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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)

ANNOUNCEMENT ON THE INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2021

RESULTS

The Board is pleased to announce the unaudited consolidated interim results of the Group for the six months ended 30 June 2021, together with the comparative figures for the six months ended 30 June 2020. 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

		For the six months ended	
		30 June 2021	30 June 2020
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	4	35,476	20,962
Cost of services rendered		<u>(22,475)</u>	<u>(14,489)</u>
Gross profit		13,001	6,473
Other income	6	1,891	612
Other losses, net	6	(164)	(12)
Selling and distribution expenses		(1,262)	(1,636)
Administrative expenses		(7,181)	(9,147)
Finance costs	7	<u>(1,859)</u>	<u>(1,882)</u>
Profit/(Loss) before tax	8	4,426	(5,592)
Income tax (expenses)/credit	9	<u>(386)</u>	<u>2,711</u>
Profit/(Loss) and total comprehensive income/(loss) for the period		<u><u>4,040</u></u>	<u><u>(2,881)</u></u>
Earnings/(Loss) per share	11		
— Basic (RMB cents)		<u><u>1.01</u></u>	<u><u>(0.72)</u></u>
— Diluted (RMB cents)		<u><u>1.01</u></u>	<u><u>(0.72)</u></u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 30 June 2021 <i>RMB'000</i> (Unaudited)	As At 31 December 2020 <i>RMB'000</i> (Audited)
	<i>Notes</i>		
Non-current assets			
Property, plant and equipment	<i>12</i>	132,681	136,917
Deposits paid for construction in progress	<i>13</i>	1,839	1,790
Prepayment paid for property, plant and equipment	<i>13</i>	1,260	1,440
		135,780	140,147
Current assets			
Trade and other receivables, deposits and prepayments	<i>13</i>	4,440	5,496
Amount due from a director		—	2,283
Bank balances and cash		180,128	167,588
		184,568	175,367
Current liabilities			
Trade and other payables and accruals	<i>14</i>	20,673	20,419
Contract liability		37,017	34,811
Tax liabilities		8,512	6,174
Borrowings	<i>17</i>	36,800	36,800
Lease liabilities	<i>15</i>	1,146	1,207
		104,148	99,411
Net current assets		80,420	75,956
Total assets less current liabilities		216,200	216,103
Non-current liabilities			
Lease liabilities	<i>15</i>	1,719	2,260
Deferred taxation	<i>16</i>	312	3,714
		2,031	5,974
		214,169	210,129
Capital and reserves			
Share capital		3,608	3,608
Reserves		210,561	206,521
Total equity		214,169	210,129

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

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 condensed 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.

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 Listing Rules.

The condensed consolidated financial statements have been prepared on the historical cost basis at the end of the reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the condensed consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 “Share-based Payment”, leasing transactions that are accounted for in accordance with HKFRS 16 “Leases” and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 “Inventories” or value in use in HKAS 36 “Impairment of Assets”.

3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

Amendments to HKFRSs that are mandatorily effective for the current period

In the current interim period, the Group has applied 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 2021 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKFRS 9, HKAS 39 and Interest Rate Benchmark Reform — Phase 2
HKFRS 7, HKFRS 4 and HKFRS 16

Except as described below, the application of 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 on application of Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16, Interest Rate Benchmark Reform — Phase 2

The amendments provide targeted reliefs from (i) accounting for changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities as modifications, and (ii) discontinuing hedge accounting when an interest rate benchmark is replaced by an alternative benchmark rate as a result of the reform of interbank offered rates (“IBOR reform”). The amendments do not have an impact on this interim financial report as the Group does not have contracts that are indexed to benchmark interest rates which are subject to the IBOR reform.

New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 17	Insurance Contracts ¹
Amendments to HKFRS 3	Reference to the Conceptual Framework ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ¹
Amendments to HKAS 1 and HKFRS Practice Statements 2	Disclosure of Accounting Policies ¹
Amendments to HKAS 8	Definition of Accounting Estimates ¹
Amendments to HKAS 12	Deferred tax related to Assets and Liabilities arising from a Single Transaction ¹
Amendments to HKAS 16	Property, Plant and Equipment — Proceeds before Intended Use ²
Amendments to HKAS 37	Onerous Contracts — Cost of Fulfilling a Contract ²
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018–2020 ²

¹ Effective for annual periods beginning on or after 1 January 2023.

² Effective for annual periods beginning on or after 1 January 2022.

³ Effective for annual periods beginning on or after a date to be determined.

3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

The Directors anticipate that the application of the new and amendments to HKFRSs will have no material impact on the condensed consolidated financial statements of the Group in the foreseeable future.

