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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)

(1) CONNECTED TRANSACTION
INCORPORATION OF A JOINT VENTURE COMPANY

(2) CONTINUING CONNECTED TRANSACTIONS
FRAMEWORK AGREEMENT

(1) Incorporation of a joint venture company and connected transaction

The Company is pleased to announce that on 10 March 2010, Jinxi Iron and Steel Group, an indirect non-wholly owned subsidiary of the Company, has entered into the Capital Contribution Agreement with Hui Yin, Longba Charging and its existing shareholders, Mr. Du and Mr. Fu, pursuant to which the parties agreed to reorganise Longba Charging into a joint venture company by introducing new capital contribution in the sums of RMB14,673,913 and RMB2,934,783 from Jinxi Iron and Steel Group and Hui Yin respectively and further capital contribution in the sum of RMB9,000,000 from Mr. Du and Mr. Fu. The parties agreed that the total capital contribution of Longba Charging will be RMB32,608,696 and the registered capital of Longba Charging will be increased from RMB6,000,000 (which was fully paid by Mr. Du and Mr. Fu) to RMB13,043,478. The remaining RMB19,565,218 of capital contribution will be placed into the reserve fund of Longba Charging. Upon completion of the Capital Contribution, Jinxi Iron and Steel Group, Hui Yin, Mr. Du and Mr. Fu will respectively own 45%, 9%, 43.7% and 2.3% of Longba Charging. The reasons for the incorporation of the joint venture company is to ensure a steady supply of raw materials which are important for the Group's existing production and business expansion.

Pursuant to the Rule 14A.11(4) of the Listing Rules, Mr. Du is a connected person of the Group because Mr. Du is a substantial shareholder and a director of Jinyin Charging, an

indirect non-wholly owned subsidiary of the Company. Besides, Mr. Du owns 95% of Longba Charging. Longba Charging is an associate of Mr. Du and thus a connected person of the Group. The establishment of the joint venture company contemplated under the Capital Contribution Agreement constitutes a connected transaction under Chapter 14A.13(6) of the Listing Rules.

As the total consideration of capital contribution to be made by the Company contemplated under the Capital Contribution Agreement is less than 2.5% of the but more than 0.1% of the relevant ratios (as defined in the Listing Rules) of the Group, the increase in capital contribution in Longba Charging is only subject to the reporting and announcement requirements under Rules 14A.45 to 14A.47 of the Listing Rules and does not require the approval by the independent shareholders of the Company under Chapter 14A of the Listing Rules.

(2) Framework Agreement and continuing connected transactions

The Company is pleased to announce that on 10 March 2010, Jinxi Jinlan, an indirect non-wholly owned subsidiary of the Company, entered into the Framework Agreement with Jin Lan Imports & Exports, a connected person of the Group, for the sale and purchase of steel products of Jinxi Jinlan for a approximate period of two years and ten months from 10 March 2010 to 31 December 2012.

The Framework Agreement constitutes continuing connected transactions of the Group under the Rule 14A.14 of the Listing Rules. As the Jin Lan Imports & Exports Annual Cap is less than 2.5% of the but more than 0.1% of the relevant ratios (as defined in the Listing Rules) of the Group, the Framework Agreement is subject to the reporting and announcement requirements under Rules 14A.45 to 14A.47 of the Listing Rules and will be exempt from the independent shareholders' approval requirement under the Listing Rules.

In conclusion, the Directors (including the independent non-executive Directors) are of the view that as far as the shareholders of the Company are concerned, the terms of the Capital Contribution Agreement of the joint venture company and the terms of continuing connected transactions under the Framework Agreement thereof are on normal commercial terms and in the ordinary and usual course of business of the Group, and are fair and reasonable and are in the interest of the Company and its Shareholders as a whole.

(1) Incorporation of a joint venture company and connected transaction

This announcement is made by the Company pursuant to Rule 14A.13(6) of the Listing Rules.

