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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in China Oriental Group Company Limited, you should at once hand this circular to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

PROPOSED GENERAL MANDATES
TO ISSUE NEW SHARES AND TO REPURCHASE SHARES
AND PROPOSED RE-ELECTION OF RETIRING DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING

A notice convening an Annual General Meeting of China Oriental Group Company Limited to be held at Suites 901-2 & 10, 9th Floor, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong on Friday, 7 May 2010 at 10:00 a.m. is set out on pages 14 to 17 of this circular.

Shareholders are advised to read the notice. Whether or not you are able to attend the Annual General Meeting, you are requested to complete and return the form of proxy enclosed with this circular in accordance with the instructions printed thereon to the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the meeting (or any adjourned meeting thereof). Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting or any adjourned meeting should you so wish.

* *For identification purposes only*

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DEFINITIONS

In this circular, the following expressions shall have the following meanings unless the context requires otherwise:

“Annual General Meeting”	the annual general meeting of the Company to be held at Suites 901-2 & 10, 9th Floor, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong on Friday, 7 May 2010 at 10:00 a.m., notice of which is contained in this circular
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Auditors”	the auditors for the time being of the Company
“Bermuda Companies Act”	the Companies Act 1981 of Bermuda
“Board”	the board of directors of the Company
“Bye-laws”	Bye-laws of the Company
“Company”	China Oriental Group Company Limited, a company incorporated in Bermuda with limited liability whose Shares are listed on the Stock Exchange
“Directors”	the director(s) of the Company
“Group”	the Company and its Subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China
“Issuance Mandate”	as defined in paragraph 2(b) of the Letter from the Board
“Latest Practicable Date”	1 April 2010, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Repurchase Mandate”	as defined in paragraph 2(a) of the Letter from the Board
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance of Hong Kong

DEFINITIONS

“Share(s)”	shares(s) in the Company with a nominal value of HK\$0.10 each
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary”	a company which is for the time being and from time to time a subsidiary (within the meaning of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)) of the Company
“Takeovers Code”	Hong Kong Code on Takeovers and Mergers
“%”	per cent

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Han Jingyuan
(Chairman and Chief Executive Officer)
Mr. Zhu Jun
Mr. Liu Lei
Mr. Shen Xiaoling
Mr. Zhu Hao
Mr. Muktesh Mukherjee

Non-Executive Directors:

Mr. Jean-Paul Georges Schuler
Mr. Ondra Otradovec

Independent Non-Executive Directors:

Mr. Gao Qingju
Mr. Yu Tung Ho
Mr. Wong Man Chung, Francis

Registered Office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Principal place of business in

Hong Kong:
Suites 901-2 & 10
9th Floor, Great Eagle Centre
23 Harbour Road
Wanchai
Hong Kong

7 April 2010

To the Shareholders

Dear Sir or Madam,

**PROPOSED GENERAL MANDATES
TO ISSUE NEW SHARES AND TO REPURCHASE SHARES
AND PROPOSED RE-ELECTION OF RETIRING DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide the Shareholders with information in respect of the resolutions to be proposed at the Annual General Meeting for (i) the granting of the Repurchase Mandate to the Directors; (ii) the granting of the Issuance Mandate to the

* For identification purposes only

LETTER FROM THE BOARD

Directors; (iii) the extension of the Issuance Mandate by adding to it the number of shares repurchased by the Company under the Repurchase Mandate; and (iv) the re-election of retiring Directors.

2. PROPOSED GRANTING OF THE REPURCHASE AND ISSUANCE MANDATES

At the annual general meeting of the Company held on 15 May 2009, general mandates were granted to the Directors to exercise the powers of the Company to repurchase Shares and to issue new Shares respectively. Such mandates will lapse at the conclusion of the Annual General Meeting.

