

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)

ANNOUNCEMENT ON THE INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2020

RESULTS

The Board is pleased to announce the unaudited consolidated interim results of the Group for the six months ended 30 June 2020, together with the comparative figures for the six months ended 30 June 2019. Capitalised terms and certain technical terms shall have the meaning as defined in the paragraph headed “Definitions and Glossary of Technical Terms” in this announcement. The term “we”, “us”, and “our” refer to the Company and where the context otherwise requires, the Group.

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME — UNAUDITED**

	<i>Notes</i>	For the six months ended	
		30 June 2020 <i>RMB'000</i>	30 June 2019 <i>RMB'000</i>
Revenue	4	20,962	44,246
Cost of services rendered		<u>(14,489)</u>	<u>(15,910)</u>
Gross profit		6,473	28,336
Other income		612	491
Other gain and losses, net		(12)	76
Selling and distribution expenses		(1,636)	(858)
Administrative expenses		(9,147)	(3,015)
Listing and other expenses		—	(5,040)
Finance costs		<u>(1,882)</u>	<u>(2,339)</u>
(Loss)/Profit before tax	6	(5,592)	17,651
Income tax credit/(expense)	7	<u>2,711</u>	<u>(5,773)</u>
(Loss)/profit and total comprehensive (loss)/income for the period		<u><u>(2,881)</u></u>	<u><u>11,878</u></u>
(Loss)/earnings per share	9		
— Basic and diluted (RMB cents)		<u><u>(0.72)</u></u>	<u><u>3.96</u></u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 30 June 2020	As At 31 December 2019
	<i>Notes</i>	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i> (Audited)
Non-current assets			
Property, plant and equipment	<i>10</i>	139,412	118,900
Deposits paid for construction in progress	<i>11</i>	1,719	2,178
Prepayment paid for property, plant and equipment	<i>11</i>	<u>—</u>	<u>2,100</u>
		<u>141,131</u>	<u>123,178</u>
Current assets			
Trade and other receivables, deposits and prepayments	<i>11</i>	5,261	3,349
Bank balances and cash		<u>160,243</u>	<u>190,819</u>
		<u>165,504</u>	<u>194,168</u>
Current liabilities			
Trade and other payables and accruals	<i>12</i>	14,986	12,763
Contract liabilities	<i>12</i>	44,212	32,509
Tax liabilities		2,574	11,526
Borrowings	<i>14</i>	29,800	50
Lease liabilities		<u>1,196</u>	<u>699</u>
		<u>92,768</u>	<u>57,547</u>
Net current assets		<u>72,736</u>	<u>136,621</u>
Total assets less current liabilities		<u>213,867</u>	<u>259,799</u>

		As at 30 June 2020 <i>RMB'000</i> (Unaudited)	As At 31 December 2019 <i>RMB'000</i> (Audited)
Non-current liabilities			
Deferred taxation	<i>13</i>	1,988	5,360
Borrowings	<i>14</i>	9,000	50,100
Lease liabilities		<u>2,456</u>	<u>1,035</u>
		<u>13,444</u>	<u>56,495</u>
		<u>200,423</u>	<u>203,304</u>
Capital and reserves			
Share capital	<i>18</i>	3,608	3,608
Reserves		<u>196,815</u>	<u>199,696</u>
Total equity		<u>200,423</u>	<u>203,304</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2020

1. CORPORATE INFORMATION

The Company was incorporated as an exempted company in the Cayman Islands with limited liability on 22 February 2017. The address of the registered office of the Company in Cayman Islands is located at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The headquarters, head office and principal place of business in the PRC is located at Baililiu Village, Zhutang Township, Suiping County, Zhumadian City, Henan Province, PRC. The principal place of business of the Company in Hong Kong is located at Rooms 1508–1513 Nan Fung Tower, 88 Connaught Road Central, Central, Hong Kong. The shares of the Company are listed on the Main Board of the Stock Exchange.

The Company is an investment holding company. The principal activity of its subsidiaries is engaged in the provision of driving training services in the PRC.

The consolidated financial statements are presented in RMB, which is the currency of the primary economic environment all the group entities operate (the functional currency of group entities) and all values are rounded to the nearest thousand (“RMB’000”), unless otherwise stated.

1A. SIGNIFICANT EVENTS AND TRANSACTIONS IN THE CURRENT INTERIM PERIOD

The outbreak of Coronavirus Disease 2019 (“COVID-19”) and the subsequent quarantine measures as well as the travel restrictions imposed by many countries have had negative impacts to the global economy, business environment and directly and indirectly affect the operations of the Group. Under the notice from the Road Transport Management Bureau of Suiping County (the “Bureau”), all driving training service providers in Suiping County are requested to, among other things, suspend the provision of all driving training services in Suiping County until further notice. All driving training service providers were strictly prohibited from resuming their services without the permission of the Bureau and our driving schools suspended the driving training services from January 2020 and partially resumed the driving training services in late February 2020 for Tong Tai School and early April 2020 for Shun Da School, respectively. The Group has been closely monitoring the impact of the development of COVID-19 on the Group’s business and has put in place contingency measures. These contingency measures include: (i) checking body temperature; (ii) closely monitoring the Health QR Code of our trainees attending our driving training course; (iii) performing hand hygiene properly; (iv) wearing surgical mask to prevent transmission of respiratory viruses during the period of training; and (v) keeping social distancing when attending the training inside the driving school. The Group will keep the contingency measures under review as the situation evolves. On the other hand, the local tax authority of Zhumadian City, Henan province has announced some financial measures and supports for corporates to overcome the negative impact arising from the pandemic. As such, the financial positions and performance of the Group were affected in different aspects, including reduction in revenue as a result of the suspension and increase in cost of sales due to fixed operation overheads during the suspension as disclosed in the relevant notes.

2. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 (“HKAS 34”) “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

3. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost.

