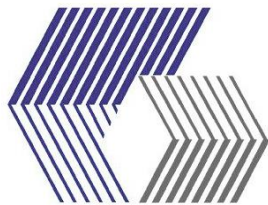


The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. Admission to the Official List of the SGX-ST and quotation of the Notes on the SGX-ST is not to be taken as an indication of the merits of the Company, its subsidiaries, its associated companies, the Notes or the Offers.



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

CONNECTED TRANSACTION

Reference is made to the Launch Announcement, the Extension Announcement and the Final Results Announcement of the Company in relation to the Offers and Consent Solicitations. Capitalized terms used in this announcement and not defined herein shall have the same meaning ascribed to them in the Launch Announcement.

As mentioned in the Final Results Announcement, US\$7,000,000 in principal amount of the 2015 Notes and US\$4,400,000 in principal amount of the 2017 Notes held by Mr. Han Jingyuan have been validly tendered and not withdrawn as of the Expiration Time. As of the date of this announcement, Mr. Han Jingyuan is the Chairman and Chief Executive Officer of the Company, and Mr. Han Jingyuan and his associates beneficially hold 45.04% of the Company's issued and outstanding share capital. Accordingly, Mr. Han Jingyuan is a connected person of the Company under Chapter 14A of the Hong Kong Listing Rules.

On March 10, 2015, the Company decided to accept for repurchase all the Notes validly tendered and not withdrawn pursuant to the terms of the Offers, including the 2015 Notes and 2017 Notes validly tendered by Mr. Han Jingyuan, subject to the General Conditions as set out in the Offer to Purchase and Consent Solicitation Statement. The repurchase by the Company of the 2015 Notes and 2017 Notes validly tendered by Mr. Han Jingyuan constituted a connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules. The total consideration to be paid by the Company to Mr. Han Jingyuan for the Transaction is US\$10,491,367, which is expected to be paid by the Company on or prior to March 16, 2015 pursuant to the Offer to Purchase and Consent Solicitation Statement.

The Company will use available cash and cash equivalents, notes receivable to be converted into cash (with certain discounts), and drawdowns on existing credit facilities granted by banks within the PRC to fund the repurchase of the Notes (including the Transaction).

As the Transaction was entered into as part of the Company's tender offer for any and all outstanding Notes and on the same terms and conditions available to other Holders under the

Offers, the terms of the Transaction are no less favourable to the Company than the terms available from independent third parties. Thus, the Board (including the Independent Non-executive Directors, but excluding Mr. Han Jingyuan and Mr. Han Li who is an associate of Mr. Han Jingyuan) were of the view that the Transaction was entered into on normal commercial terms, and the terms of the Transaction were fair and reasonable and in the interest of the shareholders as a whole.

As the highest applicable percentage ratio (as defined under Rule 14.07 of the Hong Kong Listing Rules) in respect of the Transaction is higher than 0.1% but less than 5%, the Transaction is subject to the reporting and announcement requirements, but is exempt from the approval by the independent shareholders of the Company under Chapter 14A of the Hong Kong Listing Rules.

BACKGROUND

Reference is made to the Launch Announcement, the Extension Announcement and the Final Results Announcement of the Company 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 Launch Announcement.

The Offers commenced on 9:00 a.m. (New York City time) on February 9, 2015 and expired at 5:00 p.m. (New York City time) on March 9, 2015. As mentioned in the Final Results Announcement, US\$7,000,000 in principal amount of the 2015 Notes and US\$4,400,000 in principal amount of the 2017 Notes held by Mr. Han Jingyuan were validly tendered and not withdrawn as of the Expiration Time.

Mr. Han Jingyuan purchased US\$7,000,000 in principal amount of the 2015 Notes via open market in October 2014 with price at US\$958 per US\$1,000 principal amount, and purchased the US\$4,400,000 in principal amount of the 2017 Notes via open market from October 2014 to December 2014 with prices ranging from US\$917 to US\$930 per US\$1,000 principal amount.

