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CHINA ORIENTAL GROUP COMPANY LIMITED
中國東方集團控股有限公司*

(incorporated in Bermuda with limited liability)

(Stock code : 581)

**REVISION OF THE EXISTING ANNUAL CAP
REGARDING
CONTINUING CONNECTED TRANSACTIONS
BETWEEN
THE COMPANY AND ORIENTAL SHEET PILING**

**REVISION OF THE EXISTING ANNUAL CAP REGARDING CONTINUING
CONNECTED TRANSACTIONS BETWEEN THE COMPANY AND ORIENTAL
SHEET PILING**

Reference are made to the announcements of the Company dated 4 June 2014 and 9 June 2014 pursuant to which, it was stated, inter alia, that the Annual Cap for the continuing connected transactions between the Company and Oriental Sheet Piling for each of the three years ending 31 December 2014, 2015 and 2016 were respectively set at RMB120,000,000, the Existing Annual Cap, under the Framework Agreement in respect of the supply of certain quantities of certain Steel Products by the Company to Oriental Sheet Piling and its subsidiaries.

In compliance with the Listing Rules, the Company has been monitoring all the transactions under the Framework Agreement. The Directors expect that the Existing Annual Cap of RMB120,000,000 for each of the two years ending 31 December 2015 and 2016 under the Framework Agreement will not be sufficient for the Group's requirements.

In light of this, the Company has entered into the Supplemental Agreement with Oriental Sheet Piling on 21 November 2015 to revise the Existing Annual Cap for the continuing connected transactions under the Framework Agreement for each of the two years ending 31 December 2015 and 2016. Under the Supplemental Agreement, the Existing Annual Cap in respect of the purchase of the Steel Products by Oriental Sheet Piling and its subsidiaries from the Company for each of the two years ending 31 December 2015 and 2016 under the Framework Agreement are respectively revised from RMB120,000,000 to RMB139,000,000, the Revised Annual Cap, with the other terms and conditions of the Framework Agreement remain unchanged and effective.

The Directors (including the independent non-executive Directors) consider that the continuing connected transactions contemplated under Supplemental Agreement are in the ordinary and usual course of business of the Group and on normal commercial terms, and the terms (including the Revised Annual Cap) are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

IMPLICATION OF THE LISTING RULES

Given Oriental Sheet Piling is a connected person of the Company, the transactions contemplated under the Supplemental Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.54 of the Listing Rules, as the Existing Annual Caps have been revised, the Company is required to re-comply with the reporting and announcement requirements under the Listing Rules.

As each of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) (other than profit ratio) in respect of the Revised Annual Cap under the Supplemental Agreement is on an annual basis more than 0.1% but less than 5%, the continuing connected transactions contemplated thereunder are only subject to the reporting and announcement requirements under Rules 14A.35, 14A.49, 14A.68 and 14A.71 and the annual review requirements under Rules 14A.55 to 14A.59, and are exempted from the independent Shareholders' approval requirements pursuant to Rule 14A.76(2) of the Listing Rules.

As Mr. Ondra OTRADOVEC owns equity interests in ArcelorMittal, he has abstained from voting on the respective board resolutions approving the Revised Annual Cap and the transactions contemplated thereunder. Other than Mr. Ondra OTRADOVEC, none of the Directors has a material interest in the Revised Annual Cap and the continuing connected transactions contemplated under the Supplemental Agreement. Therefore, apart from Mr. Ondra OTRADOVEC, none of the Directors has abstained from voting on the respective board resolutions approving the Revised Annual Cap and the transactions contemplated thereunder.

REVISION OF THE EXISTING ANNUAL CAP REGARDING CONTINUING CONNECTED TRANSACTIONS BETWEEN THE COMPANY AND ORIENTAL SHEET PILING

Reference are made to the announcements of the Company dated 4 June 2014 and 9 June 2014 pursuant to which, it was stated, inter alia, that the Annual Cap for the continuing connected transactions between the Company and Oriental Sheet Piling for each of the three years ending 31 December 2014, 2015 and 2016 were respectively set at RMB120,000,000 (“**Existing Annual Cap**”) under the framework agreement dated 4 June 2014 (“**Framework Agreement**”) in respect of the supply of certain quantities of certain steel products (“**Steel Products**”) by the Company to Oriental Sheet Piling and its subsidiaries.

In compliance with the Listing Rules, the Company has been monitoring all the transactions under the Framework Agreement. The Directors expect that the Existing Annual Cap of RMB120,000,000 for each of the two years ending 31 December 2015 and 2016 under the Framework Agreement will not be sufficient for the Group’s requirements.

Historical transactions figures and the Existing Annual Cap

The historical transaction figures for the purchase of the Steel Products by Oriental Sheet Piling and its subsidiaries from the Company are set out as follows:-

Transactions	Year ended 31 December 2014		Year ending 31 December 2015	
	Existing Annual Cap (RMB)	historical transaction figures (RMB)	Existing Annual Cap (RMB)	historical transaction figures (RMB)
Sale of Steel Products	120,000,000	48,200,000	120,000,000	90,000,000 (Note 1)

Note 1: historical transaction figures for the purchase of the Steel Products by Oriental Sheet Piling and its subsidiaries from the Company only covered the period from 1 January 2015 to 31 October 2015.