Other than additional accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) and application of certain accounting policies which became relevant to the Group, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2020 are the same as those presented in the Group’s annual financial statements for the year ended 31 December 2019.

Application of amendments to HKFRSs

In the current interim period, the Group has applied the Amendments to References to the Conceptual Framework in HKFRS Standards and the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2020 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 3	Definition of a Business
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform

Except as described below, the application of the Amendments to References to the Conceptual Framework in HKFRS Standards and the amendments to HKFRSs in the current period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

Impacts of application on Amendments to HKAS 1 and HKAS 8 “Definition of Material”

The amendments provide a new definition of material that states “information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity”. The amendments also clarify that materiality depends on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements taken as a whole.

The application of the amendments in the current period had no impact on the condensed consolidated financial statements. Changes in presentation and disclosures on the application of the amendments, if any, will be reflected on the consolidated financial statements for the year ending 31 December 2020.

4. REVENUE

	For the six months ended	
	30 June 2020	30 June 2019
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Driving training service income		
Standard course	483	1,590
Premium course	20,295	42,398
Additional training fees	184	258
	<u>20,962</u>	<u>44,246</u>

All the Group's revenue are recognised over time.

5. SEGMENT INFORMATION

The Group is principally engaged in provision of driving training services. For the purposes of assessing performance and allocating resources, the Group's operation is regarded as one reportable and operating segment which is provision of driving training services. The chief executive, Mr. Qi Xiangzhong, reviews the result for the period of the Group as a whole. Accordingly, no segmental analysis is presented.

Geographical information

No geographical segment information is presented as the Group's revenue is all derived from the PRC based on the location of services provided and all of the Group's non-current assets are located in the PRC by physical location of assets.

Information about major customers

No individual customer accounted for over 10% of the Group's total revenue for the six months ended 30 June 2020 and 2019, respectively.

6. (LOSS)/PROFIT BEFORE TAX

	For the six months ended	
	30 June 2020	30 June 2019
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
(Loss)/profit before tax has been arrived at after charging:		
Auditor's remuneration	8	8
Amortisation of intangible assets	—	54
Amortisation of prepaid land lease payments	—	—
Depreciation of property, plant and equipment	3,598	3,893
Depreciation of right-of-use assets	933	855
Rental expense relating to short-term lease	9	20
Donation	261	70
Directors' remuneration	641	77
Other staff costs		
– Salaries and other allowances	8,099	7,053
– Retirement benefit scheme contributions	259	828
	<u>8,358</u>	<u>7,881</u>
Total staff costs	<u><u>8,999</u></u>	<u><u>7,958</u></u>

7. INCOME TAX (CREDIT)/EXPENSE

	For the six months ended	
	30 June 2020	30 June 2019
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
PRC Enterprise Income Tax (“EIT”)		
Current period	663	4,303
(Over)/under-provision in prior year	(2)	13
	<u>661</u>	<u>4,316</u>
Deferred taxation	<u>(3,372)</u>	<u>1,457</u>
	<u><u>(2,711)</u></u>	<u><u>5,773</u></u>

No provision for taxation has been recognised for companies incorporated in the Cayman Islands and the BVI as they are not subject to any tax during both periods.

No provision for Hong Kong Profits Tax has been recognised during the six months ended 30 June 2019 and 2020 as the Group does not have income which arises in, or derived from, Hong Kong.

Under the Law of the PRC on EIT (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25%.

Under the EIT Law of PRC, withholding tax is imposed on dividends declared in respect of profits earned by the PRC subsidiaries from 1 January 2008 onwards. Deferred taxation has not been provided for in respect of temporary differences attributable to accumulated profits of the PRC subsidiaries amounting to RMB98,756,000 as at 30 June 2020 (31 December 2019: RMB98,851,000), as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not be reversed in the foreseeable future.

8. DIVIDENDS

No dividends were paid, declared or proposed during the interim period. The Directors have determined that no dividend will be paid in respect of the interim period.

9. (LOSS)/EARNINGS PER SHARE

The calculation of the basic (loss)/earnings per share attributable to the owners of the Company is based on the following data:

	For the six months ended	
	30 June 2020	30 June 2019
	(Unaudited)	(Unaudited)
(Loss)/Earnings:		
(Loss)/Earnings for the purpose of basic (loss)/earnings per share (in RMB'000)	<u><u>(2,881)</u></u>	<u><u>11,879</u></u>
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u><u>400,000,000</u></u>	<u><u>300,000,000</u></u>
Effect of dilutive potential ordinary shares (Note)	<u><u>—</u></u>	<u><u>—</u></u>
Weighted average number of ordinary shares for the purpose of dilutive earnings per share	<u><u>400,000,000</u></u>	<u><u>300,000,000</u></u>

Note: No diluted (loss)/earnings per share for the six months ended 30 June 2020 and 2019 were presented as there were no potential ordinary shares in issue for both periods.

10. PROPERTY, PLANT AND EQUIPMENT

During the current interim period, the Group paid RMB9.9 million (six months ended 30 June 2019: RMB24.6 million) for construction costs and leasehold improvement for newly leased training field, RMB8.7 million (six months ended 30 June 2019: RMB1.7 million) for the acquisition of the training vehicles and RMB2.3 million (six months ended 30 June 2019: RMB nil) for acquisition of a monitoring system in our training field and test venue in the PRC in order to upgrade our driving training capabilities.

11. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	30 June 2020 RMB'000 (Unaudited)	31 December 2019 RMB'000 (Audited)
Trade receivables	407	158
Other receivables	1,703	1,829
Prepayments	3,151	3,462
Deposits	<u>1,719</u>	<u>2,178</u>
	6,980	7,627
Less: Deposits paid for construction in progress classified as non-current assets	(1,719)	(2,178)
Prepayment paid for property, plant and equipment classified as non-current assets	<u>—</u>	<u>(2,100)</u>
Trade and other receivables, deposits and prepayments – current portion	<u>5,261</u>	<u>3,349</u>

The Group's payment methods with its customers for provision of driving training service are mainly on cash and through online payment platforms. Generally, the course emolument fees are billed in advance with no credit period granted to customers. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances.

