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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)

DISCLOSEABLE TRANSACTION
ACQUISITION OF LAND IN SUZHOU

The Board is pleased to announce that, on 15 April 2014, Beijing Real Estate, an indirect non-wholly owned subsidiary of the Company was successful in its bid for the Land located in the city of Suzhou, the PRC, at a price of RMB 295,000,000 and received a confirmation letter thereof from the Land Bureau.

As one of the applicable percentage ratios (as defined under Rule 14.04(9) of the Listing Rules) in relation to the Acquisition exceed 5% but all such percentage ratios are less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements but is exempt from shareholders' approval requirement under the Listing Rules.

BACKGROUND

The Board is pleased to announce that, on 15 April 2014, Beijing Real Estate, an indirect non-wholly owned subsidiary of the Company was successful in its bid for the Land located in the city of Suzhou, the PRC, at a price of RMB 295,000,000 and received a confirmation letter thereof from the Land Bureau.

DETAILS OF THE BID

Parties	(i) Beijing Real Estate, an indirect non-wholly owned subsidiary of the Company; and (ii) The Land Bureau
Subject Matter	the Land
Property	for residential purpose
Total consideration	RMB 295,000,000, including the bid price of RMB 284,499,631 and levy of RMB 10,500,369
Payment terms	a guarantee deposit in the amount of RMB 48,500,000 was paid on 14 April 2014 and will be used to settle part of the total consideration for the Acquisition The Transfer Contract should be entered into on or before 23 May 2014 amount of RMB 93,749,816 will be paid when entering into the Transfer Contract and the remaining balance of the total consideration of RMB 152,750,184 will be paid before 15 July 2014 total consideration for the Acquisition will be fully settled in cash by internal resources of the Group and/or by borrowings

GENERAL INFORMATION OF THE PARTIES

The Company

The Company is a company incorporated in Bermuda with limited liability, the Shares of which are listed on the main board of the Hong Kong Stock Exchange. Its principal activities are holding investments in iron and steel manufacturing and trading companies and real estate companies in the PRC.

Beijing Real Estate

Beijing Real Estate is a company incorporated under the laws of the PRC with limited liability and is an indirect non-wholly owned subsidiary of the Company. It is principally engaged in real estate development.

The Land Bureau

The Land Bureau is a governmental body of the PRC. To the best of the knowledge, information and belief of the Directors and after having made all reasonable enquiries, the Land Bureau and its ultimate beneficial owners are independent third parties not connected with the Company and its connected persons (as defined in the Listing Rules).

REASONS FOR THE ACQUISITION

The Group started to engage in real estate business since 2010. After considering the Group's current financial situation and its future development, the Directors believe that the Acquisition is a good investment opportunity for the Group to increase its land reserves prudently for its future business development. The Acquisition was conducted by way of bidding after taking into account of, among other matters, the prevailing market price of comparable land and buildings in Suzhou and the future potential development, and the total consideration was determined accordingly.

The Directors (including the Independent Non-executive Directors) are of the view that the terms of the Acquisition are on normal commercial terms and are fair and reasonable and in the interests of the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios (as defined under Rule 14.04(9) of the Listing Rules) in relation to the Acquisition exceed 5% but all such percentage ratios are less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements but is exempt from shareholders' approval requirement under the Listing Rules.

DEFINITIONS

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

“Acquisition”	the acquisition of the land use rights of the Land pursuant to the successful bid on 15 April 2014
“Beijing Real Estate”	Beijing Jinxi Boyuan Real Estate Company Limited (北京津西博遠置業地產有限公司), a company incorporated under the laws of the PRC, and an indirect non-wholly owned subsidiary of the Company

“Board”	the board of Directors
“Company”	China Oriental Group Company Limited, a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the main board of the Hong Kong Stock Exchange
“Directors”	directors(s) of the Company
“Group”	collectively, the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Land”	one piece of land located at the junction of Zhiying Street East and Huashan Road South, Fengqiao Jie Dao, Gaoxin District, Suzhou, the PRC where an area of approximately 40,393.8 square meters with plot ratio not exceeding 1.5 for residential purpose
“Land Bureau”	Suzhou National Territory Resources Bureau (中國蘇州市國土資源局)
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Transfer Contract”	Contract for the assignment of the rights to use of state-owned construction land to be entered into between Beijing Real Estate and the Land Bureau in relation to the Acquisition

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

Hong Kong, 17 April 2014

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*