Ordinary resolutions will be proposed at the Annual General Meeting to approve the granting of new general mandates to the Directors:

- (a) to purchase Shares on the Stock Exchange of up to 10% of the existing issued share capital of the Company on the date of passing of such resolution (the “Repurchase Mandate”);
- (b) to allot, issue or deal with Shares of up to 20% of the share capital of the existing share capital of the Company in issue on the date of passing of such resolution (the “Issuance Mandate”); and
- (c) to extend the Issuance Mandate by the number of shares repurchased by the Company pursuant to and in accordance with the Repurchase Mandate.

The Repurchase Mandate and the Issuance Mandate will continue in force until the conclusion of the next annual general meeting of the Company held after the Annual General Meeting or any earlier date as referred to in ordinary resolutions nos. 5, 6 and 7 as set out in the notice of the Annual General Meeting. With reference to the Repurchase Mandate and the Issuance Mandate, the Directors wish to state that they have no immediate plan to repurchase or issue any Shares pursuant thereto.

In accordance with the requirements of the Listing Rules, the Company is required to send to the Shareholders an explanatory statement containing all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the granting of the Repurchase Mandate. The explanatory statement as required by the Listing Rules in connection with the Repurchase Mandate is set out in the Appendix I to this circular.

3. PROPOSED RE-ELECTION OF RETIRING DIRECTORS

Pursuant to clause 87 of the current Bye-laws, at each annual general meeting of the Company, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not greater than one-third) shall retire from office by rotation provided that the Chairman of the Board and/or the Managing Director shall not whilst holding such office, be subject to retirement by rotation or be taken into account in determining the number of Directors to retire in each year. The Director(s) to retire by rotation shall be the person(s) who has/have been longest in office since his or her or their

LETTER FROM THE BOARD

last re-election or appointment. As between persons who became or were last re-elected Directors on the same day, the person(s) to retire shall (unless they otherwise agree among themselves) be determined by lot. Any Director appointed pursuant to clause 86(2) of the current Bye-laws shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation. A retiring Director shall be eligible for re-election by the Shareholders at the relevant annual general meeting.

According to the above provisions, Mr. Zhu Jun, Mr. Liu Lei, Mr. Zhu Hao and Mr. Gao Qingju shall retire from office at the Annual General Meeting and, being eligible, will offer themselves for re-election at the Annual General Meeting.

Pursuant to Rule 13.74 of the Listing Rules, a listed issuer shall disclose the details required under Rule 13.51(2) of the Listing Rules of any Director(s) proposed to be re-elected or proposed new director in the notice or accompanying circular to its shareholders of the relevant general meeting, if such re-election or appointment is subject to shareholders' approval at that relevant general meeting. The requisite details of Mr. Zhu Jun, Mr. Liu Lei, Mr. Zhu Hao and Mr. Gao Qingju are set out in Appendix III of this circular.

4. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

The notice of the Annual General Meeting is set out on pages 14 to 17 of this circular. At the Annual General Meeting, resolutions will be proposed to approve, inter alia, the granting of the Repurchase Mandate and the Issuance Mandate, the extension of the Issuance Mandate by the addition thereto of the number of Shares repurchased pursuant to the Repurchase Mandate and the re-election of the retiring Directors.

A form of proxy for use at the Annual General Meeting is enclosed with this circular.

To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority at the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting at the Annual General Meeting if you so wish.

5. RECOMMENDATION

The Directors consider that the granting of the Repurchase Mandate, the granting of the Issuance Mandate and extension of the Issuance Mandate and the re-election of the retiring Directors are in the best interests of the Company, the Group and the Shareholders as a whole. Accordingly, the Directors recommend that all Shareholders should vote in favour of the relevant resolutions to be proposed at the Annual General Meeting.

LETTER FROM THE BOARD

6. GENERAL INFORMATION

Your attention is drawn to the additional information set out in Appendix I (Explanatory Statement to Repurchase Mandate), Appendix II (Procedure by which the Shareholders may demand a poll) and Appendix III (Details of the Directors proposed to be re-elected at the Annual General Meeting) to this circular.