REPURCHASE OF NOTES TENDERED BY MR. HAN JINGYUAN

On March 10, 2015, the Company decided to, subject to the General Conditions as set out in the Offer to Purchase and Consent Solicitation Statement, accept for repurchase all the Notes validly tendered and not withdrawn at or prior to the Expiration Time (including the 2015 Notes and 2017 Notes validly tendered by Mr. Han Jingyuan) at the applicable Repurchase Price pursuant to the terms of the Offers.

As stated in the Final Results Announcement, the Repurchase Price for the 2015 Notes validly tendered and accepted for repurchase pursuant to the Offer will be US\$950 per US\$1,000 in principal amount and the Repurchase Price for the 2017 Notes validly tendered and accepted for repurchase pursuant to the Offer will be US\$840 per US\$1,000 in principal amount. In addition, the Company will also pay the Accrued Interest in respect of the Notes accepted for repurchase from, and including the most recent interest payment date to, but excluding the Settlement Date. Accordingly, the total consideration to be paid by the Company to Mr. Han Jingyuan under the Transaction is US\$10,491,367, which is expected to be paid by the Company to Mr. Han Jingyuan on or prior to March 16, 2015 pursuant to the Offer to Purchase and Consent Solicitation Statement.

The Company will use available cash and cash equivalents, notes receivable to be converted into cash (with certain discounts), and drawdowns on existing credit facilities granted by banks within the PRC to fund the repurchase of the Notes (including the Transaction).

Please refer to the Final Results Announcement for more details of the applicable Repurchase Price, the Settlement Date and the settlement of the Offers.

REASONS AND BENEFITS FOR THE TRANSACTION

The Transaction was entered into as part of the Offers, the principal purpose of which is to acquire the outstanding Notes in order to eliminate substantially all of the restrictive covenants and modify certain of the events of default defined under the Indentures.

GENERAL INFORMATION

The Company is a company incorporated in the Bermuda with limited liability and its issued Shares are listed on the Main Board of the Hong Kong Stock Exchange. The Group is principally engaged in the manufacture and sales of iron and steel products, trading of steel products and iron ore and real estate development and sale.

As of the date of this announcement, Mr. Han Jingyuan is the Chairman and the Chief Executive Officer of the Company, and Mr. Han Jingyuan and his associates beneficially hold 45.04% of the Company's issued and outstanding share capital. Mr. Han Li, an Executive Director of the Company, is an associate of Mr. Han Jingyuan.

Other than Mr. Han Jingyuan and Mr. Han Li who have a material interest in the Transaction and have abstained from voting on the board resolutions in respect the Transaction, no other director has a material interest in the Transaction.

IMPLICATIONS UNDER THE HONG KONG LISTING RULES

Mr. Han Jingyuan is the Chairman and Chief Executive Officer of the Company, and Mr. Han Jingyuan and his associates beneficially hold 45.04% of the Company's issued and outstanding share capital. Accordingly, Mr. Han Jingyuan is a connected person of the Company under Chapter 14A of the Hong Kong Listing Rules and the Transaction constituted a connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules.

As Transaction was entered into as part of the Company's tender offer for any and all outstanding Notes and on the same terms and conditions available to other Holders under the Offers, the terms of the Transaction are no less favourable to the Company than the terms available from independent third parties. Thus, the Board (including the Independent Non-executive Directors, but excluding Mr. Han Jingyuan and Mr. Han Li) were of the view that the Transaction was on normal commercial terms, and the terms of the Transaction were fair and reasonable and in the interest of the shareholders as a whole.

As the highest applicable percentage ratio (as defined under Rule 14.07 of the Hong Kong Listing Rules) in respect of the Transaction is higher than 0.1% but less than 5%, the Transaction is subject to the reporting and announcement requirements, but is exempt from the approval by the independent shareholders of the Company under Chapter 14A of the Hong Kong Listing Rules.

