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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)

VOLUNTARY ANNOUNCEMENT STRATEGIC COOPERATION AGREEMENT

This announcement is made by China Ocean Industry Group Limited (the “**Company**”, together with its subsidiaries the “**Group**”) on a voluntary basis to keep shareholders and potential investors of the Company informed of the Group’s latest business development.

The board (“**Board**”) of directors (“**Directors**”) of the Company is pleased to announce that on 29 June 2016, the Company has entered into a strategic cooperation agreement (the “**Agreement**”) with Jiangxi Nanchang Travel Group Limited* (江西南昌旅遊集團有限公司, “**Nanchang Travel**”).

Pursuant to the Agreement, the parties thereto (the “**Parties**”) shall collaborate to facilitate the homecoming of the decommissioned Nanchang aircraft carrier (南昌艦) and develop the related military theme park in Nanchang, Jiangxi Province of the People’s Republic of China (the “**PRC**”).

Set out below are details of the major directions of the cooperation framework between the Parties as set out in the Agreement:

(i) Management of the Nanchang aircraft carrier military theme park

The Company (or one of its subsidiaries designated by the Company) and Nanchang Travel (or one of its subsidiaries designated by Nanchang Travel) shall establish a joint venture company to manage the tourism development of the Nanchang aircraft carrier military theme park, in particular, the Group shall utilise its shipbuilding expertise to provide technical support for the homecoming of the Nanchang aircraft carrier to Nanchang.

The joint venture company shall have a registered capital of RMB20 million, which shall be contributed as to 60% and 40% by Nanchang Travel (or one of its subsidiaries designated by Nanchang Travel) and the Company (or one of its subsidiaries designated by the Company) respectively.

(ii) Formation of parking company in Nanchang

Since the development of tourism in Nanchang is expected to attract more tourists to the area, the demand for dining and parking facilities in the surrounding area is also expected to increase. The Company (or one of its subsidiaries designated by the Company) and Nanchang Travel (or one of its subsidiaries designated by Nanchang Travel) agreed to establish a joint venture to implement the intelligent transformation of parking facilities in Nanchang to complement Nanchang's tourism development.

The joint venture company shall have a registered capital of RMB20 million, which shall be contributed as to 60% and 40% by the Company (or one of its subsidiaries designated by the Company) and Nanchang Travel (or one of its subsidiaries designated by Nanchang Travel) respectively.

The Directors believes that the cooperation under the Agreement provides a valuable opportunity to leverage on the respective resources and expertise of the Parties to create mutual benefits and complementary advantages to each of the Group and Nanchang Travel, and is in the interest of the Company and its shareholders as a whole.

Nanchang Travel is a company established under the laws of the PRC and is invested by the Nanchang Municipal Government. Its principally business is the investment in tourism business in Nanchang. To the best of the knowledge, information and belief having made all reasonable enquiries by the Directors, Nanchang Travel and its ultimate beneficial owners are third parties independent of the Company and connected persons (as defined in The Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited).

The Board wishes to emphasise that the Agreement provides only a framework of cooperation between the Parties. Further announcement(s) in respect of the aforesaid cooperation will be made by the Company as and when required in accordance with the Listing Rules.

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, 29 June 2016

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 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.