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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)

DISCLOSEABLE TRANSACTION FORMATION OF JOINT VENTURE COMPANY

On 26 August 2020, Tongtai Cultural (an indirect wholly-owned subsidiary of the Company), Suiping Zhonghe and Zhumadian R&U Construction entered into the JV Articles, pursuant to which the parties agreed to establish the JV Company for the purpose of engaging in, *inter alia*, the production, supply and sales of thermal power (熱電).

Pursuant to the JV Articles, the registered capital of the JV Company will be RMB100,000,000. Tongtai Cultural will contribute RMB5,000,000 in cash towards the registered capital of the JV Company.

As the applicable percentage ratio (as defined in the Listing Rules) in respect of the capital contribution of Tongtai Cultural under the JV Articles exceeds 5% but less than 25%, the formation of the JV Company under the JV Articles constitutes a discloseable transaction of the Company and is subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

On 26 August 2020, Tongtai Cultural (an indirect wholly-owned subsidiary of the Company), Suiping Zhonghe and Zhumadian R&U Construction entered into the JV Articles, pursuant to which the parties agreed to establish the JV Company for the purpose of engaging in, *inter alia*, the production, supply and sales of thermal power (熱電).

PRINCIPAL TERMS OF THE JV ARTICLES

The principal terms of the JV Articles are set out as follows:

Date : 26 August 2020

Parties : (i) Suiping Zhonghe;

(ii) Zhumadian R&U Construction; and

(iii) Tong Tai Cultural

To the best of the knowledge, information and belief of the Board, having made all reasonable enquiries, Suiping Zhonghe, Zhumadian R&U Construction and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons.

- Name of the JV Company : 河南中禾熱電有限公司 (Henan Zhonghe Thermal Power Limited Company)*
- Scope of business of the JV Company : Production, supply and sales of thermal power, installation and sales of thermal power pipelines and fittings, supply of heat energy to cities subject to approval of relevant authorities
- Registered capital : The registered capital of the JV Company shall be RMB100,000,000.
- Capital contribution : The parties to the JV Company shall contribute in cash to the capital of the JV Company in the following proportion:

Party	Capital contribution	% of equity interest in the JV Company	Contribution schedule
Suiping Zhonghe	RMB85,000,000	85%	By 30 December 2022
Zhumadian R&U Construction	RMB10,000,000	10%	By 30 December 2022
Tong Tai Cultural	RMB5,000,000	5%	By 30 December 2022

The amount of capital contribution was determined after arm's length negotiations among the parties on normal commercial terms with reference to the expected initial workings capital, funding requirements and future business development and prospect of the JV Company.

- Management of the JV Company : The shareholders' meeting of the JV Company shall be composed of all shareholders and shall be the organ of authority of the JV Company. The JV Company will have one executive director and one supervisor, both of which are elected by simple majority at a shareholders' meeting. The executive director will also assume the position of manager and legal representative of the JV Company

Restrictions on equity transfer and pre-emptive rights : The shareholders of the JV Company may transfer all or part of their equity interests in the JV Company among themselves. No transfer of equity interests in the JV Company by any shareholder to any third party shall be allowed unless such transfer is approved by a simple majority of the non-selling shareholder(s)

REASONS FOR AND BENEFITS OF THE FORMATION OF THE JV COMPANY

The Board takes the view that the formation of the JV Company represents an opportunity for the Group to invest in the thriving thermal power industry in Henan province. By partnering with Suiping Zhonghe, the sole supplier of thermal power in Suiping County, the Group may benefit from the extensive experience of Suiping Zhonghe in the business development of thermal power and the interest in the JV Company is of good investment potential. The Board believes that the terms of the transaction are arrived at after arm's length negotiation, fair and reasonable and in the interests of the shareholders of the Company as a whole.

INFORMATION OF THE COMPANY AND THE PARTIES

The Company is an investment company. It is principally engaged in the provision of driving training services. Tongtai Cultural is a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company. It is principally engaged in investment holding.

Suiping Zhonghe is a company established in the PRC with limited liability. It is principally engaged in the installation and sales of thermal power pipelines and fittings, and supply of heat energy to cities subject to approval of relevant authorities.

Zhumadian R&U Construction is a company established in the PRC with limited liability. It is principally engaged in, *inter alia*, investment, operation and management of state-owned assets authorised by the government, and investment and construction of urban infrastructures and facilities.

LISTING RULES IMPLICATION

As the applicable percentage ratio (as defined in the Listing Rules) in respect of the capital contribution of Tongtai Cultural under the JV Articles exceeds 5% but less than 25%, the formation of the JV Company under the JV Articles constitutes a discloseable transaction of the Company and is subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms and expressions shall have the following meanings:

“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 whose shares are listed on the Stock Exchange;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	Hong Kong Special Administrative Region of the PRC;
“JV Articles”	the articles of association of the JV Company entered into by Suiping Zhonghe, Zhumadian R&U Construction and Tong Tai Cultural on 26 August 2020;
“JV Company”	河南中禾熱電有限公司 (Henan Zhonghe Thermal Power Limited Company)*, a joint venture company established in the PRC pursuant to the JV Articles;
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time;
“Main Board”	the stock market operated by the Stock Exchange, which excludes GEM and the option market;
“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;
“RMB”	Renminbi, the lawful currency of the PRC;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Suiping Zhonghe”	遂平縣中禾熱力有限公司 (Suiping Zhonghe Thermal Power Limited Company)*, a company established in the PRC with limited liability;
“Tongtai Cultural”	駐馬店通泰文化傳媒有限公司 (Zhumadian Tongtai Cultural Media Company Limited)*, a company established in the PRC with limited liability on 2 June 2016 and an indirect wholly-owned subsidiary of the Company;

“Zhumadian R&U Construction” 駐馬店市城鄉建設投資集團有限公司 (Zhumadian City Rural and Urban Construction Investment Limited Company)*, a company established in the PRC with limited liability; and

“%” per cent.

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

Hong Kong, 2 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*