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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)

Update on Public Float Issue

China Oriental Group Company Limited (the “**Company**”, and together with its subsidiaries collectively known as the “**Group**”) is issuing this announcement pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing Rules**”) and the “Inside Information Provision” (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance of Hong Kong.

Reference is made to the announcements of the Company dated 30 December 2013, 11 April 2014, 5 May 2014, 30 May 2014, 6 July 2014, 20 August 2014, 26 August 2014, 5 September 2014, 16 October 2014, 21 November 2014, 16 December 2014, 13 February 2015, 18 March 2015, 16 April 2015, 15 May 2015, 29 May 2015, 15 June 2015, 17 July 2015, 14 August 2015, 14 September 2015, 6 October 2015, 6 November 2015, 7 December 2015, 7 January 2016, 5 February 2016, 4 March 2016, 7 April 2016, 9 May 2016 and 10 May 2016 (the “**Announcements**”). Unless otherwise stated, capitalized terms used herein shall have the same meaning ascribed in the Announcements.

As mentioned in the announcements of the Company dated 9 May 2016 and 10 May 2016, the Company submitted the Two Proposals to the Stock Exchange for seeking guidance and the Stock Exchange ruled that the Two Proposals cannot resolve the public float issue under Rule 8.08 of the Listing Rules. Hence, the Company continues to work with the financial advisors on their original proposals. During May 2016, the Company participated in non-deal roadshows and met with potential investors recommended by financial advisors to discuss proposal for new share issuance of the Company. Based on the preliminary feedbacks from these potential investors, the Company would consider that it may not be in the best interests of its shareholders for new share issuance at the current moment.

The Company is also considering other proposals so as to resolve the public float issue of the Company as soon as practicable. As at the date of this announcement, the management of the Company is in the process of working with the financial advisors and legal advisors to identify the most feasible and practicable measures for the restoration of the public float of the Company. The Company will continue to publish monthly announcement to update its shareholders and potential investors on the status of the public float of the Company and measures that may be introduced by the Company to restore its public float.

Shareholders of the Company and/or potential investors are urged to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 10 June 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*