The following is an ageing analysis of trade receivables presented based on the invoice dates:

	30 June 2020 RMB'000 (Unaudited)	31 December 2019 RMB'000 (Audited)
0–30 days	321	72
More than 90 days	<u>86</u>	<u>86</u>
	<u>407</u>	<u>158</u>

The balance of RMB86,000 as at 30 June 2020 (31 December 2019: RMB86,000) which is past due more than 90 days are not considered as in default as those balances are mainly with those government authorities with good credit quality and pending for completing their allocating funds procedures. Based on the historical credit loss experience and/or general economic conditions of the debtors, the directors of the Company consider the expected credit loss on these debtors to be insignificant.

The trade and other receivables are all denominated in the functional currency of the respective entities in the Group.

12. TRADE AND OTHER PAYABLES AND ACCRUALS AND CONTRACT LIABILITIES

(a) Trade and other payables and accruals

	30 June 2020 <i>RMB'000</i> (Unaudited)	31 December 2019 <i>RMB'000</i> (Audited)
Trade payables	2,085	1,086
Accrued construction costs	4,375	3,157
Salaries payable	2,359	2,139
Examination fees payable	2,409	2,242
Other tax payables	1,732	1,746
Amount due to a director	37	—
Other payables	1,989	2,393
	<u>14,986</u>	<u>12,763</u>

Amount due to a director is unsecured, interest free and repayable on demand.

No credit period is granted by the trade creditors. Trade payables are normally settled within 30 days from the invoice date.

The following is an ageing analysis of trade payables presented based on the invoice date.

	30 June 2020 <i>RMB'000</i> (Unaudited)	31 December 2019 <i>RMB'000</i> (Audited)
0–30 days	<u>2,085</u>	<u>1,086</u>

(b) Contract liabilities

Contract liabilities represents advance payments from customers. During the six months ended 30 June 2020 and the year ended 31 December 2019, the amount of approximately RMB32,509,000 and RMB29,092,000 respectively, that represented the entire contract liability balances at the beginning of the respective year, was recognised as revenue. Based on the historical pattern, the directors of the Company are of the opinion that the driving training service income are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to the unsatisfied contracts is not disclosed.

During the six months ended 30 June 2020 and the year ended 31 December 2019, the Group allows refund of the total amount of the course fees to the customers before they complete the driving skill written test, after having deducted registration fees and various miscellaneous charges. Depending on the contract terms, the Group allows refund of 51% to 58% of the total amount of the course fees after completion of the driving skill written test but before provision of any driving training services, after having deducted registration fees and various miscellaneous charges. The Group does not allow refund of the course fees to the customers after the commencement of providing driving training services to them. Based on the historical pattern, the Group does not recognise any refund liability as the directors of the Company are of the opinion the amount involved is insignificant.

13. DEFERRED TAXATION

For the purpose of presentation in the consolidated statement of financial position, deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	30 June 2020	31 December 2019
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Audited)
Deferred tax liabilities	<u>1,988</u>	<u>5,360</u>

The following are the major deferred tax liabilities/(assets) recognised and movements thereon during the periods.

	Temporary difference on depreciation of property, plant and equipment	Temporary difference on interest capitalisation	Revenue recognition	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at 1 January 2019 (audited)	—	2,265	(18)	2,247
Charged/(credited) to profit or loss	<u>297</u>	<u>(38)</u>	<u>1,198</u>	<u>1,457</u>
As at 30 June 2019 (unaudited)	297	2,227	1,180	3,704
Charged/(credited) to profit or loss	<u>297</u>	<u>(38)</u>	<u>1,397</u>	<u>1,656</u>
As at 31 December 2019 (audited)	594	2,189	2,577	5,360
Charged/(credited) to profit or loss	<u>297</u>	<u>(31)</u>	<u>(3,638)</u>	<u>(3,372)</u>
As at 30 June 2020 (unaudited)	<u>891</u>	<u>2,158</u>	<u>(1,061)</u>	<u>1,988</u>

14. BORROWINGS

During the current interim period, the Group repaid bank loans amounting to RMB23,350,000 (six months ended 30 June 2019: RMB20,000) and obtained new bank loans amounting to RMB12,000,000 (six months ended 30 June 2019: RMB13,500,000). The new bank loans amounting to RMB10,000,000 and RMB2,000,000 carry interest at fixed market rates of 4.35% and 5.15%, respectively, and are repayable in instalments over a period of one year. The proceeds were used as the general working capital.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

During the six months ended 30 June 2020, the Group continued to engage in the provision of driving training services through its operating subsidiaries, namely Shun Da School and Tong Tai School. Shun Da School is a qualified level II driving school established and commenced operation in 2012 which offers driving training services for preparation for Driving Tests of Small Vehicles. Tong Tai School is a qualified level I driving school established and commenced operation in 2014 which offers driving training services for preparation for Driving Tests of both Large Vehicles and Small Vehicles.

Due to the outbreak of the COVID-19 pandemic in the PRC, public health measures were imposed by the PRC government to contain the spread of the disease, which had eventually led to temporary suspension of our provision of driving training services. Since late February 2020, the situation of the COVID-19 pandemic in Henan province came under control. Tong Tai School and Shun Da School had respectively made an application to the relevant government authority for resumption of provision of driving training services and were permitted to resume operation since 29 February 2020 and 3 April 2020, respectively. Nevertheless, the overall business performance and operation of our Group for the first half of 2020 were inevitably affected.

