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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)

CONNECTED TRANSACTION
ACQUISITION OF SHARES OF JIANGSU SHENTONG

THE ACQUISITION

On 2 December 2025, Jinxi Heavy Industry, a subsidiary of the Company, effected on-market trade on the Shenzhen Stock Exchange to acquire 3,753,500 shares of Jiangsu Shentong (representing approximately 0.74% of the issued shares of Jiangsu Shentong as of the date of this announcement) at an average price of approximately RMB13.85 per share (equivalent to approximately HK$15.24 per share) for an aggregate consideration of approximately RMB52.0 million (equivalent to approximately HK$57.2 million). The aggregate consideration of the Acquisition will be settled in cash and fully funded by internal resources of the Group.

As the Acquisition was conducted on-market, the price of each trade for the Acquisition represented the then market price of the relevant Target Shares subject to such trade, and the Company is not aware of the identity of the sellers of the Target Shares. Therefore, to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the sellers of the Target Shares and their respective ultimate beneficial owner(s) (where applicable) are third parties independent of the Company and its connected persons (as defined under the Listing Rules).

Immediately prior to the Acquisition, the Group held a total of 300,000 shares of Jiangsu Shentong (representing approximately 0.06% of the issued shares of Jiangsu Shentong as of the date of this announcement). Immediately following the Acquisition, the Group holds a total of 4,053,500 shares of Jiangsu Shentong (representing approximately 0.80% of the issued shares of Jiangsu Shentong as of the date of this announcement).

INFORMATION ON THE PARTIES

Information on the Group and Jinxi Heavy Industry

The Company is an investment holding company with trading of steel products and iron ore business. The Group is principally engaged in the manufacturing and sales of iron and steel products, trading of steel products, iron ore and related raw materials, sales of power equipment and real estate business.

Jinxi Heavy Industry is a company established in the PRC with limited liability and a 97.6% indirectly owned subsidiary of the Company. It is principally engaged in manufacturing and sales of casting products and equipment maintenance.

Information on Jiangsu Shentong

Jiangsu Shentong is a company incorporated in the PRC with limited liability, shares of which are listed on the Shenzhen Stock Exchange (stock code: 002438). Jiangsu Shentong is principally engaged in research and development, production and sale of novel special valves. The products offered by Jiangsu Shentong and its subsidiaries have been widely applied in several fields, including the metallurgical industry, the nuclear energy sector, the petrochemical industry, and other energy industries.

Set out below is certain consolidated financial information of Jiangsu Shentong for the years ended 31 December 2023 and 31 December 2024 or as of 30 September 2025 in accordance with the generally accepted accounting principles of the PRC:

	For the financial year ended 31 December	
	2024	2023
	(RMB million)	*(RMB million)*
Net profit before taxation	324.7	294.7
Net profit after taxation	294.2	268.9

	As of 30 September 2025
	(RMB million)
Net assets	3,678.7

REASONS FOR AND BENEFITS OF THE ACQUISITION

As disclosed in the 2025 interim report of the Company, the Group will continuously and actively explore business opportunities that are in line with its corporate strategy, including opportunities for horizontal and vertical corporate mergers and acquisitions, to broaden revenue sources, enhance profitability and achieve sustainable growth.

Jiangsu Shentong is principally engaged in research and development, production and sale of novel special valves, and it is one of the suppliers of valves and providers of equipment maintenance service to the Group. Therefore, the business of Jiangsu Shentong is expected to resonate with the Group's long-term strategies above. The Acquisition will allow the Group to acquire shares of Jiangsu Shentong at the market price, and enable the Group to enjoy investment return.

In view of the above, the Directors (including all independent non-executive Directors, but excluding (i) Mr. HAN Li, Mr. HAN Jingyuan and Mr. SHEN Xiaoling, who shall abstain from voting on the relevant resolutions of the Board, and (ii) Mr. Sanjay SHARMA and Mr. Ondra OTRADOVEC, who did not vote on the relevant resolutions of the Board) are of the view that the terms of the Acquisition are fair and reasonable, the Acquisition is on normal commercial terms or better (although it is not conducted in the ordinary and usual course of business of the Group), and the Acquisition is in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As of the date of this announcement, Mr. HAN Li, an executive Director of the Company, controls approximately 18.2% of shares of Jiangsu Shentong in aggregate through (a) his direct interests in Jiangsu Shentong; and (b) Juyuan Ruili, of which he is the general partner. Accordingly, the Acquisition constitutes a connected transaction of the Company under Rule 14A.28 of the Listing Rules.