The Company is pleased to announce that on 10 March 2010, Jinxi Iron and Steel Group, an indirect non-wholly owned subsidiary of the Company, has entered into the Capital Contribution Agreement with Hui Yin, Longba Charging and its existing shareholders, Mr. Du and Mr. Fu, pursuant to which the parties agreed to reorganise Longba Charging into a joint venture company by introducing new capital contribution from Jinxi Iron and Steel Group and Hui Yin and further capital contribution from Mr. Du and Mr. Fu to increase the registered capital of Longba Charging from RMB6,000,000 (which was fully paid by Mr. Du and Mr. Fu) to RMB13,043,478. Longba Charging will use the injected capital to expand the production size, to increase the production capacity and to enhance the corporate efficiency by supplying lime products for production directly to Jinxi Iron and Steel Group.

Capital Contribution Agreement

Date: 10 March 2010

Parties:

- (1) Jinxi Iron and Steel Group;
- (2) Hui Yin;
- (3) Longba Charging;
- (4) Mr. Du Chun; and
- (5) Mr. Fu Chung Xin

Capital Contribution and consideration

Pursuant to the Capital Contribution Agreement, Jinxi Iron and Steel Group agreed to make a capital contribution in cash of RMB14,673,913, RMB5,869,565 of which is allocated as registered capital (representing 45% of the registered capital of Longba Charging after the Capital Contribution) and the remaining amount of RMB8,804,348 will be placed into the reserve fund of Longba Charging. The Company will finance its capital contribution of RMB14,673,913 through its internal resources.

Hui Yin agreed to invest into Longba Charging by making a capital contribution in cash in the sum of RMB2,934,783, RMB1,173,913 of which will be contributed as registered

capital (representing 9% of the registered capital of Longba Charging after the Capital Contribution) and the remaining amount of RMB1,760,870 will be placed into the reserve fund of Longba Charging.

The Company and Hui Yin will settle the capital contribution within 30 working days after the Capital Contribution Agreement will become effective.

Mr. Du and Mr. Fu are the existing shareholders of Longba Charging, holding 95% and 5% respectively of Longba Charging before the Capital Contribution. They will pay a total sum of approximately RMB15,000,000 by way of existing net assets of Longba Charging, out of which, RMB6,000,000 represented the fully paid registered capital of Longba Charging. The remaining sum of RMB9,000,000 will be placed into the reserve fund of Longba Charging. After the completion of Capital Contribution, Mr. Du and Mr. Fu will own 43.7% and 2.3% of Longba Charging's registered capital respectively.

The book value and the appraisal value of the net assets (the "Contributed Net Assets") to be contributed by Mr. Du and Mr. Fu are as follows:

Monetary unit: RMB10, 000

Items	Book Value (Note 1)	Appraisal Value (Note 2)	Increase/ (decrease)	Percentage of increase/ (decrease)
Current assets	4,317.81	4,309.38	(8.43)	(0.2%)
Non-current assets	385.38	1,218.29	832.91	216.1%
Construction in progress	34.21	75.60	41.39	121.0%
Buildings	1.78	433.75	431.97	242 times
Machinery & equipment	349.39	708.94	359.55	102.9%
Total assets	4,703.19	5,527.67	824.48	17.5%
Current liabilities	3,841.95	3,841.95	0.00	0.0%
Non-current liabilities	75.00	75.00	0.00	0.0%
Total liabilities	3,916.95	3,916.95	0.00	0.0%
Net assets	786.24	1,610.72	824.48	104.9%

Note:

- The book value of the items in the table is based on the auditors' report issued by Tangshan Tin Hua Certified Public Accountants Co. Ltd.* (唐山天華會計師事務所) dated 13 November 2009.

According to the aforesaid auditors' report, the revenue and net profit of Longba Charging for the year ended 31 December 2008 were approximately RMB51,528,346 and RMB80,727. The revenue and net loss of Longba Charging for the ten months ended 31 October 2009 were approximately RMB61,669,832 and RMB128,831.

- The appraisal value of the items in the table is based on the <<Appraisal Report of assets for the purpose of capital contribution>> issued by Tangshan Yong Xin Assets Valuation Company Limited*(唐山永信資產評估有限公司) on 26 November 2009.

