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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)

PROFIT WARNING

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) under 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 a preliminary review of the Group’s unaudited consolidated management accounts for the year ended 31 December 2022 (the “**Relevant Year**”) and the information currently available to the Board, the Group expects to record a decrease in net profit for the Relevant Year, excluding non-recurring gains, by not less than 75%, as compared with the net profit of the Group of approximately RMB2.54 billion for the year ended 31 December 2021. Based on the information available to date, such expected decrease in net profit of the Group for the Relevant Year is mainly attributable to the combined effects of the following factors, among others, (i) a decrease in the average selling price and sales volume of steel products of the Group due to a continuous sluggish downstream demand resulted from slowdown in economic growth and resurgence of the COVID-19 epidemic in the Relevant Year; and (ii) the price trend of the major raw materials continued to be strong during the Relevant Year, leading to the overall production costs of the Group to be remained at high level. As a result, the Group expects to record a notable decrease in gross profit for the Relevant Year.

Despite the expected decline in net profit for the Relevant Year, the Board is of the view that the overall operations and financial position of the Group remains healthy and sound. The Company will continue to make great efforts in creating value for the Shareholders in a long-term and sustainable manner.

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 Relevant Year 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 2023.

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, 10 March 2023

As at the date of this announcement, the Board 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*