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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 six months ended 30 June 2023 (the “**Relevant Period**”) and the information currently available to the Board, the Group expects to record a decrease in net profit for the Relevant Period by not less than 60%, as compared with the net profit of the Group of approximately RMB1.07 billion for the six months ended 30 June 2022 (excluding non-recurring gains). Based on the information available to date, such expected decrease in net profit of the Group for the Relevant Period is mainly attributable to the combined effects of the following factors, including, among others, (i) a decrease in the average selling price of steel products of the Group due to a continuous sluggish downstream demand of the iron and steel industry and the recovery of downstream demand during the traditional peak season fell below the industry expectation in the Relevant Period; and (ii) despite a certain decrease of prices of each of the major raw materials and steel products were observed during the Relevant Period, the decreasing price trend of the major raw materials was slower than that of the steel products, leading to the overall production costs of the Group being remained at a relatively high level.

Despite the expected decline in net profit for the Relevant Period, 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 interim results of the Group for the Relevant Period. 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 Period 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 interim results of the Group for the Relevant Period, which is expected to be published on or before 31 August 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, 15 August 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*