As at 31 October 2009 (the "Appraisal Date"), the appraisal net asset value of the Contribution Net Assets to be contributed by Mr. Du and Mr. Fu as stated in the <<Appraisal Report of assets for the purpose of Capital Contribution>> issued by Tangshan Yong Xin Assets Valuation Company Limited*(唐山永信資產評估有限公司) on 26 November 2009, a qualified assets valuer and an independent third party which is not a connected person of the Group, using the cost replacement appraisal method, amounted to RMB16,107,100. With reference to the aforesaid appraisal net assets value of RMB16,107,100, the parties agreed Mr. Du and Mr. Fu to make capital contribution of Longba Charging by way of net assets in the amount of RMB15,000,000. The actual amount of net assets to be contributed by Mr. Du and Mr. Fu in the amount of RMB15,000,000, representing 6.9% discount of the appraisal net assets value of RMB16,107,100. Such appraisal net asset value is used as a basis of calculating the respective amounts of capital contribution by the Jinxi Iron and Steel Group, Hui Yin, Mr. Du and Mr. Fu to the registered capital of Longba Charging.

The increase of the registered capital of Longba Charging contemplated under the Capital Contribution Agreement is as follows:-

	Registered capital	Reserve fund	Total contribution
	<i>RMB 10,000</i>	<i>RMB10,000</i>	<i>RMB 10,000</i>
Upon incorporation			
Registered capital paid up			
by Mr. Du	570.0	0.0	570.0
by Mr. Fu	30.0	0.0	30.0
	600.0	0.0	600.0
Upon the Capital Contribution			
Jinxi Iron & Steel Group	587.0	880.4	1,467.4
Hui Yin	117.4	176.1	293.5

Mr. Du	0.0	855.0	855.0
Mr. Fu	0.0	45.0	45.0
	704.4	1,956.5	2,660.9
Upon completion of the Capital Contribution			
Jinxi Iron & Steel Group	587.0	880.4	1,467.4
Hui Yin	117.4	176.1	293.5
Mr. Du	570.0	855.0	1,425.0
Mr. Fu	30.0	45.0	75.0
	1,304.4	1,956.5	3,260.9
	1,304.4	1,956.5	3,260.9

Upon completion of the Capital Contribution:

- (1) Longba Charging will be owned as to 45% by Jinxi Iron and Steel Group, 9% by Hui Yin, 43.7% by Mr. Du and 2.3% by Mr. Fu; and
- (2) the board of directors of Longba Charging will comprise three directors. Jinxi Iron and Steel Group, Hui Yin and Mr. Du will nominate one director respectively. The director to be nominated by Jinxi Iron and Steel Group will act in the capacity of chairman in the board of director, whereas the director to be nominated by Mr. Du will act as the general manager and the legal representative of Longba Charging.

Conditions precedent of the Capital Contribution Agreement

The Capital Contribution Agreement is conditional upon :

- (1) the Company having complied with the approval procedures as set out in the Listing Rules; and
- (2) the internal approval by the Board of the Company.

Reasons for and benefits of the incorporation of the joint venture company

Longba Charging was incorporated on 4 August 2003 at Qianxi County in Hebei province. Its principal business activity is manufacture and sale of lime products, which are raw materials for production of iron and steel products. According to the Capital Contribution Agreement, the parties agreed that Longba Charging will supply all its lime products to Jinxi Iron and Steel Group based on the current market unit price of lime products after

the Capital Contribution. The Directors consider that the reorganisation of Longba Charging as a joint venture company is to ensure a steady supply of raw materials (lime products), which is important for the Group's existing production and business expansion.

Due to the aforesaid reasons, the Directors (including the independent non-executive Directors) are of the view that as far as the shareholders of the Company are concerned, the terms of Capital Contribution Agreement for the incorporation of a joint venture company are on normal commercial terms and in the ordinary and usual course of business of the Group, and are fair and reasonable and are in the interest of the Company and its Shareholders as a whole.

Continuing connected transactions in relation to the Master Agreement between Jinxi Iron and Steel Group and Longba Charging

According to the Capital Contribution Agreement, the parties agreed that Longba Charging will supply all its lime products to Jinxi Iron and Steel Group based on the current market unit price of lime products after the Capital Contribution. Longba Charging is a connected person of the Group because Mr. Du is holding 95% of Longba Charging and he is also a substantial shareholder and a director of Jinyin Charging, an indirect non-wholly owned subsidiary of the Company. Longba Charging is an associate of Mr. Du and thus a connected person of the Group. The supply of lime products by Longba Charging to Jinxi Iron and Steel Group under the Capital Contribution Agreement will constitute continuing connected transactions of the Group under the Listing Rules.

