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## **China Oriented International Holdings Limited** **向中國國際控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1871)**

### **PROFIT WARNING**

This announcement is made by China Oriented International Holdings Limited (the “**Company**”, together with its subsidiaries the “**Group**”) pursuant to Rule 13.09(2)(a) 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 in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Unless otherwise defined herein, capitalised terms used herein shall have the same meaning ascribed to them in the interim report of the Company dated 31 August 2021 for the six months ended 30 June 2021.

The Board wishes to inform the Shareholders and potential investors that based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended 31 December 2021 (the “**FY2021**”), the Group’s profit for the FY2021 is anticipated to decline by not less than 70% as comparing to that for the year ended 31 December 2020 (the “**FY2020**”).

The Board believes that the primary reasons for abovementioned change are as follows:

- (I) decrease in gross profit margin from the Group’s driving training service business for both Large Vehicles and Small Vehicles as a result of downward price adjustment to the course fees for the driving courses of both Large Vehicles and Small Vehicles throughout the FY2021, which was mainly attributable to (i) regulatory changes with effect from the third quarter of the FY2021 relating to setting-up of driving schools in the PRC, which lowered the threshold for entry into the industry and increased the number of driving training service provider for Large Vehicles; and (ii) keen competition following the outbreak of Covid-19 pandemic, putting further pressure on both Tong Tai School and Shun Da School in adjusting course fees to capture market shares, and eventually resulted in decrease in the average course fee per hour for the driving courses of both Large Vehicles and Small Vehicles; and
- (II) decrease in other income of the Group in the FY2021 due to absence of the one-off government grants for approximately RMB5.0 million received by the Group in the second half of the FY2020 for its successful listing of its Shares on the Main Board of the Stock Exchange.

The Board also wishes to point out that the decrease in gross profit margin as pointed out in (I) above has also off-set the positive financial effect on the Group for the overall increase in the total number of course enrolment, the total number of trainees who attended the driving courses, and the total actual number of training hours for Large Vehicles and Small Vehicles throughout the FY2021.

The Board wishes to emphasize that the information contained in this announcement is only a preliminary assessment made by the management of the Company based on the unaudited consolidated management accounts of the Group for the FY2021. Such information has not been audited or reviewed by the auditor of the Company.

Details of the financial results and performance of the Group for the FY2021 will be disclosed in the annual result announcement of the Company, which is expected to be published by the end of March 2022.

**Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.**

By Order of the Board  
**China Oriented International Holdings Limited**  
**Qi Xiangzhong**  
*Chairman and Executive Director*

11 March 2022

*As at the date of this announcement, the board comprises Mr. Qi Xiangzhong and Ms. Zhao Yuxia as executive Directors; Dr. Yeung Cheuk Kwong as non-executive Director; Mr. Chan Siu Wah, Mr. Cheng Chun Shing and Mr. Goh Teng Hwee as independent non-executive Directors.*