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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 annual report of the Company dated 22 April 2022 for the year ended 31 December 2021.

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company and potential investors that based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2022, the Group is expected to record a decrease in net profit of not less than 95% and may even record a net loss, as compared to a net profit of approximately RMB4.0 million for the six months ended 30 June 2021.

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

- (I) decrease in revenue from the Group’s driving training service business for both Large Vehicles and Small Vehicles as a result of (i) overall decrease in the course enrollments of driving courses for both Large Vehicles and Small Vehicles; and (ii) decrease in each of the number of trainees who attended our driving courses and the actual number of training hours provided by the Group during the six months ended 30 June 2022, due to travel restriction occasionally in force in Zhumadian City, Suiping County, caused by sporadic outbreaks of COVID-19 cases;
- (II) overall decrease in gross profit and gross profit margin from the Group’s driving training service business which was mainly attributable to the increase in fuel expenses due to increase in the average price of gasoline since early 2021 despite the overall decrease in each of the number of trainees who attended our driving courses and the actual number of training hours provided by the Group during the six months ended 30 June 2022; and

(III) significant decrease in other income of the Group for the six months ended 30 June 2022 as compared of that of the six months ended 30 June 2021 due to (i) significant decrease in income from issuance of certificate of qualification validation from approximately RMB0.8 million for the six months ended 30 June 2021 to approximately RMB0.3 million for the six months ended 30 June 2022 and (ii) significant decrease in value-added tax refund from approximately RMB0.5 million for the six months ended 30 June 2021 to approximately RMB0.1 million for the six months ended 30 June 2022.

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 six months ended 30 June 2022. Such information has not been audited or reviewed by the auditors of the Company.

Details of the financial results and performance of the Group for the six months ended 30 June 2022 will be disclosed in the interim result announcement of the Company, which is expected to be published by the end of August 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

12 August 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.