

Contact: Shiu Ka Yue/ Lorna Wong / Bryan Bian
Tel: 2801 6239 (90291865 / 90868623 / 96307030)

Date: 12 August 2010
Page: 1

CHINA ORIENTAL ISSUES US\$550 MILLION 8% SENIOR NOTES TO FUND POTENTIAL ACQUISITIONS IN THE STEEL SUPPLY CHAIN

China Oriental Group Company Limited (“China Oriental” or the “Company”, together with its subsidiaries, the “Group”, stock code: 581), an integrated iron and steel conglomerate in the PRC, will issue 8% senior notes (the “Notes”) in the aggregate principal amount of US\$550 million. The proceeds will be used for potential acquisitions of steel mills in China, continuous improvement capital expenditure projects at the Group’s current production facilities, potential investments in iron ore assets and general corporate purposes including for working capital requirements.

On 11 August 2010 (New York time), the Company entered into a purchase agreement with Deutsche Bank AG, Singapore Branch (“Deutsche Bank”), and ING Bank N.V. London Branch (“ING”), in connection with the issue of 8% Notes in the aggregate principal amount of US\$550 million, which will mature in August 2015. The Notes will bear interest at a rate of 8% per annum, payable semi-annually in arrears and commencing 18 February 2011. Deutsche Bank and ING are the initial purchasers of the Notes. Mr Han Jingyuan, Chairman and Chief Executive Officer of the Company, also subscribed for the Notes in the amount of US\$21 million through his wholly owned Eastland International Trading Limited.

The Notes will only be offered by Deutsche Bank, as the sole global coordinator, and ING, which together with Deutsche Bank being the joint lead managers and joint bookrunners, to qualified institutional buyers. None of the Notes will be offered to the public in Hong Kong.

Mr Han Jingyuan, Chairman and Chief Executive Officer of China Oriental, said:” The Group is one of the most efficient steel manufacturers in China. In line with the State’s steel policy of industry consolidation, we will proactively seek the opportunities for mergers and acquisitions, to efficiently enhance our overall capacity. The net proceeds raised from the issue of the Notes will provide a strong financial support to the Group’s potential acquisitions of steel mills in China and investments in iron ore assets, and offer a chance for the Group’s further vertical and horizontal development. Moreover, the issue of the Notes will diversify the funding channels and lengthen the maturity profile of the Company.”

Approval in-principle has been received for the listing of the Notes on the Singapore Exchange Securities Trading Limited. The Notes have received a rating of Ba1 by Moody’s Investors Service and BB+ by Fitch Ratings.

About China Oriental

Listed on the main board of the Hong Kong Stock Exchange on 2 March 2004, the Company is one of the PRC’s most efficient iron and steel producers. ArcelorMittal, the world’s largest steel conglomerate, became the strategic partner and substantial shareholder of the Company in 2007. The Group’s products are mainly sold domestically, with its major customers based in Northern China. Customers of the Group are downstream steel manufacturers who further process billets and strips into downstream steel products, which are used mainly in the construction industry and for the manufacture of machinery. In addition, China Oriental also produces downstream products including H-section steel, which has a leading position in the industry, and other downstream products such as cold rolled sheets and galvanised sheets. China Oriental is an integrated iron and steel conglomerate.

- End -

Issued by: China Oriental Group Company Limited
Through: CorporateLink Limited