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**U.S.\$400 million 5.125 per cent. Guaranteed Notes due 2019 issued by
China Overseas Grand Oceans Finance II (Cayman) Limited**
(incorporated in the Cayman Islands with limited liability)
(Stock Code: 6012)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Board wishes to inform shareholders, bondholders and potential investors of the Company that having reviewed the currently available information, the Group is likely to record a decline in the unaudited consolidated net profits attributable to owners of the Company for the six months ended 30 June 2014 as compared to the corresponding period last year.

The information contained in this announcement is a preliminary estimate by the management of the Group according to the management accounts of the Group.

Shareholders, bondholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

This announcement is made by China Overseas Grand Oceans Group Limited (the “Company”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the “Board”) of the Company wishes to inform shareholders, bondholders and potential investors of the Company that having reviewed the currently available information, the Company and its subsidiaries (collectively referred to as the “Group”) is likely to record a decline in the unaudited consolidated net profits attributable to owners of the Company for the six months ended 30 June 2014 as compared to the corresponding period last year (2013: HK\$1,563.7 million). The decline is mainly attributable to (i) a significant reduction in fair value gain of the investment properties; and (ii) short-term effects of structural economic adjustments in PRC. It is estimated that the shortfall would be about 30% based on preliminary assessment.

As the Company is still in the process of finalizing its unaudited interim results for the six months ended 30 June 2014, the information contained in this announcement is a preliminary estimate by the management of the Group according to the management accounts of the Group. Further details of the Group’s performance will be disclosed when the Group’s unaudited interim results for the six months ended 30 June 2014 are announced.

Shareholders, bondholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

For and on behalf of
**China Overseas Grand Oceans Finance
II (Cayman) Limited**
Hao Jian Min
Director

For and on behalf of
**CHINA OVERSEAS GRAND OCEANS
GROUP LIMITED**
Hao Jian Min
Chairman and Non-Executive Director

Hong Kong, 11 July 2014

As at the date of this announcement, the Board of the Company comprises nine Directors, of which four are executive Directors, namely, Mr. Chen Bin, Mr. Xiang Hong, Mr. Paul Wang Man Kwan and Mr. Yang Hai Song; two non-executive Directors, namely Mr. Hao Jian Min and Mr. Billy Yung Kwok Kee, and three independent non-executive Directors, namely Dr. Timpson Chung Shui Ming, Mr. Jeffrey Lam Kin Fung and Mr. Dantes Lo Yiu Ching. As at the date of this announcement, the directors of China Overseas Grand Oceans Finance II (Cayman) Limited are Mr. Hao Jian Min, Mr. Chen Bin and Mr. Xiang Hong.