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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)

CLARIFICATION ANNOUNCEMENT

Reference is made to the announcement dated 9 May 2016 of China Oriental Group Company Limited (the “**Company**”) in respect of the update on public float issue of the Company (the “**Announcement**”). Unless otherwise stated, capitalized terms used herein shall have the same meanings as defined in the Announcement.

The Company wishes to clarify that the Two Proposals mentioned in the Announcement which was submitted to The Hong Kong Stock Exchange Limited (the “**Stock Exchange**”) for seeking guidance contained alternative measures of proposed issue of bonus shares and bonus convertible notes to the existing shareholders of the Company (the “**Shareholders**”).

The proposed issue of bonus shares will be an issue of a maximum of three (3) bonus shares at par value at HK\$0.1 per share for one (1) existing share of the Company (the “**Shares**”). Shareholders will be given an option to receive bonus convertible notes in lieu of all or part of the entitlement to the bonus shares whereas the existing substantial shareholders and the board of directors of the Company will be requested to elect for bonus convertible notes. The bonus shares, after issuance, shall rank pari passu with existing Shares.

The bonus convertible notes have no maturity date and carry no voting right in the general meeting of the Company. They will confer holders substantially the same economic interest attached to the Shares and can be converted into Shares at par value provided upon conversion, the Company will still maintain the public float.

The above clarification does not affect other information contained in the Announcement.

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

Hong Kong, 10 May 2016

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 and Mr. WANG Tianyi 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*