4. REVENUE

	For the six months ended	
	30 June 2021	30 June 2020
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Driving training service income		
Standard course	2,425	483
Premium course	32,706	20,295
Additional training fees	345	184
	<u>35,476</u>	<u>20,962</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 profit 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

The Group offers packaged driving courses for preparation for driving tests to a large number of individual customers. No individual customer accounted for over 10% of the Group's total revenue during both periods.

6. OTHER INCOME AND OTHER LOSSES, NET

(a) OTHER INCOME

	For the six months ended	
	30 June 2021	30 June 2020
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Income from issuance of certificate of qualification validation	766	—
Interest income	326	324
Value-added tax refund	494	—
Others	305	288
	<u>1,891</u>	<u>612</u>

(b) OTHER LOSSES, NET

	For the six months ended	
	30 June 2021	30 June 2020
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Exchange loss, net	(156)	(12)
Loss on disposal of property, plant and equipment	(8)	—
	<u>(164)</u>	<u>(12)</u>

7. FINANCE COSTS

	For the six months ended	
	30 June 2021	30 June 2020
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Interest on bank loans	1,725	1,919
Interest on leases liabilities	134	122
	<u>1,859</u>	<u>2,041</u>
Less: Interest capitalised	—	(159)
	<u>1,859</u>	<u>1,882</u>

8. PROFIT/(LOSS) BEFORE TAX

	For the six months ended	
	30 June 2021	30 June 2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Profit/(loss) before tax has been arrived at after charging:		
Auditor's remuneration	11	8
Depreciation of property, plant and equipment	5,119	3,598
Depreciation of right-of-use assets	1,159	934
Rental expense relating to short-term lease with lease terms ending within twelve months of the date of initial application of HKFRS 16	—	9
Donation	62	261
Directors' remuneration	657	641
Other staff costs		
— Salaries and other allowances	11,258	8,099
— Retirement benefit scheme contributions	811	259
	<u>12,069</u>	<u>8,358</u>
Total staff costs	<u>12,726</u>	<u>8,999</u>

9. INCOME TAX EXPENSES/(CREDIT)

	For the six months ended	
	30 June 2021	30 June 2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
PRC Enterprise Income Tax ("EIT")		
Current year	3,365	663
Under/(Over)-provision in prior year	423	(2)
	<u>3,788</u>	<u>661</u>
Deferred taxation	<u>(3,402)</u>	<u>(3,372)</u>
	<u>386</u>	<u>(2,711)</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 2020 and 2021 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%.

9. INCOME TAX EXPENSES/(CREDIT) (CONTINUED)

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 RMB117,535,000 as at 30 June 2021 (31 December 2020: RMB109,990,000), 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.

10. 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.

11. EARNINGS/(LOSS) PER SHARE

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

	For the six months ended	
	30 June 2021	30 June 2020
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Earnings/(Loss):		
Earnings/(Loss) for the purpose of basic earnings/(loss) per share (in RMB'000)	<u><u>4,040</u></u>	<u><u>(2,881)</u></u>
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>400,000,000</u>	400,000,000
Effect of dilutive potential ordinary shares (Note)	<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>400,000,000</u></u>

Note: No diluted earnings/(loss) per share for the six months ended 30 June 2021 and 2020 were presented as there were no potential ordinary shares in issue for both periods.

12. PROPERTY, PLANT AND EQUIPMENT

	Buildings RMB'000	Leasehold improvements RMB'000	Equipment RMB'000	Furniture and fixtures RMB'000	Office equipment RMB'000	Motor vehicles RMB'000	Construction in progress RMB'000	Right-of-use assets RMB'000	Total RMB'000
Cost									
At 1 January 2020 (audited)	31,891	36,339	5,512	535	918	18,429	2,696	48,544	144,864
Additions	—	10,659	5,330	474	703	6,326	708	4,541	28,741
Disposals	—	—	—	—	—	(628)	—	—	(628)
Reclassification	844	2,560	—	—	—	—	(3,404)	—	—
At 31 December 2020 (audited)	32,735	49,558	10,842	1,009	1,621	24,127	—	53,085	172,977
Additions	—	28	—	143	94	1,807	—	—	2,072
Disposals	—	—	—	—	—	(187)	—	—	(187)
At 30 June 2021 (unaudited)	32,735	49,586	10,842	1,152	1,715	25,747	—	53,085	174,862
Accumulated depreciation									
At 1 January 2020 (audited)	3,671	5,025	4,106	488	673	9,977	—	2,024	25,964
Provided for the year	1,615	3,571	414	69	201	2,571	—	2,099	10,540
Eliminated on disposals	—	—	—	—	—	(444)	—	—	(444)
At 31 December 2020 (audited)	5,286	8,596	4,520	557	874	12,104	—	4,123	36,060
Provided for the period	780	2,136	465	46	272	1,420	—	1,159	6,278
Eliminated on disposals	—	—	—	—	—	(157)	—	—	(157)
At 30 June 2021 (unaudited)	6,066	10,732	4,985	603	1,146	13,367	—	5,282	42,181
Carrying values									
At 30 June 2021 (unaudited)	26,669	38,854	5,857	549	569	12,380	—	47,803	132,681
At 31 December 2020 (audited)	27,449	40,962	6,322	452	747	12,023	—	48,962	136,917

