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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)

SUPPLEMENTAL ANNOUNCEMENT INSIDE INFORMATION UPDATE ON WINDING UP PETITION

This announcement is made by China Ocean Industry Group Limited (the “**Company**”) to supplement its announcements (the “**Announcements**”) dated 23 September 2019 and 25 September 2019 in relation to the winding-up petition against the Company, in particular, to the Validation Order granted on 23 September 2019 by the High Court of Hong Kong. Unless the context otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

The Board of Directors would like to provide additional information and clarification as set out below:

- (1) Pursuant to the Validation Order, it is ordered that *“Until further order of the Court, notwithstanding the presentation of the Petition, the following shall not be void by virtue of Section 182 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32):*
 - (e) *The issuance of convertible bonds to Hong Kong Tong Ji Investment Holding Ltd (“HKTJ”) in the sum of not more than HK\$50,000,000 and the entering into of any agreements for the purpose thereof, pursuant to the Subscription Agreement dated 19 July 2019 entered into between the Company and HKTJ (“the HKTJ Agreement”);*

- (f) *Any payments made by HKTJ to the Company pursuant to the HKTJ Agreement and/or the convertible bonds;*
 - (g) *The issuance of convertible bonds to Wise Benefit Investments Limited (“Wise Benefit”) in the sum of not more than HK\$60,000,000 and the entering into of any agreements for the purpose thereof, pursuant to the Subscription Agreement dated 19 July 2019 entered into between the Company and Wise Benefit (“the Wise Benefit Agreement”);*
 - (h) *Any payments made by Wise Benefit to the Company pursuant to the Wise Benefit Agreement and/or the convertible bonds;*
 - (i) *Any other acts done by the Company, HKTJ and/or Wise Benefit pursuant to the terms of the HKTJ Agreement, the Wise Benefit Agreement and/or the convertible bonds...”*
- (2) The HKTJ Agreement, the Wise Benefit Agreement and the convertible bonds provide for the terms and conditions of the conversion of the Convertible Bonds into conversion shares. According to the legal advisers of the Company, *“any other acts done by the Company, HKTJ and/or Wise Benefit pursuant to the terms of the HKTJ Agreement, the Wise Benefit Agreement and/or the convertible bonds...” “shall not be void by virtue of Section 182 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32)”*. Accordingly, on the proper construction of the Validation Order, the conversion of the Convertible Bonds into conversion shares shall be construed to be under the scope of the Validation Order.

The Company will keep its shareholders and potential investors informed of any significant development of the Petition and will make further announcement(s) as and when appropriate in accordance with the Listing Rules.

Shareholders of the Company and potential investors should accordingly 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, 27 September 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 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.