The total number of course enrolments of the Group for the six months ended 30 June 2020 amounted to 5,633 (six months ended 30 June 2019: 6,428), representing a decrease of approximately 12.4%. Although the provision of driving training services by Tong Tai School was suspended, the overall number of course enrolments of Tong Tai School amounted to 4,436 (six months ended 30 June 2019: 3,619), representing an increase of approximately 22.6%. Large Vehicle remained the primary growth driver in relation to the number of course enrolments, recording an encouraging increase of approximately 38.8% from 2,340 for the six months ended 30 June 2019 to 3,248 for the six months ended 30

June 2020. The following table sets out the breakdown of the number of course enrolments by our trainees by types of courses for the six months ended 30 June 2020, together with the comparative figures for the corresponding period in 2019:

	For the six months ended 30 June 2020		2019	
	<i>Number of course enrolments</i>	<i>%</i>	<i>Number of course enrolments</i>	<i>%</i>
Tong Tai School				
Large vehicles				
– Standard courses	307	5.5	1	0.1
– Premium courses	2,941	52.2	2,339	36.4
Small Vehicles				
– Standard courses	133	2.4	—	—
– Premium courses	1,055	18.7	1,279	19.9
Shun Da School				
Small vehicles				
– Standard courses	609	10.8	—	—
– Premium courses	588	10.4	2,809	43.6
Total	<u>5,633</u>	<u>100.0</u>	<u>6,428</u>	<u>100.0</u>
Total standard courses	1,049	18.7	1	0.1
Total premium courses	<u>4,584</u>	<u>81.3</u>	<u>6,427</u>	<u>99.9</u>
Total	<u>5,633</u>	<u>100.0</u>	<u>6,428</u>	<u>100.0</u>

The total number of trainees who attended our driving training courses for the six months ended 30 June 2020 amounted to 7,113 (six months ended 30 June 2019: 7,972), representing a decrease of approximately 10.8%. The total revenue of the Group for the six months ended 30 June 2020 amounted to approximately RMB21.0 million (six months ended 30 June 2019: approximately RMB44.2 million), representing a decrease of approximately 52.6%. Our source of revenue remained stable for the six months ended 30 June 2020. Our provision of driving training services for Large Vehicles remained as our primary source of revenue, accounting for approximately 71.1% of our total revenue (six months ended 30 June 2019: 81.8%). Revenue generated from premium courses contributed to approximately 96.8% of our total revenue (six months ended 30 June 2019: 95.9%). The following table

sets out the breakdown of our revenue by types of vehicles and types of driving courses for the six months ended 30 June 2020, together with the comparative figures for the corresponding period in 2019:

	For the six months ended 30 June					
	2020			2019		
	<i>Number of trainees attended</i>	<i>RMB'000</i>	<i>%</i>	<i>Number of trainees attended</i>	<i>RMB'000</i>	<i>%</i>
Large vehicles						
– Standard courses	78	84	0.4	251	1,095	2.5
– Premium courses	3,058	14,767	70.4	3,039	34,973	79.0
– Additional training services	N/A	66	0.3	N/A	135	0.3
Sub-total	<u>3,136</u>	<u>14,917</u>	<u>71.1</u>	<u>3,290</u>	<u>36,203</u>	<u>81.8</u>
Small Vehicles						
– Standard courses	520	399	1.9	779	495	1.1
– Premium courses	3,457	5,528	26.4	3,903	7,425	16.9
– Additional training services	N/A	118	0.6	N/A	123	0.2
Sub-total	<u>3,977</u>	<u>6,045</u>	<u>28.9</u>	<u>4,682</u>	<u>8,043</u>	<u>18.2</u>
Total	<u><u>7,113</u></u>	<u><u>20,962</u></u>	<u><u>100.0</u></u>	<u><u>7,972</u></u>	<u><u>44,246</u></u>	<u><u>100.0</u></u>

The bigger the challenge, the bigger the opportunity for growth. In response to the numerous challenges that we are facing in these unprecedented times, and in order to position ourselves well for the eventual rebound of the PRC economy, we adopted the overall approach of “seeking progress amidst stability” in managing our business and operation.

To consolidate our market position in Zhumadian City, we are determined to continue with the parallel development of driving training business for both Large Vehicles and Small Vehicles, as well as the provision of standard and premium courses for both Large Vehicles and Small Vehicles to cater for the needs of different customers.

To achieve sustainable growth in our business and to better leverage our status as the first Hong Kong-listed driving training services provider, we adopted a robust marketing and pricing strategy by offering strategic discounts on course fees of standard and premium courses for both Large Vehicles and Small Vehicles during the six months ended 30 June 2020. We have also expanded our business operation capacity by purchasing new training vehicles for Tong Tai School and improving the learning areas of our driving schools to provide a better experience for trainees enrolled into Driving Skill Written Tests.

To continue with our strategy of expanding our existing training fields for Large Vehicles, we have resumed our identification exercise on the potential targets of land available for acquisition. In May 2020, we have located a parcel of land suitable for development into a new driving training field (the “Land”). To secure the Land before going through the timely process of acquisition, we have entered into a short-term tenancy agreement with the lessor of the Land, which is an independent third party to our Group, to rent for the Land. We are currently in active negotiation with the lessor to speed up with the land acquisition procedures.

Future Development and Prospects

We are optimistic about the eventual rebound of the PRC economy as well as the future of driving training services industry in the PRC. To achieve sustainable growth of our business and create long-term value to our Shareholders, we intend to continue with our business strategies of expanding our existing training fields for Large Vehicles by acquiring and developing new parcel of land. We will proactively negotiate with the lessor to secure the Land for our future expansion. We will further strengthen our market position in Zhumadian City by expanding our marketing efforts in Zhumadian City and other nearby cities in Henan Province, with a focus on potential corporate customers across the PRC. We will also introduce the Road Safety Written Tests at the learning areas of Tong Tai School to realise the joint tests of both Driving Skill Written Tests and Road Safety Written Tests at our driving schools, in order to improve the passing rate of our trainees on written tests and to provide a more comprehensive training services for our trainees.

