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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)

DISCLOSEABLE TRANSACTIONS REGARDING PROVISION OF FINANCIAL ASSISTANCE

Reference is made to the announcement of the Company dated 29 July 2015 (the “**Announcement**”). Unless otherwise stated, capitalized terms used herein shall have the same meaning ascribed in the Announcement.

The Board announces that on 28 October 2015, Jinxi Limited and Qianxi County SOA entered into the Loan Agreement pursuant to which Jinxi Limited agreed to provide the Loan of RMB51.89 million in respect of the Loan Agreement at an interest rate of 10% per annum to Qianxi County SOA for a term of one year up to 27 October 2016 in accordance with the terms and conditions therein contained.

As Qianxi County SOA and Qianxi County City Construction Investment are both state-owned enterprises under the Qianxi Government and the Loan, the Third Renewal First Loan, the Third Renewal Second Loan and the Second Renewal Third Loan are provided by Jinxi Limited to them, and guaranteed by Qianxi County Financial Council of the PRC within a 12-month period, the provision of the Loan, the Third Renewal First Loan, the Third Renewal Second Loan and the Second Renewal Third Loan are required to be aggregated under Rule 14.22 of the Listing Rules.

Since the relevant percentage ratios in respect of the provision of the Loan, the Third Renewal First Loan, the Third Renewal Second Loan and the Second Renewal Third Loan under the Loan Agreements when aggregated exceed 5% but are less than 25% (and the assets ratios not exceeding 8%), the Loan Agreements and the transactions contemplated thereunder constitute a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Reference is made to the announcement of the Company dated 29 July 2015 (the “**Announcement**”). Unless otherwise stated, capitalized terms used herein shall have the same meaning ascribed in the Announcement.

PRINCIPAL TERMS OF THE LOAN AGREEMENT

The Board announces that on 28 October 2015, Jinxi Limited and Qianxi County SOA entered into the Loan Agreement pursuant to which Jinxi Limited agreed to provide the Loan of RMB51.89 million in respect of the Loan Agreement at an interest rate of 10% per annum to Qianxi County SOA for a term of one year up to 27 October 2016 in accordance with the terms and conditions therein contained.

Date of the Loan Agreement

28 October 2015

Parties to the Loan Agreement

Lender : Jinxi Limited
Borrower : Qianxi County SOA

Amount, interest and duration of the Loan

The Loan is at the sum of RMB51.89 million for a term of one year commencing from 28 October 2015 and expiring on 27 October 2016.

The interest rate on the Loan is at 10% per annum. The Loan was guaranteed by the Qianxi County Financial Council of the PRC, a third party independent of the Company and not connected person of the Company under the Listing Rules.

REASONS AND BENEFITS FOR PROVISION OF FINANCIAL ASSISTANCE

The provision of the Loans under the Loan Agreements will provide a better return on the Company’s financial resources which is beneficial to the Company and the Group.

The terms of the Loan Agreements were arrived at after arm’s length negotiation between Jinxi Limited and Qianxi County SOA and Qianxi County City Construction Investment. The Directors (including the Independent Non-executive Directors) consider that the transactions contemplated under the Loan Agreements are on normal commercial terms and the terms of the Loan Agreements are fair and reasonable and are in the interests of the Company and its Shareholders as a whole.

Information of Jinxi Limited and the Group

Jinxi Limited is a limited company established in the PRC and is a 97.6% indirectly owned subsidiary of the Company. Jinxi Limited and the Group are principally engaged in the manufacturing and sales of steel products, trading of steel products and iron ore and real estate business.

Information of Qianxi County SOA

Qianxi County SOA is a limited company established in the PRC and state-owned enterprise. It is principally engaged in management of investment projects of state-owned assets.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Qianxi County SOA and its ultimate beneficial owners are third parties independent of the Company and not connected persons of the Company under the Listing Rules.

IMPLICATION UNDER THE LISTING RULES

As Qianxi County SOA and Qianxi County City Construction Investment are both state-owned enterprises under the Qianxi Government and the Loan, the Third Renewal First Loan, the Third Renewal Second Loan and the Second Renewal Third Loan are provided by Jinxi Limited to them, and guaranteed by Qianxi County Financial Council of the PRC within a 12-month period, the provision of the Loan, the Third Renewal First Loan, the Third Renewal Second Loan and the Second Renewal Third Loan are required to be aggregated under Rule 14.22 of the Listing Rules.