By Order of the Board
China Oriental Group Company Limited
Han Jingyuan
Chairman and Chief Executive Officer

The following is an explanatory statement required under Rule 10.06(1)(b) of the Listing Rules to be sent to the Shareholders to enable them to make an informed decision on whether to vote for or against the ordinary resolution to be proposed at the Annual General Meeting in relation to the granting of the Repurchase Mandate.

1. REASONS FOR SHARE REPURCHASE

The Directors believe that the granting of the Repurchase Mandate is in the interests of the Company and the Shareholders. Repurchases of Shares may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share. The Directors are seeking the granting of the Repurchase Mandate to give the Company the flexibility to do so if and when appropriate. The number of Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time, having regard to the circumstances then pertaining.

2. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised of 2,929,725,000 paid up Shares.

Subject to the passing of the Resolution 6 regarding grant of the Repurchase Mandate set out in the Notice of the Annual General Meeting and on the basis that no Shares are issued or repurchased by the Company between the Latest Practicable Date and the date of the Annual General Meeting, the Directors would be authorised to repurchase up to 292,972,500 paid up Shares (10% of the issued and paid-up Shares of the Company) during the Relevant Period.

3. FUNDING OF REPURCHASE

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum of association, the Current Bye-laws, the laws of Bermuda and/or any other applicable laws.

The Company is empowered by its memorandum of association and the Current Bye-laws to repurchase Shares. The laws of Bermuda provide that the amount of capital paid in connection with a share repurchase by a Company may only be paid out of either the capital paid up on the relevant shares, or the funds of the Company which would otherwise be available for dividend or distribution or the proceeds of a fresh issue of shares made for such purpose. The amount of premium payable on repurchase may only be paid out of funds of the Company which would otherwise be available for dividend or distribution or out of the share premium account of the Company before the shares are repurchased.

4. IMPACT OF REPURCHASES

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report of the Company for the year ended 31 December 2009) in the event that the Repurchase Mandate was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not intend to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

5. TAKEOVERS CODE

If, as a result of a Share repurchase, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code. As a result, a Shareholder, or group of Shareholders acting in concert, depending on the level of increase in the Shareholder's interests, could obtain or consolidate control of the Company and becomes obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, Wellbeing Holdings Limited ("Wellbeing") holds approximately 42.87% of the issued shares of the Company. Assuming that the Company repurchases 10% of the issued shares of the Company from its Shareholders other than from Wellbeing, Wellbeing's shareholding of the Company will increase to 47.63%. The Directors are not aware of any consequences which would arise under the Takeovers Code as a result of any repurchase pursuant to the Repurchase Mandate. In the event that any exercise of the Repurchase Mandate would, to the knowledge of the Directors of the Company, result in the number of Shares held by the public falling below 25% of the total number of Shares in issue, the Directors would not exercise the Repurchase Mandate to such an extent. In any event, the Directors do not have any present intention to exercise the Repurchase Mandate up to the extent to reduce the public shareholding to less than 25%.

6. GENERAL INFORMATION

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, any of their respective associates (as defined in the Listing Rules) have any present intention to sell any Shares to the Company in the event that the granting of the Repurchase Mandate is approved by the Shareholders.

The Company has not been notified by any connected persons (as defined in the Listing Rules) of the Company that they have a present intention to sell any Shares to the Company, or that they have undertaken not to sell any Shares held by them to the Company in the event that the granting of the Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make repurchases of Shares pursuant to the Repurchase Mandate in accordance with the Listing Rules and the laws of Bermuda.

