

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.

This announcement appears for information purposes only and does not constitute, or form part of, an invitation or offer, or solicitation or inducement of an offer, to acquire, subscribe for or purchase any debt securities or other securities of the Company, nor is this announcement circulated to invite offers for any securities of the Company.



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 : 00581)

**PROPOSED ISSUE OF THE SHORT-TERM DEBENTURES
BY JINXI LIMITED
AND
GENERAL DISCLOSURE
UNDER RULE 13.18 OF THE LISTING RULES**

This announcement is made by the Company pursuant to Rule 13.18 of the Listing Rules.

Proposed Issue of the Short-term Debentures

Reference is made to the announcement of the Company on 29 July 2019 (the “**Debentures Announcement**”) in relation to, amongst other things, the application to the NAFMII for registration of proposed issuance of the short-term debentures (the “**Short-term Debentures**”) by Jinxi Limited.

The Board hereby announces that, having successfully registered the proposed issue of Short-term Debentures in an aggregate principal amount of RMB500 million with the NAFMII, Jinxi Limited proposes to issue the Short-term Debentures in an aggregate principal amount of RMB500 million in the national inter-bank bond market in the PRC on or about 2 November 2020.

Key information of the proposed issue of the Short-term Debentures is summarised as follows:

Issuer:	Jinxi Limited
Aggregate maximum principal amount of the Short-term Debentures registered with the NAFMII:	RMB500 million
Principal amount of the Short-term Debentures:	RMB500 million
Date of issue of the Short-term Debentures:	On or about 2 November 2020
Place of issue:	PRC
Target subscribers:	Institutional investors in the national inter-bank bond market in the PRC (other than investors who are prohibited by the laws and regulations of the PRC)
Term of the Short-term Debentures:	1 year
Interest rate:	To be determined through centralized book-building process and shall remain unchanged during the term of the Short-term Debentures. Interest will be payable upon maturity.
Rating:	As assessed by China Lianhe Credit Rating Co., Ltd.* (聯合資信評估有限公司), the Short-term Debentures have been given A-1 rating and Jinxi Limited has been given AA+ rating
Lead underwriter and bookrunner:	China Minsheng Bank Corp., Ltd.
Use of proceeds:	The proceeds from the issue of the Short-term Debentures will be used for repayment of bank loans of Jinxi Limited.

In connection with proposed issue of the Short-term Debentures, an offering circular setting out, amongst other things, certain information on the terms and conditions of the Short-term Debentures (the “**Offering Circular**”), the credit rating report, the legal opinion, the audited consolidated financial information of Jinxi Limited and its subsidiaries for the financial years ended 31 December 2017, 2018 and 2019 and the unaudited consolidated financial information of Jinxi Limited and its subsidiaries for the six months ended 30 June 2020 will be published on the websites of Shanghai Clearing House (www.shclearing.com) and Chinamoney (www.chinamoney.com.cn) on or around 28 October 2020.

As the proposed issue of the Short-term Debentures may or may not materialise and completion of the proposed issue of the Short-term Debentures is subject to market conditions and investors' interest, Shareholders and prospective investors are advised to exercise caution when dealing in the securities of the Company.

General Disclosure under Rule 13.18 of the Listing Rules

The Offering Circular provides that, amongst others, during the term of the Short-term Debentures and following the occurrence of the following Triggering Event (as defined below), Jinxi Limited may, at the option of the subscribers for the Short-term Debentures, be required to redeem some or all of the Short-term Debentures at a price equal to 101% of the face value of the Short-term Debentures.

Pursuant to the Offering Circular, subscribers for the Short-term Debentures may require Jinxi Limited to redeem some or all of the Short-term Debentures when:

- (i) there is a change in the Company's actual controller (as defined under laws and regulations of the PRC) (the "**Change of Control Event**"); and
- (ii) within a six-month period after the date when the Change of Control Event has occurred, either (a) the corporate rating of Jinxi Limited is lowered; or (b) the outlook on the corporate rating of Jinxi Limited is changed to negative (together with the Change of Control Event, the "**Triggering Event**").

According to the relevant laws and regulations of the PRC, Mr. HAN Jingyuan is considered as the actual controller of the Company.

The Company will make continuing disclosures in its subsequent interim and annual reports pursuant to the requirements under Rule 13.21 of the Listing Rules for so long as circumstances giving rise to the obligation under Rule 13.18 of the Listing Rules continue to exist.

Potential issue of the medium-term notes by Jinxi Limited

As disclosed in the Debentures Announcement, Jinxi Limited proposed to apply to the NAFMII for the registration approval in respect of the potential issue of medium-term notes (the "**Medium-term Notes**") in the national interbank bond market in the PRC. Jinxi Limited has successfully registered the potential issue of the Medium-term Notes in an aggregate principal amount of RMB1 billion with the NAFMII. Further announcement(s) in respect of the potential issue of the Medium-term Notes will be made by the Company as and when appropriate.

Shareholders and prospective investors are reminded that, despite the registration of the potential issue of the Medium-term Notes with the NAFMII, the potential issue of the Medium-term Notes may or may not proceed. Therefore, Shareholders and prospective investors are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

“Board”	the board of Directors
“Company”	China Oriental Group Company Limited, a company incorporated in Bermuda with limited liability and its issued Shares are listed on the main board of the Stock Exchange
“Director(s)”	director(s) of the Company
“Group”	collectively, the Company and its subsidiaries from time to time
“Jinxi Limited”	Hebei Jinxi Iron and Steel Group Company Limited* (河北津西鋼鐵集團股份有限公司), a company established in the PRC with limited liability and a 97.6% indirectly owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“NAFMII”	National Association of Financial Market Institutional Investors* (中國銀行間市場交易商協會)
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“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

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

Hong Kong, 28 October 2020

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. HAN Li and Mr. Sanjay SHARMA being the executive directors, Mr. Ondra OTRADOVEC and Mr. ZHU Hao being the non-executive directors and Mr. WONG Man Chung, Francis, Mr. WANG Tianyi, Mr. WANG Bing and Dr. TSE Cho Che, Edward 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 purpose only*