Longba Charging has supplied lime products to Jinxi Iron and Steel Group since July 2008. Reference is made to the announcement of the Company dated 16 December 2008 and the circular of the Company dated 20 January 2009 in relation to the continuing connected transactions between Jinxi Iron and Steel Group and Longba Charging. Unless the context otherwise requires, capitalized terms used in the announcement have the same meanings as defined in the announcement of the Company dated 16 December 2008 and the circular of the Company dated 20 January 2009. Accordingly, with reference to the historical and future possible purchase quantity of lime products from Longba Charging under the Longba Master Agreement, the Directors proposed the Longba Annual Cap for three years ended 31 December 2008, 31 December 2009 and 31 December 2010 were set at RMB20,000,000, RMB70,000,000 and RMB81,250,000 respectively. The Company had complied with the Rule 14A.47 of the Listing Rules and reported and announced the aforesaid continuing connected transactions of the Company on 16 December 2008. Besides, the Company had convened a special general meeting on 11 February 2009 for independent shareholders to approve the Longba Annual Cap of the aforesaid continuing connected transactions of the Company. For the two financial years ended 31 December

2008 and 31 December 2009 and for the period from 1 January 2010 to the date of this announcement, Longba Charging had supplied lime products to Jinxi Iron and Steel Group in the respective amounts of RMB17,576,000, RMB69,949,000 and RMB6,920,116, which had not exceeded the Longba Annual Cap for the same three years in the respective amount of RMB20,000,000, RMB70,000,000 and RMB81,250,000.

Financial effects of establishment of the joint venture company

The funding requirement for contributing to the registered capital of Longba Charging by the Company is not expected to have any material impact on the Company. Longba Charging will become an affiliated company of the Company and their results and assets will not be consolidated into the financial statements of the Company accordingly.

Information of the Company and the joint venture parties

The Company is incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange. Its principal activities are holding investments in iron and steel manufacturing companies in the PRC.

Jinxi Iron and Steel Group is incorporated in the PRC with limited liability. It is an indirect non-wholly owned subsidiary of the Company. Its principle activity is the production and sales of iron and steel products.

Hui Yin was incorporated in the PRC on 13 April 2007 with limited liability. Its principal activity is investment holding. Mr. Han, Mr. Zhu and Mr. Shen (the “Named Shareholders”) beneficially owned 8.22%, 4.58% and 4.42% equity interest in Hui Yin. As for the remaining shareholding of Hui Yin i.e. 82.78%, the shareholders are 3,785 staff of the Group (collectively, the “Remaining Shareholders”). Both the Named Shareholders and the Remaining Shareholders had contributed investment funds to Hui Yin in proportion to their equity interests. By allowing the staff of the Group to invest in the Capital Contribution of Longba Charging, the Group can have additional funding of RMB2,934,783 for the use of expansion of Longba Charging’s production capacity. Besides, it can help boost the sense of belonging of the employees of the Group. To the best of Directors’ knowledge, information and belief having made all reasonable enquiries, the Remaining Shareholders, Hui Yin and their ultimate beneficial owners (except for the Named Shareholders) are third parties independent of the Company and its connected persons.

Longba Charging was incorporated in the PRC with limited liability. Its principal activity is the production and sales of lime products.

Mr. Du is the existing shareholder of Longba Charging holding 95% of its equity interest. He is also a substantial shareholder and a director of Jinyin Charging, an indirect non-wholly owned subsidiary of the Company.

Mr. Fu is the existing shareholder of Longba Charging holding 5% of its equity interest.

Listing Rules' Implication

Pursuant to the Rule 14A.11(4) of the Listing Rules, Mr. Du is a connected person of the Group because Mr. Du is a substantial shareholder and a director of Jinyin Charging, an indirect non-wholly owned subsidiary of the Company. Besides, Mr. Du owns 95% of Longba Charging. Longba Charging is an associate of Mr. Du and thus a connected person of the Group. The establishment of the joint venture company contemplated under the Capital Contribution Agreement constitutes a connected transaction of the Group under Chapter 14A.13(6) of the Listing Rules.