7. MARKET PRICES OF SHARES

The highest and lowest prices at which the Shares were traded on the Stock Exchange during each of the previous twelve months preceding the Latest Practicable Date were as follows:

	Shares	
	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
2009		
April	1.55	1.15
May	1.93	1.25
June	2.35	1.67
July	2.22	1.80
August	2.63	1.95
September	2.48	2.10
October	2.45	2.01
November	2.58	2.06
December	2.95	2.31
2010		
January	3.15	2.45
February	3.23	2.70
March	3.50	2.84
April (up to the Latest Practicable Date)	3.10	3.01

8. REPURCHASES OF SHARES MADE BY THE COMPANY

No repurchase of Shares has been made by the Company during the six months (whether on the Stock Exchange or otherwise) preceding the Latest Practicable Date.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. The chairman of the Annual General Meeting shall therefore demand voting on all resolutions set out in the Notice of Annual General Meeting be taken by way of poll pursuant to Bye-law 66.

Bye-law 66 and 67 sets out the procedure by which Shareholders may demand a poll:

“66. Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with these Bye-laws, at any general meeting on a show of hands every Member present in person (or being a corporation, is present by a representative duly authorised under Section 78 of the Act), or by proxy shall have one vote and on a poll every Member present in person or by proxy or, in the case of a Member being a corporation, by its duly authorised representative shall have one vote for every fully paid share of which he is the holder but so that no amount paid up or credited as paid up on a share in advance of calls or installments is treated for the foregoing purposes as paid up on the share. Notwithstanding anything contained in these Bye-laws, where more than one proxy is appointed by a Member which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands. A resolution put to the vote of a meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded:

- (a) by the chairman of such meeting; or
- (b) by at least three Members present in person (or in the case of a Member being a corporation by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting; or
- (c) by a Member or Members present in person (or in the case of a Member being a corporation by its duly authorised representative) or by proxy and representing not less than one-tenth of the total voting rights of all Members having the right to vote at the meeting; or
- (d) by a Member or Members present in person (or in the case of a Member being a corporation by its duly authorised representative) or by proxy and holding shares in the Company conferring a right to vote to the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

A demand by a person as proxy for a Member or in the case of a Member being a corporation by its duly authorised representative shall be deemed to be the same as a demand by a Member.

67. Unless a poll is duly demanded and the demand is not withdrawn, a declaration by the chairman that a resolution has been carried, or carried unanimously, or by a particular majority, or not carried by a particular majority, or lost, and an entry to that effect made in the minute book of the Company, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded for or against the resolution.”

APPENDIX III DETAILS OF THE DIRECTORS PROPOSED TO BE RE-ELECTED AT ANNUAL GENERAL MEETING

Pursuant to the Listing Rules, the details of the Directors who will retire at the Annual General Meeting according to the Current Bye-laws and will be proposed to be re-elected at the Annual General Meeting are provided below.

Mr. Zhu Jun (“Mr. Zhu”), aged 46, Executive Director

Mr. Zhu is an Executive Director, Executive Deputy General Manager of the Company, also serves as the Chief Operating Officer of the board and the executive director of Hebei Jinxi Iron and Steel Group Company Limited (“Jinxi Limited”). Mr. Zhu graduated in 2001 from a graduate programme of the Communist Party School in Hebei Province with a diploma in management. Prior to working in the steel industry, Mr. Zhu worked for 10 years as deputy director of Qianxi County Chemical Fertilizer Factory which was based in Qianxi County. Mr. Zhu joined Jinxi Iron Factory in 1992 and later served as deputy director. He was named as the “Model Worker to the National Steel Industry” by China Iron and Steel Association in February 2009. Mr. Zhu has had 16 years of working experience in the iron and steel industry.

As at the Latest Practicable Date, Mr. Zhu beneficially holds 2,400,000 Shares in the Company representing approximately 0.08% of the issued share capital of the Company within the meaning of Part XV of the SFO.

As at the Latest Practicable Date, Mr. Zhu was also interested in the share options of 2,600,000 Shares under Part XV of the SFO.

The Company has entered into service contract with Mr. Zhu for a term of three years commencing from 23 December 2009 ending at 22 December 2012 and will be subject to retirement and eligible for re-election at the Annual General Meeting of the Company in accordance with the Current Bye-laws. Currently, the emolument of Mr. Zhu is HK\$300,000 per annum.

