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.

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）

POSITIVE PROFIT ALERT

This announcement is made by China Oriental Group Company Limited (the "**Company**", together with its subsidiaries, the "**Group**") 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 the "Inside Information Provisions" (as defined under the Listing Rules) Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the "**Board**") of directors (the "**Directors**") of the Company would like to inform the shareholders of the Company (the "**Shareholders**") and potential investors that, based on the preliminary review of the Group's unaudited consolidated management accounts for the year ended 31 December 2021 (the "**Relevant Year**") and the information currently available to the Board, the Group expects to record an increase in net profit for the Relevant Year by approximately 55% to 85%, as compared with the net profit of the Group for the year ended 31 December 2020. Based on the information available to date, such expected increase in net profit of the Group for the Relevant Year is mainly attributable to the combined effects of, among others, the following:

(i) the healthy development in the domestic steel market, and a relative tight balance of supply and demand of steel products, resulting in a significant increase in their average selling price and the gross profit per tonne of steel products, despite a significant increase in raw material prices at the same time;

(ii) the effective cost management system, which has been strengthened proactively by the Group through benchmarking, total budget management, etc., in optimising the cost of molten iron and production; and

(iii) the completion of the equipment upsizing project of the Group by the end of 2020 and the commencement of production by such newly installed equipment. Therefore, the adverse impact on operation efficiency from implementation of the project onsite has been eliminated.

The Company is in the process of finalising the annual results of the Group for the Relevant Year. The information contained in this announcement is solely based on the preliminary assessment by the Board of the Group's unaudited consolidated management accounts for the year ended 31 December 2021 and the information currently available to the Board, which have not been audited or reviewed by the Company's auditor or the audit committee of the Company, and is therefore subject to adjustments.

Shareholders and potential investors are advised to read carefully the announcement of the Company in relation to the annual results of the Group for the Relevant Year, which is expected to be published on or before 31 March 2022.

Shareholders and potential investors should exercise caution when dealing in the securities of the Company.

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

Hong Kong, 28 February 2022

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. HAN Li and Mr. Sanjay SHARMA being the Executive Directors, Mr. Ondra OTRADOVEC and Mr. ZHU Hao being the Non-executive Directors and Mr. WONG Man Chung, Francis, Mr. WANG Tianyi, Mr. WANG Bing and Dr. TSE Cho Che, Edward being the Independent Non-executive Directors.

This announcement is published on the websites of the Company (www.chinaorientalgroup.com) and The Stock Exchange of Hong Kong Limited (www.hkexnews.hk).

**For identification purposes only*