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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)

**UNAUDITED CONSOLIDATED FINANCIAL RESULTS OF
QINGDAO HUIJINTONG POWER EQUIPMENT CO., LTD.
FOR THE THREE MONTHS ENDED 31 MARCH 2023**

This announcement is made by China Oriental Group Company Limited (the “**Company**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance of Hong Kong (Chapter 571 of the Laws of Hong Kong) to provide shareholders of the Company and the public with the unaudited consolidated financial results of its subsidiary, Qingdao Huijintong Power Equipment Co., Ltd.* (青島匯金通電力設備股份有限公司) (“**HJT**”), for the three months ended 31 March 2023. The financial information therein was prepared in accordance with the China Accounting Standards for Business Enterprises.

HJT is a company incorporated in the People’s Republic of China (“**PRC**”) whose shares are listed on the Shanghai Stock Exchange. As at the date of this announcement, the Company indirectly holds approximately 40.5% of the issued share capital of HJT.

On 28 April 2023, the board of directors of HJT approved the unaudited consolidated financial results for the three months ended 31 March 2023. Pursuant to the relevant rules and regulations of the PRC, the unaudited consolidated financial results of HJT for the three months ended 31 March 2023 will be published on the website of the Shanghai Stock Exchange (www.sse.com.cn) on or around 29 April 2023. The unaudited consolidated income statement for the three months ended 31 March 2023 and the unaudited condensed consolidated balance sheet as at 31 March 2023 of HJT are provided below:

Qingdao Huijintong Power Equipment Co., Ltd.
Consolidated Income Statement
For the three months ended 31 March 2023

Item	Unit: RMB Yuan	
	For the three months ended 31 March	
	2023	2022
	(unaudited)	(unaudited) (restated)#
1. Total operating income	870,597,732.65	774,474,068.28
Including: Operating income	870,597,732.65	774,474,068.28
2. Total operating costs	864,084,389.08	761,810,173.62
Including: Costs of sales	781,212,940.48	684,569,112.23
Tax and surcharge	3,405,815.51	2,772,011.85
Selling expenses	7,821,892.96	7,954,680.71
Administrative expenses	15,022,513.75	14,220,169.26
Research and development expenses	22,039,373.36	24,863,668.86
Finance expenses	34,581,853.02	27,430,530.71
Including: Interest expenses	31,375,284.54	27,279,092.12
Interest income	1,131,345.49	29,195.27
Add: Other income	4,489,990.42	3,044,344.08
Investment income (“-” for loss)	271,582.97	-452,041.81
Impairment losses on credit (“-” for loss)	10,977,670.14	220,572.45
Impairment losses on assets (“-” for loss)	-17,862,321.89	-1,827,512.58
Gain on disposal of assets (“-” for loss)	-8,332.15	0.03
3. Operating profit (“-” for loss)	4,381,933.06	13,649,256.83
Add: Non-operating income	7,601.74	454,072.87
Less: Non-operating expenses	46,348.44	350,000.00
4. Total profit (“-” for total loss)	4,343,186.36	13,753,329.70
Less: Income tax expenses	-1,371,690.03	-2,351,195.74
5. Net profit (“-” for net loss)	5,714,876.39	16,104,525.44
(1) Classified by continuity of operations		
1. Net profit from continuing operations (“-” for net loss)	5,714,876.39	16,104,525.44
(2) Classified by ownership of equity		
1. Net profit attributable to shareholders of the company (“-” for net loss)	5,016,808.82	15,547,519.79
2. Minority interests (“-” for net loss)	698,067.57	557,005.65

Qingdao Huijintong Power Equipment Co., Ltd.
Consolidated Income Statement
For the three months ended 31 March 2023