Financial Review

1. Overview

For the six months ended 30 June 2020, we recorded revenue of RMB21.0 million, a 52.6% decrease from RMB44.2 million for the six months ended 30 June 2019. We also recorded a gross profit of RMB6.5 million and gross profit margin of the Group of 30.9% for the six months ended 30 June 2020 as compared with RMB28.3 million and 64.0% for the six months ended 30 June 2019, respectively.

The net loss attributable to owners of the Group for the six months ended 30 June 2020 was RMB2.9 million, changed from the net profit attributable to the owners of the Group of RMB11.9 million for the six months ended 30 June 2019. The net loss margin attributable to owners of the Company was 13.7% for the six months ended 30 June 2020, as compared to the net profit margin attributable to owners of the Company of 26.8% for the six months ended 30 June 2019.

The adjusted net loss for the six months ended 30 June 2020 was RMB2.9 million, changed from the adjusted net profit, excluding the impact from listing and other expenses, attributable to owners of the Group of RMB16.9 million for the six months ended 30 June 2019. The adjusted net loss margin was 13.7% as compared to the

adjusted net profit margin, excluding the impact from listing and other expenses, attributable to owners of the Company of 38.2% for the six months ended 30 June 2019.

2. Revenue

Total revenue of our Group for the six months ended 30 June 2020 and 2019 amounted to approximately RMB21.0 million and RMB44.2 million, respectively. Our revenue significantly decreased by approximately RMB23.3 million, or approximately 52.6%, for the six months ended 30 June 2020 as compared to that for the six months ended 30 June 2019. This decrease was mainly attributable to the decrease in revenue generated from the provision of driving training services for both Large Vehicles and Small Vehicles of approximately RMB21.3 million and RMB2.0 million, respectively, mainly due to (i) the decrease in the actual number of training hours as a result of the suspension of our driving training service of both Tong Tai School and Shun Da School in January 2020 but partially resumed in late February 2020 for Tong Tai School and in early April 2020 for Shun Da School, respectively and (ii) the price adjustments to our course fee due to the keen competition followed by the outbreak of the COVID-19 pandemic and in order to capture the market share and promote business expansion.

The revenue generated from the provision of driving training services for Large Vehicles significantly decreased by approximately RMB21.3 million, or approximately 58.8%, to approximately RMB14.9 million for the six months ended 30 June 2020 from approximately RMB36.2 million for the six months ended 30 June 2019. Such decrease was mainly attributable to the decrease in each of the number of trainees who attended our driving courses of Large Vehicles and the actual number of training hours of our trainees of Large Vehicles from 3,290 and 167,475, respectively, for the six months ended 30 June 2019 to 3,136 and 94,458, respectively, for the six months ended 30 June 2020. Also, the revenue generated from the provision of driving training services for Small Vehicles decreased by approximately RMB2.0 million, or approximately 24.8%, to approximately RMB6.0 million for the six months ended 30 June 2020 from approximately RMB8.0 million for the six months ended 30 June 2019. Such decrease was mainly attributable to the decrease in each of the number of trainees who attended our driving courses for Small Vehicles and the actual number of training hours of our trainees of Small Vehicles from 4,682 and 93,427 for the six months ended 30 June 2019 to 3,977 and 81,168, respectively, for the six months ended 30 June 2020. Both decreases in our revenue were mainly due to the drop in the number of trainees who attended our driving courses as a result of the suspension of our driving training services since early January 2020 but subsequently resumed in late February 2020 for Tong Tai School and early April 2020 for Shun Da School, respectively and the price adjustments to our course fees of Large Vehicles and Small Vehicles due to the keen competition followed by the outbreak of the COVID-19 pandemic and in order to capture the market share and promote business expansion.

3. Cost of services rendered

For the six months ended 30 June 2020 and 2019, our Group's cost of services rendered amounted to approximately RMB14.5 million and RMB15.9 million, respectively. Our cost of services rendered mainly comprises employee benefit expenses paid to our driving instructors and other supporting staff, depreciation charges, depreciation of rights-of-use assets, fuel expenses, catering expenses and other expenses. Our cost of services rendered decreased by approximately RMB1.4 million, or approximately 8.9%, from approximately RMB15.9 million for the six months ended 30 June 2019 to approximately RMB14.5 million for the six months ended 30 June 2020.

Employee benefit expenses increased by approximately RMB0.3 million, or approximately 4.0%, from approximately RMB6.3 million for the six months ended 30 June 2019 to approximately RMB6.6 million for the six months ended 30 June 2020 which was mainly attributable to the overall increase in salary level and the fact that our Group still need to pay the fixed salaries to our driving instructors and other supporting staff to maintain the operation despite our driving training services were temporarily suspended in early January 2020, as a result of the outbreak of the COVID-19 pandemic during the six months ended 30 June 2020. Our fuel expenses decreased by approximately RMB1.6 million, or approximately 42.4%, from approximately RMB3.8 million for the six months ended 30 June 2019 to approximately RMB2.2 million for the six months ended 30 June 2020, which was mainly attributable to the decrease in the actual number of training hours of our trainees. Our depreciation and amortisation charges decreased by approximately RMB0.2 million, or approximately 6.0% from approximately RMB4.2 million for the six months ended 30 June 2019 to approximately RMB3.9 million for the six months ended 30 June 2020 mainly attributable to the decrease in depreciation and amortisation charges for the partial plant and equipment and intangible assets which are fully depreciated in late 2019. Our catering expenses decreased by approximately RMB0.2 million, or approximately 29.4% from approximately RMB0.8 million for the six months ended 30 June 2019 to approximately RMB0.6 million for the six months ended 30 June 2020 mainly attributable to the decrease in catering expenses for the trainees attended our premium course of driving training services. Other expenses increased by approximately RMB0.4 million, or approximately 61.9%, from approximately RMB0.7 million for the six months ended 30 June 2019 to approximately RMB1.2 million for the six months ended 30 June 2020, mainly attributable to the increase in repair and maintenance expenses of motor vehicles, insurance charges of training vehicles and consumables.

