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Chinese International Group Holdings Limited

富盈環球集團控股有限公司

(incorporated in Ontario, Canada and continued in the Cayman Islands with limited liability)

(Stock Code: 1620)

PROFIT ALERT — REDUCTION IN LOSS

This announcement is made by Chinese International Group 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 (Cap. 571, Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on a preliminary assessment of the latest available unaudited consolidated management accounts of the Group for the year ended 31 December 2022 (the “**Year**”), the Group expects a decrease in loss before income tax by not less than HK\$38.1 million (approximately 63.6%) for the year ended 31 December 2022 as compared to the loss before income tax of approximately HK\$59.9 million for the year ended 31 December 2021. Based on the information currently available, the expected decrease in loss before income tax for the Year was mainly attributable to the combined effect of, among others:

- (i) an increase in the Group’s gross profit by approximately HK\$5.9 million or approximately 35.8% from approximately HK\$16.6 million for the year ended 31 December 2021 to approximately HK\$22.5 million for the Year. Such increase in gross profit was mainly due to an increase in revenue generated from the Group’s travel business process management services and air ticket distribution services, which have higher gross profit margins. The said increase in revenue was primarily attributable to the gradual recovery of the travel industry with increasing rate of vaccination worldwide; and

(ii) a decrease in expected credit losses (“ECLs”) allowance on trade and other receivables by approximately HK\$39.0 million or approximately 99.2% from approximately HK\$39.3 million for the year ended 31 December 2021 to approximately HK\$0.3 million for the Year. Such decrease was mainly due to the fact that, as compared to 2021, the balance of trade and other receivables that was subject to additional ECLs allowance was lower, such that a lower amount of additional ECLs allowance had been made for the Year;

partly offset by:

(iii) a decrease in grants received by approximately HK\$14.1 million in relation to wage subsidies from the Canada Emergency Wage Subsidy Program as a result of the gradual recovery of the revenue of the Group. As such, the total subsidies received by the Group decreased from approximately HK\$14.2 million for the year ended 31 December 2021 to less than HK\$0.1 million for the Year.

The Company is still in the process of finalising the final results of the Group for the Year. The information contained in this announcement is only a preliminary assessment by the management of the Company based on information currently available to the Company and has not been reviewed or audited by the Company’s external auditors nor approved by the audit committee of the Company. The actual results of the Group for the Year may be different from the information disclosed herein. Shareholders and potential investors should read carefully the final results announcement of the Company for the Year, which is expected to be published on 31 March 2023.

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

By order of the Board
Cinese International Group Holdings Limited
富盈環球集團控股有限公司
Ms. Kou Chung Yin Mariana
Chairperson and executive Director

Hong Kong, 17 March 2023

As at the date of this announcement, the executive Directors are Mr. Liu Xue Bin and Ms. Kou Chung Yin Mariana, the non-executive Director is Mr. Liu Jiefeng, and the independent non-executive Directors are Mr. Fong Wai Bun Benny, Ms. Suen Yin Wah Chloe and Ms. Kwan Ka Yee.