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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 ANNOUNCEMENT  
IN RELATION TO  
ISSUE OF CONVERTIBLE NOTES  
UNDER GENERAL MANDATE**

Reference is made to the announcement (“**Announcement**”) and the supplemental announcement (“**Supplemental Announcement**”) of the Company respectively dated 6 December 2016 and 8 December 2016, in relation to, among other things, the Subscription. Capitalised terms used herein shall have the same meaning ascribed to them in the Announcement and the Supplemental Announcement unless otherwise defined.

In addition to the information disclosed in the Announcement and the Supplemental Announcement, the Company would like to provide additional information in relation to the Subscription.

**GENERAL MANDATE**

As the Company is of the view that the events triggering the adjustments of the Minimum Conversion Price are within the Company’s control, the Company would not take corporate actions that would result in a number of conversion shares exceeding the mandate limit.

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

Hong Kong, 9 December 2016

*The English transliteration of the Chinese name(s) in this announcement, where indicated with “\*”, is included for information purpose only, and should not be regarded as the official English name(s) of such Chinese names.*

*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. Wang San Long 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.*