During the current interim period, the Group paid RMB nil (six months ended 30 June 2020: RMB9.9 million) for construction costs and leasehold improvement for newly leased training field, RMB1.8 million (six months ended 30 June 2020: RMB8.7 million) for the acquisition of the training vehicles and RMB nil (six months ended 30 June 2020: RMB2.3 million) for acquisition of a monitoring system in our training field and test venue in the PRC in order to upgrade our driving training capabilities.

13. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Trade receivables	94	592
Other receivables	314	314
Prepayments	5,292	6,030
Deposits	<u>1,839</u>	<u>1,790</u>
	7,539	8,726
Less: Deposits paid for construction in progress classified as non-current assets	(1,839)	(1,790)
Prepayment paid for property, plant and equipment classified as non-current assets	<u>(1,260)</u>	<u>(1,440)</u>
Trade and other receivables, deposits and prepayments — current portion	<u>4,440</u>	<u>5,496</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 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
0–30 days	94	592
More than 90 days	<u>—</u>	<u>—</u>
	<u>94</u>	<u>592</u>

No balance as at 30 June 2021 (31 December 2020: RMB nil) which is past due more than 90 days are not considered as in default as those balances were 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.

14. TRADE AND OTHER PAYABLES AND ACCRUALS

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Trade payables	6,321	2,970
Accrued construction costs	5,606	7,325
Salaries payable	2,207	1,714
Examination fees payable	2,020	2,268
Other tax payables	1,929	2,219
Other payables	2,590	3,923
	<u>20,673</u>	<u>20,419</u>

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 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
0–30 days	860	2,970
31–60 days	658	—
61–90 days	598	—
Over 90 days	4,205	—
	<u>6,321</u>	<u>2,970</u>

15. LEASE LIABILITIES

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Analysed for reporting purpose as:		
Current liabilities	1,146	1,207
Non-current liabilities	1,719	2,260
	<u>2,865</u>	<u>3,467</u>

15. LEASE LIABILITIES (CONTINUED)

	Present value of minimum lease payments	
	2021 <i>RMB'000</i> (Unaudited)	2020 <i>RMB'000</i> (Audited)
Lease liabilities due:		
Within one year	1,146	1,207
Within a period of more than one year but not exceeding two years	693	962
Within a period of more than two years but not exceeding five years	350	577
Over five years	676	721
	<hr/>	<hr/>
Present value of lease liabilities	2,865	3,467
Less: Amounts due for settlement within twelve months (shown under current liabilities)	(1,146)	(1,207)
	<hr/>	<hr/>
Amounts due for settlement after twelve months	<u>1,719</u>	<u>2,260</u>

The rates applied are ranging from 6.0% to 11.5% (2020: 6.0% to 11.5%) and variable at 125% of PBOC standard lending rate per annum. All leases are entered at fixed prices. The Group does not face a signification liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's treasury function.

16. 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 2021 <i>RMB'000</i> (Unaudited)	31 December 2020 <i>RMB'000</i> (Audited)
Deferred tax liabilities	<u>312</u>	<u>3,714</u>

16. DEFERRED TAXATION (CONTINUED)

The following are the major deferred tax liabilities/(assets) recognised and movements thereon during the six months ended 30 June 2021.

