

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

**TERMINATION OF MEMORANDUM OF UNDERSTANDING
IN RESPECT OF
POSSIBLE FORMATION OF JOINT VENTURES**

China Oriental Group Company Limited (the “**Company**”, and together with its subsidiaries collectively known as the “**Group**”) is issuing this announcement pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing Rules**”) and the “**Inside Information Provision**” (as defined under the Listing rules) under Part XIVA of the Securities and Futures Ordinance of Hong Kong (“**SFO**”).

Reference is made to the announcement of the Company dated 2 August 2016 (the “**MOU Announcement**”) in respect of the possible formation of joint ventures. Unless otherwise stated, capitalized terms used herein shall have the same meaning ascribed in the MOU Announcement.

TERMINATION OF MOU

The Board wishes to announce that the Company and Oriental Sheet Piling could not reach an agreement on the major terms and conditions in respect of the Proposed Cooperation after lengthy negotiations and discussions, and Oriental Sheet Piling decided to withdraw their interest to pursue the Proposed Cooperation due to their internal financing considerations. In this regard, on 22 June 2017 (after trading hours), the Company and Oriental Sheet Piling entered into a termination agreement (the “**Termination Agreement**”) pursuant to which the parties mutually agreed to terminate the MOU and not to proceed with the negotiations on the Proposed Cooperation with effect from the date thereof. Upon termination of the MOU, the MOU shall cease to have any further binding and legal effect upon the Company and Oriental Sheet Piling and each of the Company and Oriental Sheet Piling shall be released from all obligations under the MOU.

The Board considers that the termination of the MOU has no material adverse impact on the existing business operation and financial position of the Group. The directors of the Company further consider that the terms of the Termination Agreement are on normal commercial terms and are fair and reasonable and the Termination Agreement is in the interests of the Company and the Shareholders as a whole.

The Group will continue to undertake the project for establishing the production and sales of new steel sheet piling and ultra-large H-section steel products with its internal resources. As at the date of this announcement, the project progresses on schedule and it is expected to commence production and sales in the fourth quarter of 2017.

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

Hong Kong, 22 June 2017

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. WANG Bing being the Independent Non-executive Directors.

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

**For identification purposes only*