In May 2025, Ningbo Ruihe Zhihui Investment Co., Ltd.* (寧波瑞和智慧投資有限公司), a 97.6% indirectly owned subsidiary of the Company (the "**Previous Acquiring Entity**"), acquired 300,000 shares of Jiangsu Shentong (the "**Previous Acquisition**"). As the highest applicable percentage ratio calculated in accordance with Rule 14.07 of the Listing Rules in respect of the Previous Acquisition was less than 0.1%, the Previous Acquisition constituted a fully-exempt connected transaction of the Company under Rule 14A.76(1) of the Listing Rules and was exempt from the reporting, announcement, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. On the date of this announcement, all shares of Jiangsu Shentong acquired by the Previous Acquiring Entity under the Previous Acquisition have been sold to Jinxi Heavy Industry at the price of RMB13.6 per share through block trade on the Shenzhen Stock Exchange.

As the highest applicable percentage ratio calculated in accordance with Rule 14.07 of the Listing Rules in respect of the Acquisition, on a standalone basis and when aggregated with the Previous Acquisition, is more than 0.1% but less than 5%, the Acquisition is subject to the reporting and announcement requirements but is exempt from the circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As Mr. HAN Li is a substantial shareholder (as defined under the Listing Rules) and chairman of the board of Jiangsu Shentong, Mr. HAN Jingyuan is the father of Mr. HAN Li and the brother of a Juyuan Ruili Investor, and Mr. SHEN Xiaoling is the father of another Juyuan Ruili Investor, they have abstained from voting on the relevant resolutions of the Board approving the Acquisition. Save as disclosed above, none of the other Directors is regarded as having a material interest in, and therefore none of them is required to abstain from voting on, the relevant resolutions of the Board approving the Acquisition.

POTENTIAL FURTHER ACQUISITION

In view of the reasons for and benefits of the Acquisition set out above, Jinxi Heavy Industry currently plans to further increase its shareholding in Jiangsu Shentong through centralized bidding, block trade(s) or other methods permitted by the Shenzhen Stock Exchange within the next six months from the date of this announcement (any such purchase being a "**Potential Further Acquisition**"). The total consideration for all such Potential Further Acquisitions is expected to be no less than RMB100 million and no more than RMB155 million, and is expected to be funded by the internal resources of the Group. Any Potential Further Acquisition shall be determined by the Company based on its reasonable assessment of the value of the shares of Jiangsu Shentong and, if materialized, shall be implemented by the Group in accordance with the Listing Rules and other applicable laws and regulations. Further announcement(s) will be made by the Company with respect to any Potential Further Acquisition in accordance with applicable laws and regulations, including but not limited to the Listing Rules, as and when appropriate.

Shareholders and potential investors of the Company should be aware that the Potential Further Acquisition may or may not proceed. Therefore, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions have the following meanings:

"Acquisition"	the acquisition by Jinxi Heavy Industry of the Target Shares through on-market purchases
"Board"	the board of Directors
"Company"	China Oriental Group Company Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the main board of the Stock Exchange
"Director(s)"	the director(s) of the Company
"Group"	collectively, the Company and its subsidiaries from time to time

"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Jiangsu Shentong"	Jiangsu Shentong Valve Co., Ltd.* (江蘇神通閥門股份有限公司), a company incorporated in the PRC with limited liability, shares of which are listed on the Shenzhen Stock Exchange (stock code: 002438)
"Jinxi Heavy Industry"	Hebei Jinxi Iron and Steel Group Heavy Industry Science and Technology Co., Ltd.* (河北津西鋼鐵集團重工科技有限公司), a company incorporated in the PRC with limited liability and a 97.6% indirectly owned subsidiary of the Company
"Juyuan Ruili"	Ningbo Juyuan Ruili Entrepreneurship Investment Partnership (Limited Partnership)* (寧波聚源瑞利創業投資合夥企業（有限合夥）) , the general partner of which is Mr. HAN Li
"Juyuan Ruili Investor"	a limited partner of Juyuan Ruili
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"PRC"	the People's Republic of China, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"RMB"	Renminbi, the lawful currency of the PRC
"Share(s)"	ordinary share(s) of HK$0.10 each in the share capital of the Company
"Shareholder(s)"	the holder(s) of the Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Target Shares"	3,753,500 shares of Jiangsu Shentong
"%"	per cent

Note: This announcement contains translations between Renminbi and Hong Kong dollars at RMB0.9086 = HK$1.00. The translations are not representations that Renminbi and Hong Kong dollars could actually be converted at such rate, if at all.

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

Hong Kong, 2 December 2025

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, 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 (www.hkexnews.hk)

**For identification purposes only*