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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)

ANNOUNCEMENT

OFFER TO REPURCHASE AND CONSENT SOLICITATIONS RELATING TO ANY AND ALL OUTSTANDING NOTES LISTED BELOW:

(I) 8.00% SENIOR NOTES DUE 2015

(II) 7.00% SENIOR NOTES DUE 2017

Reference is made to the Company's announcements dated February 9, 2015 and February 24, 2015 (the "Announcements"), respectively, in relation to the Offers and Consent Solicitations. Unless otherwise defined herein, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcements.

The Offers expired at 5:00 p.m. (New York City time) on March 9, 2015 (the "Expiration Time"). The Company announces that, as of the Expiration Time, US\$125,933,000 in principal amount of the 2015 Notes and US\$65,067,000 in principal amount of the 2017

Notes have been validly tendered and not validly withdrawn pursuant to the Offer to Purchase and Consent Solicitation Statement, details of which are as follows:

- US\$125,933,000 in principal amount of the 2015 Notes were validly tendered and not validly withdrawn as of the Expiration Time, which included US\$7,000,000 in principal amount of the 2015 Notes validly tendered and not validly withdrawn by Mr. Han Jingyuan, the Chairman and Chief Executive Officer of the Company; and
- US\$65,067,000 in principal amount of the 2017 Notes were validly tendered and not validly withdrawn as of the Expiration Time, which included US\$4,400,000 in principal amount of the 2017 Notes validly tendered and not validly withdrawn by Mr. Han Jingyuan, the Chairman and Chief Executive Officer of the Company.

As of the date of this announcement, the outstanding aggregate principal amount of the 2015 Notes is US\$477,783,000 (including US\$7,000,000 in principal amount of the 2015 Notes held by Mr. Han Jingyuan, the Chairman and Chief Executive Officer of the Company), and the outstanding aggregate principal amount of the 2017 Notes is US\$204,335,000 (including US\$4,400,000 in principal amount of the 2017 Notes held by Mr. Han Jingyuan, the Chairman and Chief Executive Officer of the Company). US\$4,400,000 in principal amount of the 2015 Notes and US\$300,000 in principal amount of the 2017 Notes held in treasury by the Company as of the date of the announcement dated February 9, 2015 in relation to commencement of the Offers and Consent Solicitations were cancelled on February 13, 2015.

As of the Expiration Time, after disregarding the Notes validly tendered and not validly withdrawn by Mr. Han Jingyuan,

- Holders of the 2015 Notes have validly tendered and not validly withdrawn US\$118,933,000 in principal amount of the 2015 Notes (excluding the 2015 Notes owned by or beneficially held for the Company or any affiliate of the Company), and thus are deemed to have consented to the 2015 Notes Proposed Amendments; and
- Holders of the 2017 Notes have validly tendered and not validly withdrawn US\$60,667,000 in principal amount of the 2017 Notes (excluding the 2017 Notes owned by or beneficially held for the Company or any affiliate of the Company), and thus are deemed to have consented to the 2017 Notes Proposed Amendments.

The Company hereby confirms that:

- the Company has elected to waive the 2015 Notes Requisite Consent and the 2017 Notes Requisite Consent; and
- the Company has elected to waive the Commercial Condition for the Offer.

The Company has decided to, subject to the General Conditions as set out in the Offer to Purchase and Consent Solicitation Statement, accept to repurchase all such Notes validly tendered and not validly withdrawn, including those validly tendered and not validly withdrawn by Mr. Han Jingyuan, the Chairman and Chief Executive Officer of the Company, at the applicable Repurchase Price.

The 2015 Notes Repurchase Price will be US\$950 in cash per \$1,000 in principal amount, and the 2017 Notes Repurchase Price will be US\$840 in cash per \$1,000 in principal amount. Accordingly, the Company will, subject to the General Conditions as set out in the Offer to Purchase and Consent Solicitation Statement, pay an aggregate consideration of approximately US\$176,581,791 for all such Notes accepted for repurchase, together with the Accrued Interest in respect of such Notes from, and including, the most recent interest payment date to, but excluding, the Settlement Date, which is expected to be on or about March 16, 2015. Payment is expected to be made on or about March 16, 2015 for all Notes validly tendered and accepted for repurchase.

Following the completion of the Offers, the outstanding aggregate principal amount of the 2015 Notes is US\$351,850,000, and the outstanding aggregate principal amount of the 2017 Notes is US\$139,268,000.

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

Hong Kong, March 10, 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.

**For identification purposes only*