawsuits against the Relevant Subsidiaries and Zhoushan Investment Fund.

As advised by the Company's PRC legal advisers, the Orders are final and binding on the relevant parties.

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

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

Hong Kong, 12 September 2019

The English translation of Chinese names or words in this announcement, where indicated by “”, are included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words.*

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 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.