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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 and the Application for a Ruling on Mandatory General Offer

The Company hereby announces that the Takeovers and Mergers Panel (the “**Panel**”) of the SFC has decided that ArcelorMittal is not required to make a mandatory general offer for the Company’s shares.

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 and 5 September 2014 (the “**Announcements**”) regarding the public float issue and the suspension of trading of the shares of the Company. Unless otherwise stated, capitalized terms used herein shall have the same meaning ascribed in the Announcements.

Whether ArcelorMittal has triggered a mandatory general offer

In the period between 27 April to 30 April 2014:

- (a) ArcelorMittal further extended the ING Put Option for one year until 30 April 2015;
- (b) DB exercised the DB Put Option and sold its 219,789,940 shares in the Company (representing 7.5% of the Company’s issued share capital) back to ArcelorMittal; and

- (c) ArcelorMittal entered into a scheme with Macquarie Bank Limited (“**Macquarie**”) which was on terms similar to the amended and restated terms of the ING Option whereby ArcelorMittal sold to Macquarie the same number of shares as that under the DB Sale at a price of HK\$1.70 per share and also granted a put option over such shares in favour of Macquarie.

(together, the “**Transactions**”)

On 9 June 2014 the INEDs applied to the Executive Director of the Corporate Finance Division of the SFC (the “**Executive**”) to request for a formal ruling on whether the Transactions should have resulted in the need for ArcelorMittal to make a mandatory general offer for all the shares of the Company at the price at which DB sold its shares in the Company to ArcelorMittal.

On 21 August 2014, the Executive has ruled that ArcelorMittal is not required to make a mandatory general offer for the Company’s shares.

On 1 September 2014, the INEDs wrote to the Panel to appeal against the Executive’s ruling.

On 25 September 2014, the Panel met and decided that ArcelorMittal is not required to make a mandatory general offer for the Company’s shares. On 15 October 2014, the Panel published the reasons for its decision. For details of the full decision of the Panel, please refer to the website of the Securities and Future Commission.

Public Float Shortfall

As ArcelorMittal has not triggered a mandatory general offer for the shares of the Company, shareholders of the Company are not entitled to be bought out by ArcelorMittal at the price that ArcelorMittal paid DB for its shares. Accordingly, the Board is taking advice and considering its next course of action in addressing the public float issue.

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, 16 October 2014

All the Directors of the Company jointly and severally accept full responsibility for the accuracy of information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

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. Vijay Kumar BHATNAGAR 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 (www.hkexnews.hk).

**For identification purposes only*