	Temporary difference on depreciation of property, plant and equipment <i>RMB'000</i>	Temporary difference on interest capitalisation <i>RMB'000</i>	Revenue recognition <i>RMB'000</i>	Total <i>RMB'000</i>
As at 1 January 2020 (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)	891	2,158	(1,061)	1,988
Charged/(credited) to profit or loss	<u>(594)</u>	<u>(111)</u>	<u>2,431</u>	<u>1,726</u>
As at 31 December 2020 (audited)	297	2,047	1,370	3,714
Charged/(credited) to profit or loss	<u>171</u>	<u>(76)</u>	<u>(3,497)</u>	<u>(3,402)</u>
As at 30 June 2021 (unaudited)	<u><u>468</u></u>	<u><u>1,971</u></u>	<u><u>(2,127)</u></u>	<u><u>312</u></u>

17. BORROWINGS

During the current interim period, the Group repaid bank loans amounting to RMB27,800,000 (six months ended 30 June 2020: RMB23,350,000) and obtained new bank loans amounting to RMB27,800,000 (six months ended 30 June 2020: RMB12,000,000). The new bank loans amounting to RMB10,000,000 and RMB17,800,000 (six months ended 30 June 2020: RMB10,000,000 and RMB2,000,000) carry interest at fixed market rates of 7.60% and 11.16% (six months ended 30 June 2020: 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 2021, 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 steady recovery of the market conditions from the impact of the COVID-19 pandemic in the PRC since the second half of 2020, the overall business performance and operation of the Group carries on with the momentum of rebound since the second half of 2020 and continues to benefit from the steady recovery of market conditions from the impact of the COVID-19 pandemic in the PRC. The total number of course enrolment for, as well as the total number of trainees attended on, our driving courses during the six months ended 30 June 2021 has improved from the corresponding period in 2020 while being comparable to that of the second half of 2020.

The total number of course enrolments of the Group for the six months ended 30 June 2021 amounted to 8,097 (six months ended 30 June 2020: 5,633), representing an increase of approximately 43.7%. The total number of course enrolments of Shun Da School amounted to 2,220 (six months ended 30 June 2020: 1,197), representing an increase of approximately 85.5%. The total number of course enrolments of Tong Tai School amounted to 5,877 (six months ended 30 June 2020: 4,436), representing an increase of approximately 32.5%. In particular, the number of course enrolments for Large Vehicles recorded an increase of approximately 27.3% from 3,248 for the six months ended 30 June 2020 to 4,136 for the six months ended 30 June 2021.

The following table sets out a breakdown of the number of course enrolments for the six months ended 30 June 2021, together with the comparative figures for the corresponding period in 2020:

	For the six months ended 30 June 2021		2020	
	<i>Number of course enrolments</i>	<i>%</i>	<i>Number of course enrolments</i>	<i>%</i>
Tong Tai School				
Large Vehicles				
— Standard courses	264	3.3	307	5.5
— Premium courses	3,872	47.8	2,941	52.2
Small Vehicles				
— Standard courses	148	1.8	133	2.4
— Premium courses	1,593	19.7	1,055	18.7
Shun Da School				
Small Vehicles				
— Standard courses	1,968	24.3	609	10.8
— Premium courses	252	3.1	588	10.4
Total	<u>8,097</u>	<u>100.0</u>	<u>5,633</u>	<u>100.0</u>
Course				
Total standard courses	2,380	29.4	1,049	18.7
Total premium courses	5,717	70.6	4,584	81.3
Total	<u>8,097</u>	<u>100.0</u>	<u>5,633</u>	<u>100.0</u>
Driving school				
Total Tong Tai School	5,877	72.6	4,436	78.8
Total Shun Da School	2,220	27.4	1,197	21.2
Total	<u>8,097</u>	<u>100.0</u>	<u>5,633</u>	<u>100.0</u>
Driving course				
Large Vehicles	4,136	51.1	3,248	57.7
Small Vehicles	3,961	48.9	2,385	42.3
Total	<u>8,097</u>	<u>100.0</u>	<u>5,633</u>	<u>100.0</u>

The total number of trainees who attended our driving courses for the six months ended 30 June 2021 amounted to 10,334 (six months ended 30 June 2020: 7,113), also representing an increase of approximately 45.3%. The total revenue of the Group for the six months ended 30 June 2021 amounted to approximately RMB35.5 million (six months ended 30 June 2020: approximately RMB21.0 million), representing an increase of approximately 69.2%. Our provision of driving training services for Large Vehicles continued to be our primary source of revenue, accounting for approximately 81.0% of our total revenue (six months ended 30 June 2020: 71.1%). Revenue generated from premium courses contributed to approximately 92.2% of our total revenue (six months ended 30 June 2020: 96.8%). The following table sets out a breakdown of the number of trainees attending our driving courses, as well as our revenue by types of vehicles and types of driving courses for the six months ended 30 June 2021, together with the comparative figures for the corresponding period in 2020:

