

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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 ALERT – REDUCTION IN LOSS

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).

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 year ended 31 December 2023, the Group is expected to record a net loss of the range from approximately RMB7.0 million to approximately RMB8.5 million, as compared to a net loss of approximately RMB8.7 million for the year ended 31 December 2022.

The Board believes that the primary reasons for abovementioned reduction in loss 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) the impact of overall decrease in the average course fees per hour of driving courses for both Large Vehicles and Small Vehicles; and (ii) overall decrease in each of the number of trainees who attended our driving courses and the actual number of training hours for both Large Vehicles and Small Vehicles provided by the Group during the year ended 31 December 2023 due to the decrease in the demand for driving courses, which had a significant impact on the number of course enrollments of Large Vehicles especially, due to the continuing deterioration of the market conditions of the logistic industry as a result of the continuous US-China trade tensions;

- (II) overall decrease in gross profit and gross profit margin from the Group's driving training service business which was mainly attributable to the abovementioned overall decrease in the average course fees per hour and in each of the number of trainees who attended our driving courses and the actual number of training hours and the fixed depreciation charges of our training field and training motor vehicles and the amortisation charges of right-of-use assets despite the increase in gross profit margin for driving courses of Small Vehicles due to the increased revenue contributed from the forfeiture of course fees upon expiry of the time limit for attending driving courses; but
- (III) the abovementioned decrease was partially offset by the decrease in selling and marketing expenses and administrative expenses for the year ended 31 December 2023 as compared to that of the year ended 31 December 2022 due to the decrease in sales and marketing and promotion activities and the decrease in employees benefit expenses for administrative staff during the year ended 31 December 2023, respectively.

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 year ended 31 December 2023. 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 year ended 31 December 2023 will be disclosed in the annual result announcement of the Company, which is expected to be published by the end of March 2024.

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

15 March 2024

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. Wan San Fai Vincent and Mr. Xu Jianpo as independent non-executive Directors.