4. Gross profit and gross profit margin

Our gross profit for Large Vehicles decreased by approximately RMB19.4 million, or approximately 79.8%, from approximately RMB24.3 million for the six months ended 30 June 2019 to approximately RMB4.9 million for the six months ended 30 June 2020 in line with the decrease in the revenue generated from the driving training services

for Large Vehicle as a result of (i) the decrease in the actual number of training hours as a result of the suspension of our driving training service; and (ii) the price adjustments to our course fee of Large Vehicles due to the keen competition followed by the outbreak of the COVID-19 pandemic and in order to capture the market share and promote business expansion. Our gross profit margin from the provision of driving training services for Large Vehicles decreased by approximately 34.3 percentage points to approximately 32.8% for the six months ended 30 June 2020 from approximately 67.1% for the six months ended 30 June 2019, mainly attributable to (i) the price adjustments to the course fee of our standard and premium course of Large Vehicles which contributed a large portion of revenue from the enrolment of our premium courses for Large Vehicles with lower gross profit margin than the one from standard courses and (ii) fixed cost of services rendered were incurred during the six months ended 30 June 2020 despite the suspension of driving training services.

As a result of the combined effect of the decrease in our revenue from the provision of driving training services for small vehicles, which was primarily attributable to (i) the decrease in total number of trainees attended our driving courses for Small Vehicles and the decrease in actual number of training hours of our trainees of Small Vehicles as a result of the suspension of our driving training service; and (ii) the price adjustments to our course fee of Small Vehicles due to the keen competition followed by the outbreak of the COVID-19 pandemic and in order to capture the market share and promote business expansion, our gross profit for Small Vehicles decreased by approximately RMB2.4 million, or approximately 60.8%, from approximately RMB4.0 million for the six months ended 30 June 2019 to approximately RMB1.6 million for the six months ended 30 June 2020. Our gross profit margin from the provision of driving training services for Small Vehicles decreased by approximately 24.1% to approximately 26.0% for the six months ended 30 June 2020 from approximately 50.1% for the six months ended 30 June 2019, mainly attributable to the (i) the price adjustments to our course fee of our standard and premium course of Small Vehicles in January 2020 which contributed a large portion of revenue from the enrolment of our premium courses for Small Vehicles with lower gross profit margin than the one from standard courses and partial fixed cost of services rendered were incurred during the six months ended 30 June 2020 despite the suspension of driving training services.

5. *Selling and distribution expenses*

Our selling and distribution expenses increased by approximately RMB0.8 million, or approximately 90.7%, from approximately RMB0.9 million for the six months ended 30 June 2019 to approximately RMB1.6 million for the six months ended 30 June 2020. Such increase was mainly attributable to the increase in marketing and advertising expenses.

6. *Administrative expenses*

Our administrative expenses increased by approximately RMB6.1 million, or approximately 203.4%, from approximately RMB3.0 million for the six months ended 30 June 2019 to approximately RMB9.1 million for the six months ended 30 June 2020 which was mainly attributable to the increase in legal and professional fees paid upon listing, increase in salaries paid to our senior management and Directors' remuneration after listed on the Main Board of the Stock Exchange since 24 October 2019.

7. *Finance costs*

Our finance costs decreased by approximately RMB0.5 million, or approximately 19.5%, from approximately RMB2.3 million for the six months ended 30 June 2019 to approximately RMB1.9 million for the six months ended 30 June 2020 mainly attributable to the repayment of the bank borrowings in January 2020.

8. *(Loss)/Profit and total comprehensive income for the period*

As a result of the above factors, our Group recorded the loss and total comprehensive loss for the six months ended 30 June 2020 of approximately RMB2.9 million, as compared to the profit and total comprehensive income of approximately RMB11.9 million for the six months ended 30 June 2019.

The change from adjusted profit and total comprehensive income of approximately RMB16.9 million for the six months ended 30 June 2019, to adjusted loss and total comprehensive loss of approximately RMB2.9 million for the six months ended 30 June 2020 was mainly attributable (i) the decrease in each of the number of trainees who attended our driving courses of Large Vehicles and Small Vehicles and the actual number of training hours as a result of the suspension of our driving training services and resumption in late February and early April 2020 for our Tong Tai school and Shun Da school, respectively; and (ii) the decrease in course enrolments of Small Vehicles and corresponding course fees of Large Vehicles and Small Vehicles.

The net loss margin attributable to owners of the Company for the six months ended 30 June 2020 was 13.7%, as compared to the net profit margin attributable to owners of the Company of 26.8% for the six months ended 30 June 2019 and the adjusted net loss margin attributable to owners of the Company for the six months ended 30 June 2020 was 13.7%, as compared to the adjusted net profit margin attributable to owners of the Company of 38.2% for the six months ended 30 June 2019. Our adjusted net loss margin for the six months ended 30 June 2020, mainly attributable to the decreased gross profit margin of Large Vehicles and Small Vehicles, increase in selling and administrative expenses and decreased finance costs.

9. *Liquidity and Source of Funding and Borrowing*

The Group's bank balances and cash decreased from approximately RMB190.8 million as at 31 December 2019 to approximately RMB160.2 million as at 30 June 2020 which was mainly attributable to the decrease in operating cash flows and cash used in the investing activities.

As at 30 June 2020, the current assets of the Group amounted to approximately RMB165.5 million, including approximately RMB160.2 million in bank balances and cash and approximately RMB5.3 million in trade and other receivables, deposits and prepayments. The current liabilities of the Group amounted to approximately RMB92.8 million, including approximately RMB14.9 million in trade and other payables and accruals, approximately RMB44.2 million in contract liability, approximately RMB2.6 million in tax liabilities, approximately RMB29.8 million in borrowings and approximately RMB1.2 million in lease liabilities, the current ratio of the Group, which is equivalent to the current assets divided by the current liabilities, was 1.78 (31 December 2019: 3.37).

