

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement does not constitute an offer to sell or the solicitation of an offer to buy any securities in the United States or any other jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No securities may be offered or sold in the United States absent registration or an applicable exemption from registration requirements. Any public offering of securities to be made in the United States will be made by means of an offering circular. Such offering circular will contain detailed information about the Company making the offer and its management and financial statements. The Company does not intend to make any public offering of securities in the United States.



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 ISSUE OF SENIOR NOTES

The Company proposes to conduct an international offering of senior notes with bullet repayment and will commence a series of roadshow presentations beginning on 3 May 2010 to certain qualified institutional investors globally. In connection with the offering, the Company will provide these qualified institutional investors with recent corporate and financial information regarding the Group, including but not limited to updated risk factors, management's discussion and analysis of financial condition and results of operations, related party transactions and indebtedness information, which information has not previously been made public. An extract of such recent information will be available at the Company's website www.chinaorientalgroup.com at approximately the same time when such information is released to the qualified institutional investors. The completion of the Proposed Notes Issue is subject to market conditions and investor interest.

Deutsche Bank as the sole global coordinator, and Deutsche Bank and ING as the joint lead managers and the joint bookrunners are managing the Proposed Notes Issue. The Company intends to use the proceeds of the offering of the Notes to fund working capital, capital expenditures and for general corporate purposes including possibly, the acquisition of steel mills in China and investments in iron ore assets. The Company may adjust its acquisition and development plans in response to changing market conditions and thus, reallocate the use of proceeds.

Approval in principle has been received for the listing of the Notes on the SGX-ST. Admission of the Notes to the SGX-ST is not to be taken as an indication of the merits of the Company or the Notes.

As no binding agreement in relation to the Proposed Notes Issue has been entered into as at the date of this announcement, the Proposed Notes Issue may or may not materialise. Investors and shareholders of the Company are urged to exercise caution when dealing in the securities of the Company. Further announcement in respect of the Proposed Notes Issue will be made by the Company should the Purchase Agreement be signed.

Proposed Notes Issue

Introduction

The Company proposes to conduct an international offering of senior notes with bullet repayment and will commence a series of roadshow presentations beginning on 3 May 2010 to certain qualified institutional investors globally. In connection with the offering, the Company will provide certain these qualified institutional investors with recent corporate and financial information regarding the Group, including but not limited to updated risk factors, management's discussion and analysis of financial condition and results of operations, related party transactions and indebtedness information, which information has not previously been made public. An extract of such recent information will be available at the Company's website www.chinaorientalgroup.com at approximately the same time when such information is released to the qualified institutional investors. The completion of the Proposed Notes Issue is subject to market conditions and investor interest.

Deutsche Bank as the sole global coordinator, and Deutsche Bank and ING as the joint lead managers and the joint bookrunners are managing the Proposed Notes Issue.

The Notes will only be offered by Deutsche Bank and ING (i) in the United States through their respective US broker-dealer affiliates to qualified institutional buyers in reliance on the exemption from the registration requirements of the Securities Act provided by Rule 144A or in transactions not subject to the registration requirements of the Securities Act and (ii) outside the United States, in compliance with Regulation S under the Securities Act. None of the Notes will be offered to the public in Hong Kong and none of the Notes will be placed to any connected persons of the Company.

Reasons for the Proposed Notes Issue

The Group is an integrated iron and steel manufacturer in the PRC principally engaged in the production of H-section steel products, strips and strip products, cold-rolled sheets and galvanized sheets and billets.

The Group is one of the most efficient steel manufacturers in China. According to statistics published by the China Iron and Steel Association, Hebei Jinxi Iron and Steel Group

Company Limited, one of the main operating subsidiaries of the Company, ranked 3rd in terms of steel productivity per employee for the period from January to November 2009 among 66 members of the China Iron and Steel Association comprising large and medium-sized steel companies.

The Proposed Notes Issue is being undertaken to enable the Company to raise funds for the purposes set out below while diversifying its funding channels and lengthening its maturity profile. The Company intends to use the proceeds of the offering of the Notes to fund working capital, capital expenditures and for general corporate purposes including, possibly the acquisition of steel mills in China and investments in iron ore assets. The Company may adjust its acquisition and development plans in response to changing market conditions and thus, reallocate the use of proceeds.

Listing

Approval in principle has been received for the listing of the Notes on the SGX-ST. Admission of the Notes to the SGX-ST is not to be taken as an indication of the merits of the Company or the Notes. No listing of the Notes has been sought in Hong Kong.

GENERAL

As no binding agreement in relation to the Proposed Notes Issue has been entered into as at the date of this announcement, the Proposed Notes Issue may or may not materialise. Investors and shareholders of the Company are urged to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

“Board”	the board of Directors
“Company”	China Oriental Group Company Limited, a company incorporated in the Bermuda and the issued Shares of which are listed on the main board of the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“Deutsche Bank”	Deutsche Bank AG, Singapore Branch, the sole global coordinator, a joint lead manager and joint bookrunner in respect of the offer and sale of the Notes
“Director(s)”	director(s) of the Company
“Group”	collectively, the Company and its subsidiaries from time to time

“ING”	ING Bank N.V., London Branch, a joint lead manager and joint bookrunner in respect of the offer and sale of the Notes
“Initial Purchasers”	Deutsche Bank and ING
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Notes”	the senior notes to be issued by the Company
“Offer Price”	the final price at which the Notes will be sold
“Proposed Notes Issue”	the proposed issue of the Notes by the Company
“PRC”	the People’s Republic of China
“Purchase Agreement”	the agreement proposed to be entered into between, among others, the Company, Deutsche Bank and ING in relation to the Proposed Notes Issue
“Securities Act”	the United States Securities Act of 1933, as amended
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“SGX-ST”	Singapore Exchange Securities Trading Limited
“US\$”	United States dollars

As at the date of this announcement, the Board of Directors of the Company comprises Mr. Han Jingyuan, Mr. Zhu Jun, Mr. Liu Lei, Mr. Shen Xiaoling, Mr. Zhu Hao and Mr. Muktesh Mukherjee being the Executive Directors, Mr. Ondra Otradovec and Mr. Jean-Paul Georges Schuler being the Non-Executive Directors and Mr. Gao Qingju, Mr. Yu Tung Ho and Mr. Wong Man Chung, Francis being the Independent Non-Executive Directors.

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

Hong Kong, 29 April 2010

**For identification purposes only*