Save as disclosed above, Mr. Zhu does not have any relationship with any directors, senior management or other substantial or controlling Shareholders of the Company.

Save as disclosed above, Mr. Zhu does not have any position with the Company and other member of the Group and did not hold any directorship with other listed companies in the past three years preceding the Latest Practicable Date.

Save as disclosed, there are no other matters which need to be brought to the attention of the Shareholders in relation to the proposed re-election of Mr. Zhu, and there is no other information required to be disclosed pursuant to any of the requirements of Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

Mr. Liu Lei (“Mr. Liu”), aged 54, Executive Director

Mr. Liu is an Executive Director and Deputy General Manager of the Company and director of Fosha Jinxi Jin Lan Cold Rolled Sheet Company Limited (“Jinxi Jinlan”). Mr. Liu has over 22 years of experience in management and industrial fields. Mr. Liu graduated

APPENDIX III DETAILS OF THE DIRECTORS PROPOSED TO BE RE-ELECTED AT ANNUAL GENERAL MEETING

in the area of Industrial Electrical Automation of Electrical Engineering Faculty of 河北工學院 (Hebei Industrial Academy) in July 1978. Mr. Liu was awarded the title of 河北省有突出貢獻的中青年專業技術人才 (Professional Technological Talent with Outstanding Contribution in Hebei Province) by Government of Hebei Province in April 1987. Mr. Liu was also granted the qualification of research fellow by 河北省自然研究高級評委會 (Senior Appraisal Committee of Zi Ran Yan Jiu of Hebei Province) in December 2000. Before joining the Group in June 2004, Mr. Liu was the Vice Chancellor of 河北省科學院 (Hebei Academy of Sciences) from October 1999 to June 2004.

As at the Latest Practicable Date, Mr. Liu beneficially holds 2,400,000 Shares in the Company representing approximately 0.08% of the issued share capital of the Company within the meaning of Part XV of the SFO.

As at the Latest Practicable Date, Mr. Liu was also interested in the share options of 2,600,000 Shares under Past XV of the SFO.

The Company has entered into service contract with Mr. Liu for a term of two years commencing from 29 September 2008 ending at 28 September 2010 and will be subject to retirement and eligible for re-election at the Annual General Meeting of the Company in accordance with the Current Bye-laws. Currently, the emolument of Mr. Liu is HK\$300,000 per annum.

Save as disclosed above, Mr. Liu does not have any relationship with any directors, senior management or other substantial or controlling Shareholders of the Company.

Save as disclosed above, Mr. Liu does not have any position with the Company and other member of the Group and did not hold any directorship with other listed companies in the past three years preceding the Latest Practicable Date.

Save as disclosed, there are no other matters which need to be brought to the attention of the Shareholders in relation to the proposed re-election of Mr. Liu, and there is no other information required to be disclosed pursuant to any of the requirements of Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

Mr. Zhu Hao (“Mr. Zhu”), aged 43, Executive Director

Mr. Zhu is an Executive Director of the Company and graduated at Tianjin Nankai University and obtained his master degree in accounting from the University of New South Wales in Australia. Mr. Zhu is a senior economist in China. Mr. Zhu was a non-executive director of Jinxi Limited from December 2002 to early 2004.

As at the Latest Practicable Date, Mr. Zhu does not have any Shares of the Company within the meaning of Part XV of the SFO.

As at the Latest Practicable Date, Mr. Zhu was interested in the share options of 2,600,000 Shares under Part XV of the SFO.

APPENDIX III DETAILS OF THE DIRECTORS PROPOSED TO BE RE-ELECTED AT ANNUAL GENERAL MEETING

The Company has entered into service contract with Mr. Zhu for a term of three years commencing from 21 November 2008 ending at 20 November 2011 and will be subject to retirement and eligible for re-election at the Annual General Meetings of the Company in accordance with the Current Bye-laws. Currently, the emolument of Mr. Zhu is HK\$300,000 per annum.