10. *Gearing ratio*

As at 30 June 2020, the gearing ratio of the Group, which was calculated based on total debt, including all interest-bearing loans, obligations under finance lease/lease liabilities and amount due to a director divided by total equity, was approximately 0.21 times (31 December 2019: 0.26 times).

11. *Material Investments*

The Group did not make any material investments during the six months ended 30 June 2020.

12. *Material acquisitions and disposals*

The Group did not make any material acquisitions and disposals during the six months ended 30 June 2020.

13. *Borrowings and Pledge of Assets*

As at 30 June 2020, the current and non-current interest-bearing borrowings of the Group amounting to approximately RMB9.0 million which are repayable within a period of more than one year but not exceeding two years and approximately RMB29.8 million which are repayable within one year, respectively, were guaranteed and pledged by certain prepaid land lease payments/rights-of-use assets, office buildings and the operation rights of certain subsidiaries of the Group. Our borrowings of approximately RMB36.8 million and RMB2.0 million were at fixed and variable interest rate, respectively.

14. *Contingent Liabilities*

As at 30 June 2020, our Group did not have any material contingent liabilities or guarantees and no members of our Group was involved in any claim, litigation or arbitration of material importance and no claim, litigation or arbitration of material importance is known to our Directors to be pending or threatened against any member of our Group. Accordingly, no provision for the contingent liabilities in respect of litigation is necessary.

15. *Foreign Exchange Exposure*

As at 30 June 2020, the Group's exposure to foreign currency risk related primarily to certain bank balances and other payables denominated in HK\$. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign currency exposure and will consider hedging foreign currency exposure should the need arise.

16. *Employee and Remuneration Policy*

As at 30 June 2020 and 31 December 2019, we had 400 and 412 employees, respectively. The number of employees employed by the Group varies from time to time depending on need. Employees' remuneration is determined in accordance with prevailing industry practice and employees' working experiences and performance. The remuneration policy and package of the Group's employees are periodically reviewed. As required by the PRC laws and regulations, the Company participates in various employee social security plans for its employees that are administered by local governments, including among others, housing provident funds, pensions, medical insurance, social insurance and unemployment insurance.

Compensation of key executives of the Group is determined by the Company's remuneration committee which reviews and recommends to the Board of Directors the executives' compensation based on the Group's performance and the executives' respective contributions to the Group.

The Company also has a Share Option Scheme and please refer to the section headed "Statutory and General Information — D. Share Option Scheme" in Appendix V to the Prospectus for further details.

The total employees benefit expenses incurred by the Group for the six months ended 30 June 2020 was approximately RMB9.0 million (for the six months ended 30 June 2019: approximately RMB8.0 million).

The following table sets forth the total number of employees by function as at 30 June 2020:

Function	<i>Number of employees</i>	<i>% of the total</i>
Directors	6	1.4
Driving instructors	299	74.8
Sale and marketing	27	6.8
Finance and accounting	9	2.2
Teaching affair office	13	3.3
Administration	39	9.8
Vehicle management	7	1.7
	<hr/>	<hr/>
Total	<u>400</u>	<u>100.0</u>

Subsequent Events

There are no material events subsequent to 30 June 2020 which would materially affect the operating and financial performance of the Group as of the date of this announcement.

USE OF PROCEEDS

On 24 October 2019, the Shares were listed on the Main Board of the Stock Exchange. The net proceeds from the IPO were approximately HK\$108.4 million after deducting the underwriting fees, the Stock Exchange trading fee, SFC transaction levy for the new shares in the Company and the Listing and other expenses in connection with the Share Offer.

As at 30 June 2020, a total of approximately HK\$24.6 million had been utilised by the Group for the interim period according to the allocation set out hereinbelow:

	% of net proceeds	Net proceeds from IPO <i>HK\$'000</i>	Utilisation during the period from the Listing Date to 30 June 2020 <i>HK\$'000</i>	Unutilised amount as at 30 June 2020 <i>HK\$'000</i>	Expected timeframe for intended use
Acquisition of a parcel of land	45.7	49,547	—	49,547	By the end of 2020
Construction of training fields	12.3	13,333	—	13,333	By the third quarter of 2021
Purchase of training vehicles	9.7	10,517	—	10,517	By the third quarter of 2021
Recruitment and training costs for 40 new driving instructors	9.6	10,408	—	10,408	By the third quarter of 2021
Repayment of bank loans	12.7	13,769	13,769	—	—
Working capital and general corporate purposes	10.0	10,844	10,844	—	—
Total	100.0	108,418	24,613	83,805	

There has been no changes to the intended use of net proceeds and the expected timeframe for intended use as disclosed in the Prospectus and the immediately preceding annual report.

INTERIM DIVIDEND

The Board does not recommend the payment of any interim dividend to shareholders for the six months ended 30 June 2020 (the six months ended 30 June 2019: Nil).

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Relevant Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company.

CORPORATE GOVERNANCE AND OTHER INFORMATION

1. Compliance with the code provisions set out in the Corporate Governance Code

The Company is committed to maintaining a high corporate governance standard to enhance the transparency, accountability and corporate value of the Company and safeguard the interests of the Shareholders. The Company has adopted the principles and code provisions in the Corporate Governance Code as fundamental guidelines for the corporate governance practices of the Company.

During the six months ended 30 June 2020, the Company has complied with all applicable code provisions set out in the Corporate Governance Code. The Company will continue to review and monitor the corporate governance practices of the Company to ensure compliance with the Corporate Governance Code and maintain high standard of corporate governance practices.

2. Directors' Securities Transactions

The Company has adopted Model Code as its code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard set out in the Model Code.

Having made specific enquiry of all the Directors, all the Directors have confirmed that they had complied with the required standard set out in the Model Code regarding securities transactions by the Directors and there have been no incidents of non-compliance with the required standard set out in the Model Code.