DEFINITIONS

“2015 Notes”	the 8.00% senior notes due 2015 issued by the Company
“2015 Notes Indenture”	the indenture dated as of August 18, 2010 in relation to the 2015 Notes
“2017 Notes”	the 7.00% senior notes due 2017 issued by the Company
“2017 Notes Indenture”	the indenture dated as of November 17, 2010 in relation to the 2017 Notes
“Accrued Interest”	accrued and unpaid interest on the Notes from the last applicable interest payment dates to, but excluding, the Settlement Date
“associate”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Board”	the board of directors of the Company
“Business Day”	any day, other than Saturday, Sunday or a U.S. federal holiday, on which commercial banks and foreign exchange markets are open for business in New York City
“Company”	China Oriental Group Company Limited, an exempted company incorporated in Bermuda with limited liability, and the Shares are listed on the main board of the Hong Kong Stock Exchange
“connected person”	has the meaning ascribed to it under the Hong Kong Listing Rules
“connected transaction”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Consent Solicitations”	solicitations from the Company seeking consents to (i) all of the proposed amendments to the 2015 Notes as a single proposal, and (ii) all of the proposed amendments to the 2017 Notes as a single proposal
“Director(s)”	director(s) of the Company
“Expiration Time”	5:00 p.m. (New York City time) on March 9, 2015, unless extended by the Company in its sole discretion, for both the 2015 Notes and the 2017 Notes
“Extended Early Tender Deadline”	5:00 p.m. (New York City time) on March 9, 2015, unless extended by the Company in its sole discretion, for both the 2015 Notes and the 2017 Notes, which is the same as the Expiration Time

“Extension Announcement”		the announcement of the Company dated February 24, 2015 in relation to the extension of the Original Early Tender Deadline to the Extended Early Tender Deadline
“Final Announcement”	Results	the announcement of the Company dated March 10, 2015 in relation to the expiry and final results of the Offers and Consent Solicitations
“Group”		collectively, the Company and its subsidiaries from time to time
“Holder(s)”		a holder or holders of the Notes
“Hong Kong”		the Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules”		the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Hong Kong Stock Exchange”		The Stock Exchange of Hong Kong Limited
“Indentures”		the 2015 Notes Indenture and the 2017 Notes Indenture
“Launch Announcement”		the announcement of the Company dated February 9, 2015 in relation to the commencement of the Offers and Consent Solicitations
“Notes”		the 2015 Notes and the 2017 Notes
“Offer(s)”		the offer(s) by the Company to repurchase for cash any and all of its outstanding 2015 Notes and 2017 Notes. Holders who validly tender their Notes will be deemed to have consented to the Proposed Amendments.
“Offer to Purchase and Consent Solicitation Statement”		the offer to purchase and consent solicitation statement dated February 9, 2015 issued by the Company to the Holders of the Notes in connection with the Offers
“Original Early Tender Deadline”		5:00 p.m. (New York City time) on February 23, 2015, for both the 2015 Notes and the 2017 Notes
“Proposed Amendments”		certain proposed amendments to the 2015 Notes Indenture and the 2017 Notes Indenture
“PRC”		the People’s Republic of China which, except where the context otherwise requires and for the purpose of this announcement only, does not include Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Repurchase Price(s)”		the fixed price of US\$950 in cash per US\$1,000 in principal

	amount to repurchase any and all of the outstanding 2015 Notes, and the fixed price of US\$840 in cash per US\$1,000 in principal amount to repurchase any and all of the outstanding 2017 Notes
“Settlement Date”	the fifth Business Day following the applicable Expiration Time, which is expected to be March 16, 2015 (New York City time) for the offer to repurchase applicable series of the Notes, unless extended by the Company in its sole discretion
“Share(s)”	ordinary shares of HK\$0.10 each in the share capital of the Company
“Transaction”	the acceptance and repurchase by the Company of the US\$7,000,000 in principal amount of the 2015 Notes and the US\$4,400,000 in principal amount of the 2017 Notes validly tendered and not withdrawn by Mr. Han Jingyuan pursuant to the Offer to Purchase and Consent Solicitation Statement
“U.S.” or “United States”	the United States of America
“US\$”	United States dollar, the lawful currency of the United States

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*