Item	Unit: RMB Yuan	
	For the three months ended 31 March	
	2023 (unaudited)	2022 (unaudited) (restated)#
6. Other comprehensive income, net of tax	-124,903.52	27,704.75
(1) Other comprehensive income attributable to owners of the company, net of tax	-124,903.52	27,704.75
1. Other comprehensive income that will not be reclassified to profit or loss	—	—
2. Other comprehensive income that will be reclassified to profit or loss	-124,903.52	27,704.75
Exchange difference on translation of foreign financial statements	-124,903.52	27,704.75
(2) Other comprehensive income attributable to minority interests, net of tax	—	—
7. Total comprehensive income	5,589,972.87	16,132,230.19
(1) Total comprehensive income attributable to owners of the company	4,891,905.30	15,575,224.54
(2) Total comprehensive income attributable to minority interests	698,067.57	557,005.65
8. Earnings per share:		
(1) Basic earnings per share (RMB Yuan / share)	0.0148	0.0458
(2) Diluted earnings per share (RMB Yuan / share)	0.0148	0.0458

Qingdao Huijintong Power Equipment Co., Ltd.
Condensed Consolidated Balance Sheet
As at 31 March 2023

Item	Unit: RMB Yuan	
	31 March 2023 (unaudited)	31 December 2022 (audited)
ASSETS		
Current assets	4,543,229,790.44	4,381,789,656.26
Non-current assets	1,563,156,758.48	1,552,696,780.83
Total assets	6,106,386,548.92	5,934,486,437.09
LIABILITIES		
Current liabilities	3,670,074,434.82	3,582,102,669.89
Non-current liabilities	640,386,715.38	561,961,487.31
Total liabilities	4,310,461,150.20	4,144,064,157.20
OWNER'S EQUITY (OR SHAREHOLDERS' EQUITY)		
Paid-in capital (or share capital)	339,139,100.00	339,139,100.00
Capital reserves	920,491,507.09	920,491,507.09
Other comprehensive income	-20,364.85	104,526.90
Surplus reserves	86,641,078.69	86,641,078.69
Undistributed profit	415,725,798.65	410,813,688.10
Total equity attributable to owners (or shareholder' equity) of the company	1,761,977,119.58	1,757,189,900.78
Minority interests	33,948,279.14	33,232,379.11
Total owners' equity (or shareholders' equity)	1,795,925,398.72	1,790,422,279.89
Total liabilities and owners' equity (or shareholders' equity)	6,106,386,548.92	5,934,486,437.09

Note: On 2 April 2022, Qingdao Huadian Marine Equipment Company Limited* (青島華電海洋裝備有限公司), a wholly owned subsidiary of HJT, completed an acquisition of 80% of issued share capital of Chongqing Jodear Power Equipment Co., Ltd.* (重慶江電電力設備有限公司, “Chongqing Jodear”) held by Hebei Jinxi Section Steel Co., Ltd.* (河北津西型鋼有限公司) (“Jinxi Section Steel”). Chongqing Jodear has become a subsidiary of HJT and the financial results of Chongqing Jodear have been consolidated into HJT's consolidated financial statements since April 2022. As HJT and Jinxi Section Steel were controlled by the same controlling shareholder, Hebei Jinxi Iron and Steel Group Company Limited* (河北津西鋼鐵集團股份有限公司, a subsidiary of the Company), the aforementioned acquisition of Chongqing Jodear was considered as a business combination involving entities under common control. In accordance with requirements of Accounting Standards for Business Enterprises No. 2 – Long Term Equity Investments, Accounting Standards for Business Enterprises No. 20 – Business Combination, Accounting Standards for Business Enterprises No. 33 – Consolidated Financial Statements and the relevant rules, the consolidated financial results of HJT as of 31 March 2022 have been restated to comply with the requirements in relation to business combinations involving entities under common control.

Shareholders of the Company and potential investors should note that the above unaudited consolidated financial results pertain only to HJT and not to the Company itself. HJT is one of the subsidiaries of the Company, and the financial information above may not provide a complete view of the results of operation and financial positions of the Group in general.

Shareholders of the Company and potential investors may visit the website of the Shanghai Stock Exchange (www.sse.com.cn) for the full details of the unaudited consolidated financial results of HJT for the three months ended 31 March 2023 published by HJT.

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

Hong Kong, 28 April 2023

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*