As the total consideration of Capital Contribution to be made by the Company contemplated under the Capital Contribution Agreement is less than 2.5% of the but more than 0.1% of the relevant ratios (as defined in the Listing Rules) of the Group, the increase in capital contribution in Longba Charging is only subject to the reporting and announcement requirements under Rules 14A.45 to 14A.47 of the Listing Rules and does not require the approval by the independent shareholders of the Company under Chapter 14A of the Listing Rules.

(2) Framework Agreement and continuing connected transactions

This announcement is made by the Company pursuant to Rule 14A.14 of the Listing Rules.

The Company is pleased to announce that on 10 March 2010, Jinxi Jinlan, an indirect non-wholly owned subsidiary of the Company, has entered into the Framework Agreement with Jin Lan Imports & Exports, a connected person of the Group.

Framework Agreement

Date: 10 March 2010

Parties:

The Buyer: Jin Lan Imports & Exports; and

The Vendor: Jinxi Jinlan

Description:

Pursuant to the Framework Agreement, Jin Lan Imports & Exports had agreed to purchase, and Jinxi Jinlan had agreed to sell, steel products of Jinxi Jinlan. The unit prices of steel products will not be lower than the market price or the prices to other customers (with comparable quality and condition).

Term:

10 March 2010 to 31 December 2012

Jin Lan Imports & Exports Annual Cap for the continuing connected transactions under the Framework Agreement

With reference to the historical and future possible sale quantity to Jin Lan Imports & Exports and the market prices of the steel products, the Directors propose that the Jin Lan Imports & Exports Annual Cap will be set at RMB90,000,000, RMB110,000,000 and RMB120,000,000 for each of the three years ending 31 December 2010, 31 December 2011 and 31 December 2012.

Note:

1. 2010 purchase amount under the Framework Agreement is not a full year effect and about ten months is expected from the date of announcement. The 2010 Jin Lan Imports & Exports Annual Cap is based on possible volume of purchase in 2010.
2. The 2011 Jin Lan Imports & Exports Annual Cap has been determined by reference to the historical purchase in 2010 and for 2011. It is based on possible purchase in 2010 as well as an expected increase in unit price and demand of steel products in 2012.

Reasons for and benefits of entering into the Framework Agreement

The supply of steel products to Jin Lan Imports & Exports will help expand sale revenues and increase sale proceeds of Jinxi Jinlan. The unit price of steel products is determined with reference to the market prices of comparable products. Steel products are sold to Jin Lan Imports & Exports at prices no less than market prices and will be settled in cash immediately on the delivery of steel products.

Due to the aforesaid reasons and benefits, the Directors (including the independent non-executive directors of the Company) is of the view that the terms and conditions of the Framework Agreement are on normal commercial terms and in the ordinary and usual course of business of the Group, and are fair and reasonable and are in the interest of the Company and its Shareholders as a whole.

Continuing connected transactions in respect of the Framework Agreement

Jin Lan Imports and Exports is a connected person of the Group because Ms. Zhou, the daughter of Mr. Zhou, owns 80% of the equity interest in Jin Lan Imports & Exports. Since Mr. Zhou is a director and a substantial shareholder of Jinxi Jinlan, Jin Lan Imports & Exports is an associate of Mr. Zhou and thus a connected person of the Group. The sales of steel products by Jinxi Jinlan to Jin Lan Imports & Exports under the Framework Agreement constitutes continuing connected transactions of the Group under the Rule 14A.14 of the Listing Rules.

