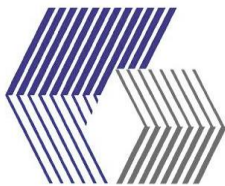


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CHINA ORIENTAL GROUP COMPANY LIMITED 中國東方集團控股有限公司*

(incorporated in Bermuda with limited liability)

(Stock code : 581)

SUPPLEMENTAL ANNOUNCEMENT IN RESPECT OF CONTINUING CONNECTED TRANSACTIONS BETWEEN THE COMPANY AND ORIENTAL SHEET PILING

Reference is made to the continuing connected transactions announcement published by China Oriental Group Company Limited (the “**Company**”) on 4 June 2014 in relation to the continuing connected transactions between the Company and Oriental Sheet Piling (the “**Announcement**”). Unless otherwise stated, the capitalized terms used herein shall have the same meanings as those defined in the Announcement.

The Board hereby makes the following disclosure supplemental to the related disclosure in respect of the Framework Agreement made in the Announcement:-

A. Pricing Policy

Given Oriental Sheet Piling is currently the sole customer of the Group for export sale of the specific type of the Steel Products, and the Steel Products sold to Oriental Sheet Piling are new products of the Group, the price for the Steel Products would be set by reference to the production costs to be incurred by the Group, the Group’s anticipated profits as well as the prevailing sale price of other independent third party suppliers selling the products similar to the Steel Products. The management of the Group will review the aforesaid pricing policy on a regular basis and will separately negotiate with Oriental Sheet Piling on normal commercial terms on the price of the Steel Products pursuant to the regular review when Oriental Sheet Piling places order with the Group. In light of this, the Directors consider that the aforesaid method and procedures for determining the price for the sale of the Steel Products to Oriental Sheet Piling can ensure that the continuing connected transactions contemplated under the Framework Agreement will be conducted on normal commercial terms and not prejudicial to the interests of the Company and its Shareholders as a whole.

B. Payment Terms

For every purchase order of the Steel Products placed by Oriental Sheet Piling, the Group will separately negotiate with Oriental Sheet Piling on normal commercial terms on the payment term and will issue invoice to Oriental Sheet Piling accordingly. The payment term will be either by giving Oriental Sheet Piling credit term of not exceeding three months from the date of issue of the invoice or by way of an irrevocable letter of credit issued by a financial institution agreeable by the Group.

C. Proposed Annual Cap

As disclosed in the Announcement, the proposed Annual Cap has been determined after taking into account of (i) the historical transaction figures in respect of the Transactions; (ii) the estimated demand of the Steel Products by Oriental Sheet Piling and/or its subsidiaries; (iii) the estimated production capacity of the Steel Products of the Group; (iv) the prevailing market price of the Steel Products and (v) the anticipated market price of the related raw materials during the term of the Framework Agreement.

The Board hereby clarifies that as Oriental Sheet Piling is a new customer of the Group there was no historical transaction for the continuing connected transactions with Oriental Sheet Piling except for the Transactions as disclosed in the Announcement, that is the sale of certain quantities of the Steel Products by the Group to Oriental Sheet Piling and/or its subsidiaries on normal commercial terms for an aggregate consideration of approximately RMB13,500,000 during the period from February 2014 to May 2014; and such historical transaction amount has already been taken into account in determining the proposed Annual Cap for the year ending 31 December 2014.

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

Hong Kong, 9 June 2014

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. Vijay Kumar BHATNAGAR 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*