3. Review by the Audit Committee

The Audit Committee consists of three members, namely Mr. Cheng Chun Shing (as the chairman), Mr. Chan Siu Wah and Mr. Goh Teng Hwee, all being independent non-executive Directors.

The Audit Committee has reviewed the unaudited consolidated financial statements of the Group for the six months ended 30 June 2020 and is of the view that such results complied with the applicable accounting standards and requirements under the Listing Rules and other applicable legal and regulatory requirements.

PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

The interim results announcement is published on the websites of the Stock Exchange at (www.hkexnews.hk) and the website of the Company at (www.china-oriented.com). The interim report of the Group for the six months ended 30 June 2020 will be published on the aforesaid websites of the Stock Exchange and the Company and will be dispatched to the Shareholders in due course.

ACKNOWLEDGEMENT

On behalf of the Board, I would like to express my sincere gratitude to the Company's management, staff members and our professional advisers for their dedication and hard work and our shareholders for their trust and support.

DEFINITIONS AND GLOSSARY OF TECHNICAL TERMS

Definitions

In this announcement, unless the context otherwise requires, the following expressions shall have the following meaning:

“Audit Committee”	The audit committee of the Company, which was established on 19 September 2019 pursuant to the resolutions of the Board on 19 September 2019
“Board”	the board of directors of the Company
“Company”	China Oriented International Holdings Limited (向中國國際控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability and which is listed on the main board of the Stock Exchange
“Corporate Governance Code”	the Corporate Governance Code as set out in Appendix 14 to the Listing Rules
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“IPO”	the initial public offering of the Shares, further details of which are set out in the Prospectus
“Listing”	The listing of and the commencement of dealings in the Shares, on the Main Board of the Stock Exchange
“Listing Date”	24 October 2019, the date on which the Shares were listed on the Main Board of the Stock Exchange
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
“Main Board”	the stock market operated by the Stock Exchange, which excludes GEM and the options market
“Ministry of Public Security”	Ministry of Public Security of the PRC (中華人民共和國公安部)
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules
“PRC”	the People’s Republic of China, which for the purpose of this announcement and for geographical reference only, excludes Hong Kong, Macau Special Administrative Region and Taiwan
“Prospectus”	the prospectus of the Company dated 11 October 2019
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holders of the Shares
“Shares”	ordinary share(s) with a nominal value of HK\$0.01 each in the share capital of our Company, which are traded in Hong Kong dollars and listed on the Main Board of the Stock Exchange
“Shun Da School”	Suiping County Shunda Driver Training Company Limited* (遂平縣順達駕駛員培訓有限公司), a company established in the PRC with limited liability on 25 December 2012 and an indirect wholly-owned subsidiary of our Company

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tong Tai School”	Zhumadian Tongtai Large Vehicles Driver Training Company Limited* (駐馬店通泰大型機動車駕駛員培訓有限公司), a company established in the PRC with limited liability on 24 April 2014 and an indirect wholly-owned subsidiary of our Company

Glossary of technical terms

This glossary contains explanations of certain terms used in this announcement in connection with us and our business. These terminologies and their given meanings may not correspond to those standard meanings and usage adopted in the industry.

“A1 Vehicles”	large vehicles of 6m or longer; or with a capacity for 20 or more passengers, being a type of vehicles classified by the Ministry of Public Security
“A2 Vehicles”	large and medium full-trailers or half-trailer vehicles, being a type of vehicles classified by the Ministry of Public Security
“A3 Vehicles”	vehicles for carrying 10 or more passengers as city buses, being a type of vehicles classified by the Ministry of Public Security
“B1 Vehicles”	medium sized vehicles shorter than 6m; and with a capacity for 10–19 passengers, being a type of vehicles classified by the Ministry of Public Security
“B2 Vehicles”	large and medium sized trucks and large and medium sized working vehicles, being a type of vehicles classified by the Ministry of Public Security
“C1 Vehicles”	small manual vehicles, light-goods manual vehicles and light-duty manual working vehicles, being a type of vehicles classified by the Ministry of Public Security
“Driving Skill Written Test”	the written test organised by the Vehicles Management Office (車管所) of the Traffic Management Department, being the prerequisite for the grant of driving licence in the PRC. A trainee shall pass such test before he or she can take the On-road Driving Test, the On-site Driving Test and/or the Road Safety Written Test

“Driving Tests”	Driving Skill Written Test, On-site Driving Test, On-road Driving Test and Road Safety Written Test
“Large Vehicle(s)”	A1, A2, A3, B1 and B2 Vehicles, which are generally used as commercial vehicles
“On-road Driving Test”	the driving test organised by the Vehicles Management Office (車管所) of the Traffic Management Department on public roads, being the prerequisite for the grant of driving licence in the PRC. A trainee shall pass such test before he or she can take the Road Safety Written Test
“On-site Driving Test”	the driving test organised by the Vehicles Management Office (車管所) of the Traffic Management Department at a specific site, being the prerequisite for the grant of driving licence in the PRC. A trainee shall pass such test before he or she can take the Road Safety Written Test
“qualified level I driving school”	a driving school possessing, among others, more than 80 training vehicles, and is qualified under the Qualifications of Motor Vehicle Driving Training Institutions (機動車駕駛員培訓機構資格條件) to provide driving training services in the PRC
“qualified level II driving school”	a driving school possessing, among others, more than 40 driving vehicles, and is qualified under the Qualifications of Motor Vehicle Driving Training Institutions (機動車駕駛員培訓機構資格條件) to provide driving training services in the PRC

- “Road Safety Written Test” the written test organised by the Vehicles Management Office (車管所) of the Traffic Management Department, being the prerequisite for the grant of driving licence in the PRC. A trainee shall pass the Driving Skill Written Test, the On-road Driving Test and the On-site Driving Test before he or she can take the Road Safety Written Test
- “Small Vehicle(s)” C1 Vehicles and C2 Vehicles, which are generally used as private and/or commercial vehicles

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

31 August 2020

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