	For the six months ended 30 June					
	2021			2020		
	<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	320	630	1.8	78	84	0.4
— Premium courses	5,786	27,974	78.9	3,058	14,767	70.4
— Additional training services	N/A	126	0.3	N/A	66	0.3
Sub-total	<u>6,106</u>	<u>28,730</u>	<u>81.0</u>	<u>3,136</u>	<u>14,917</u>	<u>71.1</u>
Small Vehicles						
— Standard courses	1,713	1,795	5.1	520	399	1.9
— Premium courses	2,515	4,733	13.3	3,457	5,528	26.4
— Additional training services	N/A	218	0.6	N/A	118	0.6
Sub-total	<u>4,228</u>	<u>6,746</u>	<u>19.0</u>	<u>3,977</u>	<u>6,045</u>	<u>28.9</u>
Total	<u><u>10,334</u></u>	<u><u>35,476</u></u>	<u><u>100.0</u></u>	<u><u>7,113</u></u>	<u><u>20,962</u></u>	<u><u>100.0</u></u>

Future Prospect and Development

China's economy continues to rebound and had started off with a positive sign in the first half of 2021 amid a largely easing and effectively controlled COVID-19 pandemic situation. With such momentum, we believe that China's economic growth rate will return to pre-pandemic levels and may even surpass it. In the first half of 2021, the total value of China's import and export of goods trade reached RMB18.07 trillion, an increase of 27.1% over the corresponding period last year. The Chinese government is aiming for an expected GDP growth of more than 6% this year, and according to the forecast from World Bank, the figure could even be higher and may even reach 8.5%.

With the recovery of the Chinese economy, we are optimistic that the logistics and transportation industry will become more thriving. We expect that for the second half of 2021, the demand for drivers of Large Vehicles and driving training services will continue to increase. Our business will also continue to benefit from favourable government policies. Since the end of 2020, the Chinese government had implemented policies in relaxing the limit on age of taking driver's license training for Large Vehicles by 10 years, and removing the upper age limit for taking driver's license training for Small Vehicles. Essentially, this had increased the population eligible for joining driving training courses by around 100 million. With a surge of population eligible for receiving driving training services, we are excited about the long-term prospect of the driving training services industry. As the first Hong Kong-listed driving training service provider, we are in a good position to capture these opportunities and benefit from the increasing demand for driving training services in both short and long term.

To maintain 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. Apart from looking to acquire and develop new parcel of land, we will also actively carry out various forms of cooperation and negotiation to tackle the training field capacity issue that we have been facing, and put our driving schools on the fast track to growth. Throughout the first half of 2021, we have been conducting marketing campaigns outside of Zhumadian City. The results of our marketing effort are satisfactory. The total number of course enrolment for both Large Vehicles and Small Vehicles have recorded increase as comparing to the corresponding period last year. The proportion of our trainees from outside Henan province had also become more significant. We have been enrolling trainees from different parts of China, in particular Xinjiang and the provinces of Guangdong, Zhejiang and Hainan. We will divert further resources into improving the training of our staff to improve our services and provide better customer experience to our trainees.

Financial Review

1. Overview

Our overall financial performance during the six months ended 30 June 2021 has demonstrated improvement as compared to the corresponding period last year. For the six months ended 30 June 2021, we recorded revenue of RMB35.5 million, representing a 69.2% increase from RMB21.0 million for the six months ended 30 June 2020. We also recorded gross profit of RMB13.0 million and a gross profit margin of the Group of 36.6% for the six months ended 30 June 2021, as compared with RMB6.5 million and 30.9% for the six months ended 30 June 2020.

The net profit attributable to owners of the Group for the six months ended 30 June 2021 increased to RMB4.0 million, as compared to the net loss attributable to the owners of the Group of RMB2.9 million for the six months ended 30 June 2020. As compared to the change from net profit attributable to the owners of the Group of RMB11.9 million for the six months ended 30 June 2019 to the net loss attributable to the owners of the Group of RMB2.9 million for the six months ended 30 June 2020, however, the improvement is relatively modest. The net profit margin attributable to owners of the Company was 11.4% for the six months ended 30 June 2021, as compared to the net loss margin attributable to owners of the Company of 13.7% for the six months ended 30 June 2020.

2. Revenue

The total revenue of our Group for the six months ended 30 June 2021 amounted to approximately RMB35.5 million as compared to that of RMB21.0 million for the six months ended 30 June 2020. Our revenue increased by approximately RMB14.5 million, or approximately 69.2%, for the six months ended 30 June 2021 as compared to that for the six months ended 30 June 2020. This increase was mainly attributable to the increase in revenue generated from the provision of driving training services for Large Vehicles and Small Vehicles of approximately RMB13.8 million and RMB0.7 million, respectively, mainly due to (i) the improvement in the actual number of training hours per number of trainees attended as compared to the drop in such number mainly attributable to the temporary suspension of our driving training service of both Tong Tai School and Shun Da School during the first half of 2020; and (ii) the steady recovery of the overall market conditions from the impact of the COVID-19 pandemic in the PRC since the second half of 2020 and then a rebound in the number of course enrolment, which was offset by the effect of the downward adjustments to our course fee for both Large Vehicles and Small Vehicles in early 2021 due to the keen competition followed by the outbreak of the COVID-19 pandemic and in order to capture and maintain the market share.