The Framework Agreement covers two transactions involving the sale and purchase of steel products between Jinxi Jinlan and Jin Lan Imports & Exports. The first transaction happened on 25 January 2010 in the contract amount of approximately RMB2,534,651. As the transaction amount is less than 0.1% of the relevant ratios (as defined in the Listing Rules) of the Group, it is not subject to the reporting and announcement requirements under Rules 14A.45 to 14A.47. The second transaction was conducted on 24 February 2010 in the contract amount of approximately RMB7,479,216. As at the date of announcement, the total consideration of the two transactions amounted to approximately RMB10,013,867 that exceeded 0.1% but was less than 2.5% of the relevant ratios (as defined in the Listing Rules) of the Group. Therefore, the aforesaid continuing connected transactions are subject to the reporting and announcement requirements under Rules 14A.45 to 14A.47 of the Listing Rules and will be exempt from the independent shareholders' approval requirement under the Listing Rules.

Reference is made to the announcement of the Company dated 30 April 2009 related to the continuing connected transactions between Jin Lan Group and Jinxi Section Steel. Unless the context otherwise requires, capitalized terms used in the announcement have the same meanings as defined in the announcement of the Company dated 30 April 2009. Accordingly, Jinxi Section Steel, an indirect non-wholly owned subsidiary of the Company, agreed to sell steel products to Jin Lan Group. The Jin Lan Group Annual Cap was set at RMB70,000,000 for each of the two years ending 31 December 2009 and 31 December 2010. For the year ended 31 December 2009 and for the period from 1 January 2010 to the date of this announcement, Jinxi Section Steel had supplied steel products to Jin Lan Group in the respective amounts of RMB32,075,450 and RMB0,

which had not exceeded the Jin Lan Group Annual Cap of RMB70,000,000 for each of the two years ending 31 December 2009 and 31 December 2010.

Jin Lan Group is a connected person of the Group because it is owned by Mr. Zhou and Mr. Zhou is a substantial shareholder and a director of Jinxi Jinlan. Therefore, Jin Lan Group is an associate of Mr. Zhou and thus a connected person of the Group. The supply of steel products by Jinxi Section Steel to Jin Lan Group under the Jin Lan Group Framework Agreement constituted continuing connected transactions of the Group under the Listing Rules. The Company had complied with Rules 14A.45 to 14A.47 of the Listing Rules and reported and announced the aforesaid continuing connected transactions on 30 April 2009.

As Jin Lan Imports and Exports and Jin Lan Group are associates of Mr. Zhou and Mr. Zhou is a connected person of the Group, pursuant to the Rule 14A.25 of the Listing Rules, the continuing connected transactions between Jin Lan Group and Jinxi Section Steel under the Jin Lan Group Framework Agreement will be aggregated with the continuing connected transactions between Jinxi Jinlan and Jin Lan Imports and Exports under the Framework Agreement of this announcement.

Other than the aforesaid two types of continuing connected transactions, the Group did not have any other prior transactions with Mr. Zhou, Jin Lan Imports and Exports and Jin Lan Group and each of their ultimate beneficial owners or each of their associate which required aggregation with the aforesaid two types of continuing connected transactions under the Rule 14A.25 of the Listing Rules.

Listing Rules' Implication

Given that the Jin Lan Group Annual Cap of RMB70,000,000 under the Jin Lan Group Framework Agreement dated 27 April 2009 for the year ending 31 December 2010 and the Jin Lan Imports & Exports Annual Cap of RMB90,000,000 under the Framework Agreement of this announcement, the annual caps of these two types of continuing connected transactions, when aggregated as required under the Rule 14A.25 of the Listing Rules, amounted to RMB160,000,000, which is more than 0.1% of the but less than 2.5% of the percentages ratios (as defined in the Listing Rules) of the Group, the continuing connected transactions contemplated thereunder are only subject to the reporting and announcement requirements under Rules 14A.45 to 14A.47 of the Listing Rules and are exempt from the independent shareholders' approval requirement under the Listing Rules.