Since the relevant percentage ratios in respect of the provision of the Loan, the Third Renewal First Loan, the Third Renewal Second Loan and the Second Renewal Third Loan under the Loan Agreements when aggregated exceed 5% but are less than 25% (and the assets ratios not exceeding 8%), the Loan Agreements and the transactions contemplated thereunder constitute a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors
“Company”	China Oriental Group Company Limited, a company incorporated in the Bermuda with limited liabilities and its issued Shares are listed on the main board of the Stock Exchange

“Director(s)”	director(s) of the Company
“First Loan”	the loan in principal amount of RMB100 million advanced to Qianxi County City Construction Investment by Jinxi Limited at an interest rate of 10% per annum pursuant to the terms of the First Loan Agreement
“First Loan Agreement”	the loan agreement entered into between Jinxi Limited and Qianxi County City Construction Investment on 4 November 2011 in relation to the First Loan for a term of one year
“Group”	collectively, the Company and its subsidiaries from time to time
“Jinxi Limited”	Hebei Jinxi Iron and Steel Group Company Limited, a limited company established in the PRC and a 97.6% indirectly owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the loan in principal amount of RMB51.89 million advanced to Qianxi County SOA by Jinxi Limited at an interest rate of 10% per annum pursuant to the terms of the Loan Agreement
“Loans”	collectively, the Loan, the Third Renewal First Loan, the Third Renewal Second Loan and the Second Renewal Third Loan
“Loan Agreement”	the loan agreement entered into between Jinxi Limited and Qianxi County SOA on 28 October 2015 in relation to the Loan for a term of one year
“Loan Agreements”	collectively, the Loan Agreement, the Third Renewal First Loan Agreement, the Third Renewal Second Loan Agreement and the Second Renewal Third Loan Agreement
“PRC”	the People’s Republic of China

“Qianxi County City Construction Investment”	遷西縣城市建設投資有限責任公司*Qianxi County City Construction Investment Company Limited, a limited company established in the PRC and state-owned enterprise
“Qianxi County SOA”	遷西縣國有資產經營有限責任公司*Qianxi County State-owned Asset Management Company Limited, a limited company established in the PRC and state-owned enterprise
“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“Second Loan”	the loan in principal amount of RMB36.14 million advanced to Qianxi County City Construction Investment by Jinxi Limited at an interest rate of 6.941% per annum pursuant to the terms of the Second Loan Agreement
“Second Loan Agreement”	the loan agreement entered into between Jinxi Limited and Qianxi County City Construction Investment on 30 June 2012 in relation to the Second Loan for a term of one year
“Second Renewal Third Loan”	the loan in principal amount of RMB19.30 million advanced to Qianxi County City Construction Investment by Jinxi Limited at an interest rate of 10% per annum pursuant to the terms of the Second Renewal Third Loan Agreement
“Second Renewal Third Loan Agreement”	the second renewal Third Loan Agreement entered into between Jinxi Limited and Qianxi County City Construction Investment on 29 July 2015 for extending the Third Loan to 6 August 2016
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Third Loan”	the loan in principal amount of RMB20 million advanced to Qianxi County City Construction Investment by Jinxi Limited at an interest rate of 10% per annum pursuant to the terms of the Third Loan Agreement
“Third Loan Agreement”	the loan agreement entered into between Jinxi Limited and Qianxi County City Construction Investment on 6 August 2013 in relation to the Third Loan for a term of one year
“Third Renewal First Loan”	the loan in principal amount of RMB100 million advanced to Qianxi County City Construction Investment by Jinxi Limited at an interest rate of 10% per annum pursuant to the terms of the Third Renewal First Loan Agreement
“Third Renewal First Loan Agreement”	the third renewal First Loan Agreement entered into between Jinxi Limited and Qianxi County City Construction Investment on 7 November 2014 for extending the First Loan to 7 November 2015
“Third Renewal Second Loan”	the loan in principal amount of RMB27.5 million advanced to Qianxi County City Construction Investment by Jinxi Limited at an interest rate of 10% per annum pursuant to the terms of the Third Renewal Second Loan Agreement
“Third Renewal Second Loan Agreement”	the third renewal Second Loan Agreement entered into between Jinxi Limited and Qianxi County City Construction Investment on 25 June 2015 for extending the Second Loan to 30 June 2016

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

Hong Kong, 28 October 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*