The revenue generated from the provision of driving training services for Large Vehicles increased by approximately RMB13.8 million, or approximately 92.6%, to approximately RMB28.7 million for the six months ended 30 June 2021 from approximately RMB14.9 million for the six months ended 30 June 2020. Such increase was mainly attributable to the increase 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 3,136 and 94,458, respectively, for the six months ended 30 June 2020 to 6,106 and 242,491, respectively, for the six months ended 30 June 2021.

Also, the revenue generated from the provision of driving training services for Small Vehicles has also increased by approximately RMB0.7 million, or approximately 11.6%, to approximately RMB6.7 million for the six months ended 30 June 2021 from approximately RMB6.0 million for the six months ended 30 June 2020. Such increase was mainly attributable to the increase 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 3,977 and 81,168 for the six months ended 30 June 2020 to 4,228 and 97,430, respectively, for the six months ended 30 June 2021. Both increase in our revenue are mainly due to the increase in the number of trainees who attended our standard courses which was offset by the effect of the decrease in the number of trainees attended our premium course.

3. *Cost of services rendered*

For the six months ended 30 June 2021 and 2020, our Group's cost of services rendered amounted to approximately RMB22.5 million and RMB14.5 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 and fuel expenses. Our cost of services rendered increased by approximately RMB8.0 million, or approximately 55.1%, from approximately RMB14.5 million for the six months ended 30 June 2020 to approximately RMB22.5 million for the six months ended 30 June 2021.

Employee benefit expenses increased by approximately RMB2.8 million, or approximately 42.2%, from approximately RMB6.6 million for the six months ended 30 June 2020 to approximately RMB9.3 million for the six months ended 30 June 2021 which was mainly attributable to the increase in salaries paid to our driving instructors and other supporting staff in line with the increase in the actual number of training hours of our trainees. Our fuel expenses increased by approximately RMB3.1 million, or approximately 138.3%, from approximately RMB2.2 million for the six months ended 30 June 2020 to approximately RMB5.3 million for the six months ended 30 June 2021, which was mainly attributable to the increase in the actual number of training hours of our trainees as well as the increase in the average unit price of gasoline since last year. Our depreciation and amortisation charges increased by

approximately RMB1.5 million, or approximately 37.1% from approximately RMB3.9 million for the six months ended 30 June 2020 to approximately RMB5.4 million for the six months ended 30 June 2021 mainly attributable to the increase in depreciation charges for the new training motor vehicles and the depreciation charges of right-of-use assets for the new parcel of leased land for our expansion of training field and the depreciation charges for the leasehold building and improvements for our quarter for the accommodation of driving staff and trainees.

4. *Gross profit and gross profit margin*

Our overall gross profit from the provision of driving training services increased by approximately RMB6.5 million, or approximately 100.8%, from approximately RMB6.5 million for the six months ended 30 June 2020 to approximately RMB13.0 million for the six months ended 30 June 2021 in line with the increase in the revenue. Our gross profit margin from the provision of driving training services increased by approximately 5.7 percentage points to approximately 36.6% for the six months ended 30 June 2021 from approximately 30.9% for the six months ended 30 June 2020.

Our gross profit for Large Vehicle increased by approximately RMB7.0 million, or approximately 143.5%, from approximately RMB4.9 million for the six months ended 30 June 2020 to approximately RMB11.9 million for the six months ended 30 June 2021, which is in line with the increase in the revenue generated from the driving training services for Large Vehicle as a result of the combined effect of (i) the increase in the number of the trainees who attended our driving training course and the actual number of training hours of our trainees of Large Vehicles; (ii) the fixed labour costs for our driving instructors that our Group needed to pay for the fixed salaries to our driving instructors and other supporting staff to maintain the operation during the period of temporary suspension of our driving training services in early January 2020; and (iii) the downward adjustment as to our average course fee of Large Vehicles since early January 2020 till the first half of 2021 due to the keen competition followed by the continuous outbreak of the COVID-19 pandemic and in order to capture and maintain the market share. Accordingly, our gross profit margin from the provision of driving training services for Large Vehicles increased by approximately 8.6 percentage points to approximately 41.4% for the six months ended 30 June 2021 from approximately 32.8% for the six months ended 30 June 2020 but decreased by approximately 7.3 percentage points from approximately 48.7% for the year ended 31 December 2020, mainly attributable to the downward price adjustment to our course fee of our standard and premium course of Large Vehicle since early January 2020.