Definitions

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

“Accordpower”	Accordpower Investments Limited, a company incorporated in British Virgin Island and with limited liability and is wholly-owned by the Company. Its principal activity is investment holding in Jinxi Jinlan
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Capital Contribution”	the increase of the registered capital of Longba Charging from RMB6,000,000 to RMB13,043,478 pursuant to the Capital Contribution Agreement
“Capital Contribution Agreement”	the agreement date 10 March 2010 entered into between Jinxi Iron and Steel Group, Hui Yin, Longba Charging and its existing shareholders, Mr. Du and Mr. Fu, in relation to the increase of the registered capital of Longba Charging from RMB6,000,000 to RMB 13,043,478
“Company”	China Oriental Group Company Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange. Its principal activities are holding investments in iron and steel manufacturing companies in the PRC
“connected person(s)”	shall have the meaning ascribed to it under the Listing Rules

“Directors”	the directors of the Company
“Framework Agreement”	an agreement dated 10 March 2010 entered into between Jin Lan Imports & Exports and Jinxi Jinlan in respect of the supply of steel products
“Group”	the Company and its subsidiaries
“Hui Yin”	遷西縣匯銀工貿有限公司 (Qianxi County Hui Yin Trading Company Limited*), a company incorporated in the PRC with limited liability. Its principal activity is investment holdings
“Jin Lan Imports & Exports”	佛山金蘭進出口有限公司 (Foshan Jin Lan Imports & Exports Company Limited*), a company incorporated in the PRC with limited liability. Its principal activities are the trading, imports and exports of goods and technology.
“Jin Lan Imports & Exports Annual Cap”)	the maximum aggregate annual value (excluding value added tax and import duty, if applicable) of the continuing connected transactions between Jin Lan Imports & Exports and Jinxi Jinlan in respect of the supply of steel products
“Jinxi Iron and Steel Group”	河北津西鋼鐵集團股份有限公司 (Hebei Jinxi Iron and Steel Group Company Limited*) formerly named as 河北津西鋼鐵股份有限公司 (Hebei Jinxi Iron and Steel Company Limited*), a company incorporated in the PRC, an indirect non-wholly owned subsidiary of the Company. Its principal activity is the production and sales of steel products

“Jinxi Jinlan”	佛山津西金蘭冷軋板有限公司 (Foshan Jinxi Jinlan Cold Rolled Sheet Company Limited*), a sino-foreign equity joint venture established in the PRC, an indirect non-wholly owned subsidiary of the Company. Accordpower, Jinxi Iron and Steel Group and Mr. Zhou are interested in 30.5%, 51% and 18.5% respectively of the equity interest in Jinxi Jinlan. Its principal activity is the production and sale of the steel products.
Jinyin Charging	平泉縣津銀爐料有限公司 (Ping Quan County Jinyin Charging Company Limited*), a company incorporated in the PRC and an indirect non-wholly owned subsidiary of the Company. Its principal activity is manufacture and sale of lime products
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Longba Charging”	遷西縣龍霸爐料有限公司 (Qianxi County Longba Charging Company Limited*), a company incorporated in the PRC. Its principal activity is manufacture and sale of lime products
“Mr. Du”	杜春先生 (Mr. Du Chun*), a shareholder and a director of Longba Charging and of Jinyin Charging
“Mr. Fu”	付中順先生 (Mr. Fu Chung Xin*), a shareholder of Longba Charging
“Mr. Han”	Mr. Han Jingyuan, the chairman of the Board, the chief executive officer and the controlling shareholder of the Company. He is also the chairman of Jinxi Iron and Steel Group

“Mr. Shen”	Mr. Shen Xiaoling, the executive Director of the Company and the director of Jinxi Iron and Steel Group and Hui Yin
“Mr. Zhou”	周偉杰先生 (Mr. Zhou Weijie*), a director and a shareholder of Jinxi Jinlan
“Mr. Zhu”	Mr. Zhu Jun, the executive Director of the Company and the director of Jinxi Iron and Steel Group
“Ms. Zhou”	周寶娟小姐 (Ms. Zhou Bao Juan*), the daughter of Mr. Zhou and a shareholder of Jin Lan Imports & Exports
“PRC”	The People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

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

Hong Kong, 10 March 2010

As at the date of this announcement, the Board of Directors of the Company comprises Mr. Han Jingyuan, Mr. Zhu Jun, Mr. Liu Lei, Mr. Shen Xiaoling, Mr. Zhu Hao and Mr. Muktesh Mukherjee being the Executive Directors, Mr. Ondra Otradovec and Mr. Jean-Paul Georges Schuler being the Non-Executive Directors and Mr. Gao Qingju, Mr. Yu Tung Ho and Mr. Wong Man Chung, Francis 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*