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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)

SECOND SUPPLEMENTAL AGREEMENTS RELATING TO THE SUBSCRIPTION OF CONVERTIBLE BONDS UNDER SPECIFIC MANDATE

Financial Adviser



Reference is made to the announcements of China Ocean Industry Group Limited (the “**Company**”) dated 19 July 2019, 2 August 2019, 23 August 2019, 20 September 2019 and 27 September 2019 respectively (the “**Announcements**”) and the circular of the Company despatched on 3 October 2019 (the “**Circular**”) in relation to the issue of the Convertible Bonds. Unless otherwise defined herein, capitalised terms used herein shall have the same meanings as those defined in the Announcements and the Circular.

The Board announces that on 30 November 2019 (after trading hours), the Company entered into (i) a supplemental agreement to the Subscription Agreement I (as supplemented on 27 September 2019) (“**2nd Supplemental Agreement I**”) with Subscriber 1; and (ii) a supplemental agreement to the Subscription Agreement II (as supplemented on 27 September 2019) (“**2nd Supplemental Agreement II**”) (with 2nd Supplemental Agreement I collectively defined as “**2nd Supplemental Agreements**”) with Subscriber 2, pursuant to which the respective parties thereto agreed to, among other things, amend and supplement the terms of the Subscription Agreements as follows:

- (i) to extend the Long Stop Date to 31 December 2019 (or such other dates as the Company and the relevant Subscriber may agree in writing).

Save as aforesaid, all other terms and conditions of the Subscription Agreements shall remain unchanged and shall continue to be in full force and effect.

The Board would like to update the Shareholders and potential investors that, as at the date of this announcement, and to the best of the Directors' knowledge, information and belief, having made reasonable enquiries, the Subscribers are still in the course of procuring all the necessary consents and approvals required for the Subscription given the prevailing political instability and its potential impact to the financial market in Hong Kong. Save as the aforementioned necessary consents and approvals for the Subscribers, all other conditions precedent of the Subscription Agreements have been fulfilled. As at the date of this announcement, the Company and the Subscribers are still in discussion on the subscription schedule, save for extending the Long Stop Date as set out above, no definitive agreement is made between the Company and the Subscribers on any other revision to the Subscription Agreements. The Subscription is expected to be completed by the end of December 2019.

As stated in the Circular, in the event the conditions precedent of the Subscription Agreements are not fulfilled on or before 30 November 2019 (as amended by the Supplemental Agreements), or such other date as the Company and the relevant Subscriber may agree in writing, the relevant Subscription Agreement shall automatically terminate and lapse. As such, the Board considers that the extension of the Long Stop Date to 31 December 2019 (or such other dates as the Company and the relevant Subscriber may agree in writing), which is agreed with the relevant Subscriber in writing in the 2nd Supplemental Agreements, would not constitute a material change to the terms and conditions of the Subscription Agreements.

The Company shall ensure compliance of the Listing Rules and will update the Shareholders and potential investors by way of announcement in connection with the Subscription as and when appropriate in accordance with the Listing Rules.

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

Hong Kong, 30 November 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, 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.