In light of this, the Company has entered into a supplemental agreement with Oriental Sheet Piling on 21 November 2015 to revise the Existing Annual Cap for the continuing connected transactions under the Framework Agreement for each of the two years ending 31 December 2015 and 2016 (“**Supplemental Agreement**”). Under the Supplemental Agreement, the Existing Annual Cap in respect of the purchase of the Steel Products by Oriental Sheet Piling and its subsidiaries from the Company for each of the two years ending 31 December 2015 and 2016 under the Framework Agreement are respectively revised from RMB120,000,000 to RMB139,000,000 (“**Revised Annual Cap**”), with the other terms and conditions of the Framework Agreement remain unchanged and effective.

For the past ten months of 2015, the historical transaction amount for the purchase of Steel Products by Oriental Sheet Piling and its subsidiaries from the Company was approximately RMB90,000,000. The Company confirms that, up to the date of this announcement, the transaction amount for the purchase of Steel Products by Oriental Sheet Piling and its subsidiaries from the Company has not exceeded the Existing Annual Cap for the year ending 31 December 2015, i.e. RMB120,000,000.

The Revised Annual Cap was determined on the basis of several factors including (i) the historical transaction figures for the purchase of Steel Products by Oriental Sheet Piling and its subsidiaries from the Company for the period from 1 January 2015 to 31 October 2015; and (ii) the revised estimated quantity of Steel Products required by Oriental Sheet Piling and its subsidiaries for the remaining period for the year ending 31 December 2015 and for the year ending 31 December 2016.

Save as disclosed, all other terms and conditions under the Framework Agreement remain unchanged and effective.

The Directors (including the independent non-executive Directors) consider that the continuing connected transactions contemplated under Supplemental Agreement are in the ordinary and usual course of business of the Group and on normal commercial terms, and the terms (including the Revised Annual Cap) are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

Information of the Company and the Group

The Company is a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange. The Company is principally engaged in the trading of steel products and investment holding. The Group is principally engaged in the manufacturing and sales of iron and steel products and real estate business.

Information of Oriental Sheet Piling

Oriental Sheet Piling is a company incorporated in Malaysia with limited liability and is principally engaged in the processing, distribution and trading of finished steel products.

Oriental Sheet Piling is a subsidiary of ArcelorMittal which indirectly holds the entire equity interest of ArcelorMittal Holdings AG, a substantial shareholder of the Company. Therefore, Oriental Sheet Piling is a connected person of the Company and the transactions contemplated under the Framework Agreement and the Supplemental Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules respectively.

IMPLICATION OF THE LISTING RULES

Given Oriental Sheet Piling is a connected person of the Company, the transactions contemplated under the Supplemental Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.54 of the Listing Rules, as the Existing Annual Caps have been revised, the Company is required to re-comply with the reporting and announcement requirements under the Listing Rules.

As each of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) (other than profit ratio) in respect of the Revised Annual Cap under the Supplemental Agreement is on an annual basis more than 0.1% but less than 5%, the continuing connected transactions contemplated thereunder are only subject to the reporting and announcement requirements under Rules 14A.35, 14A.49, 14A.68 and 14A.71 and the annual review requirements under Rules 14A.55 to 14A. 59, and are exempted from the independent Shareholders' approval requirements pursuant to Rule 14A.76(2) of the Listing Rules.

As Mr. Ondra OTRADOVEC owns equity interests in ArcelorMittal, he has abstained from voting on the respective board resolutions approving the Revised Annual Cap and the transactions contemplated thereunder. Other than Mr. Ondra OTRADOVEC, none of the Directors has a material interest in the Revised Annual Cap and the continuing connected transactions contemplated under the Supplemental Agreement. Therefore, apart from Mr. Ondra OTRADOVEC, none of the Directors has abstained from voting on the respective board resolutions approving the Revised Annual Cap and the transactions contemplated thereunder.

DEFINITIONS

In this announcement, the following expressions shall have the following meanings unless the context requires otherwise:

“Annual Cap”	the maximum aggregate annual value (excluding value added tax and import duty, if applicable) of the continuing connected transactions contemplated under the Framework Agreement made between the Company and Oriental Sheet Piling in respect of the supply of Steel Products
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“ArcelorMittal”	a company incorporated under the laws of Luxembourg with limited liability and indirectly holding the entire equity interest in ArcelorMittal Holdings AG
“ArcelorMittal Holdings AG”	a company incorporated in Switzerland with limited liability and holding approximately 46.99% of the issued share capital of the Company, and therefore is a substantial shareholders of the Company
“Board”	the board of Directors of the Company
“Company”	China Oriental Group Company Limited, a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Oriental Sheet Piling”	Oriental Sheet Piling Sdn. Bhd., a company incorporated in Malaysia with limited liability and a subsidiary of ArcelorMittal
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the meaning ascribed to it under the Listing Rules

By order of the Board
China Oriental Group Company Limited
HAN Jingyuan
Chairman and Chief Executive Officer

Hong Kong, 23 November 2015

As at the date of this announcement, the Board of Directors of the Company comprises Mr. HAN Jingyuan, Mr. ZHU Jun, Mr. SHEN Xiaoling, Mr. ZHU Hao and Mr. HAN Li being the Executive Directors, Mr. Ondra OTRADOVEC being the Non-executive Director and Mr. WONG Man Chung, Francis, Mr. WANG Tianyi and Mr. ZHOU Guoping being the Independent Non-executive Directors.

This announcement is published on the websites of the Company (www.chinaorientalgroup.com) and the Stock Exchange (www.hkexnews.hk).

**For identification purposes only*