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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)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO DISCLOSEABLE TRANSACTION FORMATION OF JOINT VENTURE COMPANY

Reference is made to the announcement of China Oriented International Holdings Limited (向中國國際控股有限公司) (the “**Company**”) dated 2 September 2020 in relation to the formation of a joint venture company (the “**Announcement**”). Unless otherwise defined herein, capitalised terms used herein shall have the same meaning ascribed to them in the Announcement.

The Company would like to provide additional information in relation to the formation of the JV Company as described in the Announcement.

BACKGROUND OF SHAREHOLDERS

As at the date of the Announcement and to the best of the knowledge, information and belief of the Board having made all reasonable enquiry, the identities and background of the ultimate beneficial owner(s) for Suiping Zhonghe and Zhumadian R&U Construction, the other shareholders of the JV Company, were, according to publicly available information, as follows:

Suiping Zhonghe

Name of shareholders	Percentage
WU Ruijiang (吳瑞江)	30.16%
AN Junliang (安軍亮)	15.86%
ZHU Quanzhong (朱全中)	11.11%
SONG Jinju (宋金菊)	11.11%
WU Hong (吳紅)	7.94%
HOU Aihua (侯愛華)	7.94%
河南五德溢銘實業有限公司 (Henan Wudeyiming Industry Limited Company)* <i>(see note 1)</i>	7.94%

Name of shareholders	Percentage
鄭州市坤達科技信息諮詢有限公司 (Zhengzhou Kunda Technology and Information Consulting Limited Company)* (see note 2)	7.94%
Total	100%

According to publicly available information, Suiping Zhonghe obtained a government approval for development of thermal power project in Suiping County in 2018. WU Ruijiang (吳瑞江), the director and general manager of Suiping Zhonghe, is a major shareholder and investor of various Suiping-based enterprises that engage in real estate development, property development and construction. It is expected that Suiping Zhonghe will be responsible for the business development and provision of technical support with respect to prospective thermal power projects of the JV Company. To the best of the knowledge, information and belief of the Board, having made all reasonable enquiries, the sole director of Suiping Zhonghe is a third party independent of the Company and its connected persons.

Notes:

1. 河南五德溢銘實業有限公司(Henan Wudeyiming Industry Limited Company)* was wholly owned by GAO Xinrong (高新榮).
2. 鄭州市坤達科技信息諮詢有限公司 (Zhengzhou Kunda Technology and Information Consulting Limited Company)* was wholly owned by CHENG Xin (程昕).

Zhumadian R&U Construction

Name of shareholder	Percentage
駐馬店市財政局(Zhumadian City Finance Bureau)*	100%
Total	100%

According to publicly available information, Zhumadian R&U Construction was wholly owned by 駐馬店市財政局 (Zhumadian City Finance Bureau)*, a government bureau under the People's Government of Zhumadian City. Zhumadian R&U Construction is the controlling shareholder and investor of various Zhumadian City-based enterprises that engage in real estate development, construction and property management. To the best of the knowledge, information and belief of the Board, having made all reasonable enquiries, all the directors of Zhumadian R&U Construction are third parties independent of the Company and its connected persons.

Mr. Qi Xiangzhong, our Chairman and executive director, who is primarily responsible for the strategic planning and general management of our Group, learnt of the opportunity to invest into thermal power business in Henan province through his business connection with WU Ruijiang (吳瑞江), the major shareholder of Suiping Zhonghe, in mid-August 2020. Mr. Qi learnt from Mr. Wu that he was in the process of forming a joint venture company with Zhumadian R&U Construction to commence with a thermal power project in Henan province. Having considered the prospect of thermal power business and the potential benefit to be brought on the Group and the Shareholders, Mr. Qi enquired Mr. Wu about the opportunity to invest in such joint venture company. After that, he assigned Ms. Zhao Yuxia to discuss on the terms of the JV Articles and procured Tongtai Cultural to enter into the JV Articles on 26 August 2020.

SOURCE OF FUND FOR CAPITAL CONTRIBUTION

Tongtai Cultural will contribute RMB5,000,000 in cash towards the registered capital of the JV Company. The full amount of the capital contribution will be paid up by internal source of fund and will not involve any parts of the unutilised net proceeds from the initial public offering of the shares of the Company.

LISTING RULES IMPLICATION

The Company understands that it should have consulted and sought advice from its compliance adviser on a timely basis where a notifiable transaction is contemplated. The Company should also have informed the Stock Exchange and published an announcement as soon as possible in accordance with Rule 14.34 of the Listing Rules as and when the obligations in relation to the formation of the JV Company (the “**Transaction**”) arose.

The Company deeply regrets its delay in compliance with the Listing Rules but would like to stress that the delay in compliance of the Listing Rules was inadvertent and unintentional. The failure to consult and seek advice from the compliance adviser and to make timely disclosure was due to the unintentional oversight by Ms. Zhao Yuxia, our executive director who was responsible for discussing on and finalising the terms of the JV Articles and the eventual establishment of the JV Company. She inadvertently overlooked the implications of the Transaction under the Listing Rules and failed to report to other Hong Kong-based members of the Board and the company secretary on the progress of the Transaction, resulting in the unfortunate delay in the publication of the Announcement. However, the Company would like to stress that as soon as the Transaction was made known to the Board and the company secretary, immediate actions were taken to consult our compliance adviser and legal advisers and arrange disclosure of the Transaction in accordance with the Listing Rules.

Remedial actions

To prevent similar events from recurrences, the Company will:-

- (i) engage our legal advisers to arrange training on regulatory compliance matters relating to notifiable transactions to our executive directors and senior management on a regular basis to reinforce their understanding of the importance of compliance with the Listing Rules;
- (ii) provide a detailed guideline relating to notifiable transactions under the Listing Rules for all the directors and the senior management to reinforce their knowledge relating to notifiable transactions, and to strengthen their ability to identify potential issues at early stage;
- (iii) work closely with our legal advisers on legal and regulatory compliance issues; and
- (iv) consult our compliance adviser and other professional parties on a timely basis before entering into possible notifiable transactions.

The additional information as disclosed does not affect any other information contained in the Announcement.

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

Hong Kong, 10 September 2020

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 Chung Shing and Mr. Goh Teng Hwee as independent non-executive directors.

* *For identification purpose only*