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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 2024 (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 50 %, as compared with the net profit of the Group of approximately RMB 276 million for the six months ended 30 June 2023.

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 sales recovery fell significantly below the industry expectation in the Relevant Period; (ii) the overall production costs of the Group remained at a relatively high level due to a steeper price decreasing trend of the steel products comparing to that of their major raw materials ; and (iii) a fair value loss on the financial assets at fair value through profit or loss is expected to be recorded for the Relevant Period, as compared with a fair value gain of approximately RMB112 million for the six months ended 30 June 2023.

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 2024.

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, 19 August 2024

As at the date of this announcement, the Board comprises Mr. HAN Jingyuan, Mr. ZHU Jun, Mr. SHEN Xiaoling, Mr. HAN Li, Mr. Sanjay SHARMA and Mr. LI Mingdong being the Executive Directors, Mr. Ondra OTRADOVEC being the Non-executive Director, and Mr. WONG Man Chung Francis, Mr. WANG Bing, Dr. TSE Cho Che Edward and Ms. YU Fang Jing 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*