As a result of the combined effect of the increase in our revenue for the provision of driving training services for Small Vehicles, which is attributable to the increase in the total number of trainees of our driving courses for Small Vehicles as well as the increase in actual number of training hours of our trainees of Small Vehicles, offsetting the

effect of downward price adjustments to our course fee of both standard and premium course of Small Vehicles since early January 2020 due to the keen competition followed by the outbreak of the COVID-19 pandemic and in order to capture and maintain the market share, our gross profit for Small Vehicles decreased by approximately RMB0.5 million, or approximately 30.3%, from approximately RMB1.6 million for the six months ended 30 June 2020 to approximately RMB1.1 million for the six months ended 30 June 2021 and our gross profit margin from the provision of driving training services for Small Vehicles further decreased by approximately 9.7 percentage points from approximately 26.0% for the six months ended 30 June 2020 to approximately 16.3% for the six months ended 30 June 2021 and decreased by approximately 9.9 percentage points from approximately 26.2% for the year ended 31 December 2020, respectively, mainly attributable to the downward price adjustment to our course fee of our standard and premium course of Small Vehicle since early January 2020.

5. *Other Income*

Our other income increased by approximately RMB1.3 million, or approximately 209.0%, from approximately RMB0.6 million for the six months ended 30 June 2020 to approximately RMB1.9 million for the six months ended 30 June 2021 which was mainly attributable to (i) the increase in value-added tax refund benefited from the subsidy from local tax authority due to the outbreak of COVID-19; (ii) the increase in income from the provision of service for the issuance of certificate of qualification validation for Large Vehicle; and (iii) the written back from the other payables to our trainees withdrawn of enrolment over 3 years during the six months ended 30 June 2021.

6. *Other losses, net*

Our other losses increased from approximately RMB12,000 for the six months ended 30 June 2020 to approximately RMB164,000 for the six months ended 30 June 2021 which was mainly attributable to the exchange loss derived from the appreciation of Renminbi during the six months ended 30 June 2021.

7. *Selling and distribution expenses*

Our selling and distribution expenses decreased by approximately RMB0.4 million, or approximately 22.9%, from approximately RMB1.6 million for the six months ended 30 June 2020 to approximately RMB1.3 million for the six months ended 30 June 2021. Such decrease was mainly attributable to the decrease in marketing and advertising expenses.

8. *Administrative expenses*

Our administrative expenses decreased by approximately RMB2.0 million, or approximately 21.5%, from approximately RMB9.1 million for the six months ended 30 June 2020 to approximately RMB7.2 million for the six months ended 30 June

2021 which was mainly attributable to the decrease in legal and professional fees and decrease in the office expenses and consumables paid to an independent third party for the COVID-19 pandemic.

9. Finance costs

Our finance costs are stable at approximately RMB1.9 million for the six months ended 30 June 2021 and 2020.

10. Profit/(loss) and total comprehensive income/loss for the period

As a result of the above factors, our profit and total comprehensive income of approximately RMB4.0 million for the six months ended 30 June 2021 has changed from loss and total comprehensive loss of approximately RMB2.9 million for the six months ended 30 June 2020 was mainly attributable to (i) the increase in each of the number of trainees who attended our driving courses of Large and Small vehicles as well as the actual number of training hours; (ii) the higher gross profit margin of Large Vehicles; (iii) the increase in other income; and (iv) decreased operating expenses. Accordingly, the net profit margin attributable to owners of the Company for the six months ended 30 June 2021 was 11.4%, as compared to the net loss margin attributable to owners of the Company of 13.7% for the six months ended 30 June 2020.

11. Liquidity and Source of Funding and Borrowing

The Group's bank balances and cash increased from approximately RMB167.6 million as at 31 December 2020 to approximately RMB180.1 million as at 30 June 2021 which was mainly attributable to the increase in operating cash flows.

As at 30 June 2021, the current assets of the Group amounted to approximately RMB184.6 million, including approximately RMB180.1 million in bank balances and cash and approximately RMB4.4 million in trade and other receivables, deposits and prepayments. The current liabilities of the Group amounted to approximately RMB104.1 million, including approximately RMB20.7 million in trade and other payables and accruals, approximately RMB37.0 million in contract liability, approximately RMB8.5 million in tax liabilities, approximately RMB36.8 million in borrowings and approximately RMB1.1 million in lease liabilities. As at 30 June 2021, the current ratio of the Group, which is equivalent to the current assets divided by the current liabilities, was 1.77 (31 December 2020: 1.76).