Save as disclosed above, Mr. Zhu does not have any relationship with any directors, senior management or substantial or controlling Shareholders of the Company.

Save as disclosed above, Mr. Zhu does not have any position with the Company and other member of the Group and did not hold any directorship with other listed companies in the past three years preceding the Latest Practicable Date.

Save as disclosed, there are no other matters which need to be brought to the attention of the Shareholders in relation to the proposed re-election of Mr. Zhu, and there is no other information required to be disclosed pursuant to any of the requirements of Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

Mr. Gao Qingju (“Mr. Gao”), aged 73, Independent Non-Executive Director

Mr. Gao is a senior engineer. Mr. Gao is the managing director and general manager of 北京聯興發鋼鐵科貿有限公司 (Beijing Lianxingfa Industrial & Technical Co., Ltd) since 2000. Mr. Gao graduated from metallurgical machinery and equipment at 北京鋼鐵工業學校 (The Beijing College of Iron & Steel) in 1958 and joined 北京鋼鐵研究院 (The Beijing Iron and Steel Research Institute) in the same year. In 1965, Mr. Gao was seconded to the Ministry of Metallurgical Industry and dealt with for research work until he retired. During employment with the Ministry of Metallurgical Industry, Mr. Gao was the officer of Small and Medium Manufacture Enterprises. Mr. Gao completed an professional economics management training course at the Communist Party School in 1988. Mr. Gao is vice president and permanent secretary of 地方鋼鐵企業協會 (The Regional Iron and Steel Enterprises Association) during employment and some time after retirement.

As at the Latest Practicable Date, Mr. Gao beneficially holds 1,686,000 Shares of the Company representing approximately 0.06% of the issued above capital of the Company within the meaning of Part XV of the SFO.

As at the Latest Practicable Date, Mr. Gao was also interested in the share options of 2,000,000 Shares under Part XV of the SFO.

The Company has entered into service contract with Mr. Gao for a term of one years commencing from 23 December 2009 ending at 22 December 2010 and will be subject to retirement and eligible for re-election at the Annual General Meetings of the Company in accordance with the Current Bye-laws. Currently, the emolument of Mr. Gao is HK\$300,000 per annum.

Save as disclosed above, Mr. Gao does not have any relationship with any directors, senior management or substantial or controlling Shareholders of the Company.

**APPENDIX III DETAILS OF THE DIRECTORS PROPOSED TO BE
RE-ELECTED AT ANNUAL GENERAL MEETING**

Save as disclosed above, Mr. Gao does not have any position with the Company and other member of the Group and did not hold any directorship with other listed companies in the past three years preceding the Latest Practicable Date.

Save as disclosed, there are no other matters which need to be brought to the attention of the Shareholders in relation to the proposed re-election of Mr. Gao, and there is no other information required to be disclosed pursuant to any of the requirements of Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

NOTICE OF ANNUAL GENERAL MEETING



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)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Annual General Meeting of the Company will be held at Suites 901-2 & 10, 9th Floor, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong on Friday, 7 May 2010 at 10:00 a.m. and at any adjournment thereof, for the following purposes:

1. To receive, consider and adopt the audited consolidated financial statements together with the Directors' Report and the Independent Auditors' Report of the Group for the year ended 31 December 2009;
2. to declare a final dividend of HK\$0.086 per share for the year ended 31 December 2009;
3.
 - (a) To re-elect Mr. Zhu Jun as an Executive Director
 - (b) To re-elect Mr. Liu Lei as an Executive Director
 - (c) To re-elect Mr. Zhu Hao as an Executive Director
 - (d) To re-elect Mr. Gao Qingju as an Independent Non-Executive Director
 - (e) To authorize the Board of Directors to fix the Directors' remuneration;
4. To re-appoint PricewaterhouseCoopers as Auditor of the Company and to authorize the Board of Directors to fix their remuneration;
5. To consider and, if thought fit, pass with or without amendments, the following resolution as an Ordinary Resolution:

