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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)

PURCHASE AND CANCELLATION OF SENIOR NOTES

This announcement is made by China Oriental Group Company Limited (the “**Company**”) pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited and Part IV of the Securities and Futures Ordinance of Hong Kong. Reference is made to the announcements of the Company dated 12 August 2010 and 11 November 2010 regarding the issue of the 8.0% guaranteed bonds due August 2015 (the “**2015 Senior Notes**”) and the 7.0% guaranteed bonds due November 2017 (the “**2017 Senior Notes**”) respectively (collectively referred to as the “**Senior Notes**”) by the Company and the announcements of the Company dated 13 November 2012 and 10 March 2015 regarding the repurchase of the Senior Notes.

Following the completion of the repurchase of the Senior Notes in March 2015, the Company has further purchased a total of US\$19,597,000 in principal amount of the 2015 Senior Notes (the “**Purchased Senior Notes**”) via open market purchase during the period from March 2015 to the date of this announcement, of which US\$7,097,000 in principal amount of the 2015 Senior Notes are held in treasury by the Company pending cancellation. The Company intends to deliver these 2015 Senior Notes to the applicable trustee for cancellation as soon as practicable. The board of the directors of the Company considers that the purchase of the Purchased Senior Notes will reduce the Company’s future financial expenses and lower its financial gearing level, and hence the purchase is in the interest of the Company and its shareholders as a whole.

After the cancellation of the Purchased Senior Notes, the outstanding principal amount of the 2015 Senior Notes and 2017 Senior Notes will be amounted to US\$332,253,000 and US\$139,268,000 respectively.

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

Hong Kong, 12 May 2015

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. 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 of Hong Kong Limited (www.hkexnews.hk).

**For identification purposes only*