As of 30 June 2021, the Group had aggregate interest-bearing borrowings of approximately RMB36.8 million which are repayable within one year, as compared to approximately RMB36.8 million as of 31 December 2020.

12. Gearing ratio

As at 30 June 2021, the gearing ratio of the Group, which was calculated based on total debt, including all interest-bearing loans and lease liabilities divided by total equity, was approximately 0.19 times (31 December 2020: 0.19 times).

13. Material Investments

The Group did not make any material investments during the six months ended 30 June 2021.

14. Material acquisitions and disposals

On 8 July 2021 (after trading hours of the Stock Exchange), Tongtai Cultural (as the transferor) entered into an equity transfer agreement with 遂平縣中禾熱力有限公司 (Suiping Zhonghe Thermal Power Limited Company) (“**Suiping Zhonghe**”) (as the transferee). Pursuant to the agreement, Tongtai Cultural agreed to transfer 5% equity interest, representing its entire equity interest in 河南中禾熱電有限公司 (Henan Zhonghe Thermal Power Limited Company), to Suiping Zhonghe at nil consideration. Details of which were set out in the announcement of the Company dated 8 July 2021. Other than the aforesaid, the Group had not made any material acquisitions and/or disposals during the six months ended 30 June 2021.

15. Borrowings and pledge of Assets

As of 30 June 2021, the Group had an aggregate interest-bearing borrowings of approximately RMB36.8 million, which remained unchanged as compared to approximately RMB36.8 million as of 31 December 2020. The borrowings of RMB36.8 million are repayable within one year.

As of 30 June 2021, the Group’s borrowings of approximately RMB36.8 million were at fixed interest rates. As at 30 June 2021, the current portion borrowings of the Group amounting to approximately RMB36.8 million 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.

16. Contingent Liabilities

As at 30 June 2021, our Group did not have any material contingent liabilities or guarantees and no member 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.

17. Foreign Exchange Exposure

As at 30 June 2021, 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 arises.

18. Employee and Remuneration Policy

As at 30 June 2021, we had 430 employees representing a slight decrease from that of 443 employees as at 31 December 2020. 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 has also adopted a share option scheme. For details, please refer to the section headed "Statutory and General Information — D. Share Option Scheme" in Appendix V to the Prospectus.

The total employees benefit expenses incurred by the Group for the six months ended 30 June 2021 was approximately RMB12.7 million (for the six months ended 30 June 2020: approximately RMB9.0 million).

The following table sets forth the total number of employees by function as at 30 June 2021:

Function	<i>Number of employees</i>	<i>% of the total</i>
Directors	6	1.4
Driving instructors	322	74.8
Sale and marketing	31	7.2
Finance and accounting	9	2.1
Teaching affair office	17	4.0
Administration	40	9.3
Vehicle management	5	1.2
	<hr/>	<hr/>
Total	<u>430</u>	<u>100.0</u>

SUBSEQUENT EVENTS

There are no material events subsequent to 30 June 2021 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 2021, a total of approximately HK\$31.6 million had been utilised by the Group 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 2021 <i>HK\$'000</i>	Unutilised amount as at 30 June 2021 <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 2021
Construction of training fields	12.3	13,333	—	13,333	By the end of 2021
Purchase of training vehicles	9.7	10,517	5,269	5,248	By the end of 2021
Recruitment and training costs for 40 new driving instructors	9.6	10,408	1,766	8,642	By the end 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	<u>100.0</u>	<u>108,418</u>	<u>31,648</u>	<u>76,770</u>	

The Board does not anticipate any changes to the intended use of net proceeds for the intended use as previously disclosed.

INTERIM DIVIDEND

The Board does not recommend the payment of any interim dividend to Shareholders for the six months ended 30 June 2021 (the six months ended 30 June 2020: Nil).

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

During the six months ended 30 June 2021, 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 2021, 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 2021 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

This 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 2021 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 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
“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 on 22 February 2017
“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 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 to 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”	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
“Tongtai Cultural”	Zhumadian Tongtai Cultural Media Company Limited* (駐馬店通泰文化傳媒有限公司), a company established in the PRC with limited liability on 2 June 2016 and an indirect wholly-owned subsidiary of the Company
“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

* *for identification purposes only*

Glossary of technical terms

This glossary contains explanations of certain terms used in this prospectus 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 6 metres 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
“Large Vehicles”	A1 Vehicles, A2 Vehicles, A3 Vehicles, B1 Vehicles and B2 Vehicles, which are generally used as commercial vehicles
“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
“Small Vehicles”	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 2021

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.