“THAT

- (a) subject to paragraph 5(c) below, the exercise by the Directors of the Company during the Relevant Period (as defined in paragraph 5(d) below) of all powers of the Company to allot, deal and issue additional shares in the share capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers either during or after the Relevant Period be and is hereby generally and unconditionally approved;

* For identification purposes only

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- (b) the approval in paragraph 5(a) above shall authorize the Directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal value of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors of the Company pursuant to the approval in paragraph 5(a) above, otherwise than pursuant to a Rights Issue (as defined in paragraph 5(d) below) or to the share option scheme of the Company, shall not exceed 20 per cent of the aggregate nominal value of the share capital of the Company in issue at the date of passing this Resolution and the said approval pursuant to paragraph 5(a) above shall be limited accordingly; and
- (d) for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by applicable law of Bermuda and the Current Bye-Laws to be held; and
- (iii) the revocation or variation of this Resolution by an ordinary resolution of the Shareholders of the Company in general meeting;

“Rights Issue” means an offer of shares or options to subscribe for shares open for a period fixed by the Directors of the Company to holders of shares on the register of members of the Company, on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements and having regard to any restrictions of obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in, any territory applicable to the Company).”

- 6. To consider and, if thought fit, pass with or without amendments, the following resolution as an Ordinary Resolution:

“THAT

- (a) subject to paragraph 6(c) below, the exercise by the Directors of the Company during the Relevant Period (as defined in paragraph 6(d) below) of all the powers of the Company to repurchase issued shares in the capital of the Company, subject to and in accordance with all applicable laws, be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph 6(a) above shall be in addition to any other authorization given to the Directors of the Company;

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(c) the aggregate nominal value of share capital to be repurchased by the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on another stock exchange recognized for this purpose by The Securities and Futures Commission and the Stock Exchange under Hong Kong Code on Share Repurchases pursuant to the approval in paragraph 6(a) above during the Relevant Period, shall be no more than 10 per cent of the aggregate nominal value of the existing issued share capital of the Company at the date of this meeting, and the authority pursuant to the paragraph 6(a) above shall be limited accordingly; and

(d) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within the next annual general meeting of the Company is required by applicable law of Bermuda and the Current Bye-Laws to be held; and
- (iii) the revocation or variation of this Resolution by an ordinary resolution of the Shareholders of the Company in general meeting.”

7. To consider and, if thought fit, pass with or without amendments, the following resolution as an Ordinary Resolution:

“**THAT**, conditional upon the passing of the Ordinary Resolution as set out in paragraph 6 above, the general mandate granted to the Directors pursuant to paragraph 5(a) above shall be extended by the addition thereto of an amount representing the aggregate nominal value of the share capital of the Company repurchased by the Company under the authority granted in paragraph 6 above, provided that such amount shall not exceed 10 per cent of the aggregate nominal value of the share capital of the Company in issue at the date of passing this Resolution.”

By Order of the Board
China Oriental Group Company Limited
Han Jingyuan
Chairman and Chief Executive Officer

Hong Kong, 7 April 2010

Notes:

- (1) A member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more proxies to attend and, in the event of a poll, vote on his or her behalf. A proxy need not be a member of the Company. If more than one proxy is so appointed, the appointment shall specify the number of shares in respect of which each such proxy is so appointed.
- (2) To be valid, the form of proxy together with the authorization letter or other authority (if any) under which is signed or a certified copy thereof, must be deposited at the Company’s Hong Kong branch share registrar, Tricor Investor Services Limited, 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the Meeting, or any adjournment thereof.

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- (3) Completion and delivery of the form of proxy will not preclude a member from attending and voting in person at the Annual General Meeting if the member so desires and in such event, the instrument appointing a proxy shall be deemed to be revoked.