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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 ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

RESULTS

The Board is pleased to announce the audited consolidated results of the Group for the year ended 31 December 2025, together with the comparative figures for the year ended 31 December 2024 which were extracted from the audited consolidated financial statements of the Group as set out in the Company's 2024 annual report. 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.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	<i>Notes</i>	2025 RMB'000	2024 RMB'000
Revenue	4	32,838	32,297
Cost of services rendered		(27,602)	(28,367)
Gross profit		5,236	3,930
Other income and losses, net	6	292	1,204
Selling and marketing expenses		(1,892)	(1,721)
Administrative expenses		(12,939)	(13,829)
Finance costs	7	(2,955)	(3,279)
Loss before income tax	8	(12,258)	(13,695)
Income tax credit	9	2,133	5,335
Loss and total comprehensive loss for the year attributable to the owners of the Company		(10,125)	(8,360)
Loss per share attributable to the owners of the Company	<i>11</i>		
- Basic and diluted (RMB cents)		(2.32)	(1.94)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

		2025	2024
	Notes	RMB'000	RMB'000
Non-current assets			
Property, plant and equipment	12	90,750	94,045
Right-of-use assets	13	40,813	41,650
Prepayment paid for property, plant and equipment	14	-	4,190
Prepayment for acquisition of a subsidiary	14	-	3,900
		131,563	143,785
Current assets			
Trade and other receivables and prepayments	14	1,825	1,628
Bank balances and cash		117,859	120,913
		119,684	122,541
Current liabilities			
Trade and other payables and accruals	15	15,874	15,647
Contract liabilities		8,617	12,691
Amount due to a shareholder		1,963	-
Lease liabilities	16	1,298	1,635
Borrowings		34,230	45,230
		61,982	75,203
Net current assets		57,702	47,338
Total assets less current liabilities		189,265	191,123
Non-current liabilities			
Lease liabilities	16	3,208	1,798
Borrowings		8,990	-
Deferred tax liabilities	17	374	2,507
		12,572	4,305
Net assets		176,693	186,818
EQUITY			
Equity attributable to the owners of the Company			
Share capital	18	3,939	3,939
Reserves		172,754	182,879
Total equity		176,693	186,818

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

1. CORPORATE INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 22 February 2017 under the Companies Law of the Cayman Islands. 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, the 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 are listed on the Main Board of the Stock Exchange.

In the opinion of the Directors, the Company's immediate and ultimate holding company is Alpha Leap Holdings Limited, which is incorporated in the British Virgin Islands (the "BVI") and is wholly-owned by Mr. Qi Xiangzhong.

The Company is an investment holding company. Its operating subsidiaries are engaged in the provision of driving training services in the PRC. The Company and its subsidiaries are collectively referred to as the "Group".

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

2. BASIS OF PREPARATION

Statement of compliance

These consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards, which include all Hong Kong Financial Reporting Standards ("HKFRSs"), Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis at the end of the reporting year, 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.

3. ADOPTION OF NEW AND REVISED HKFRS ACCOUNTING STANDARDS

(a) Application of amendments to an HKFRS Accounting Standard effective from 1 January 2025

In the current year, the Group has applied, for the first time, the following amendments to an HKFRS Accounting Standard issued by the HKICPA, which are relevant and mandatorily effective for the period beginning on 1 January 2025 for the preparation of the Group's consolidated financial statement:

Amendments to HKAS 21 Lack of Exchangeability

The adoption of the above amendments to an HKFRS Accounting Standard in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in the consolidated financial statements.

(b) New and amendments to HKFRS Accounting Standards in issue but not yet effective

Up to the date of issue of these consolidated financial statements, the HKICPA has issued a number of new or amendments to HKFRS Accounting Standards, which are not yet effective for the year ended 31 December 2025 and which have not been early adopted in these consolidated financial statements. These developments include the following which may be relevant to the Group.:

		Effective for annual reporting periods beginning on or after
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity	1 January 2026
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards - Volume 11	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency	1 January 2027
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial adoption. Except for the new HKFRS Accounting Standards mentioned above, the directors of the Company have concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements in the foreseeable future.

4. REVENUE

Revenue, which is also the Group's turnover, represents the income from provision of driving training services and recognised on an over time basis. Revenue recognised during the years are as follows:

Analysed by types of courses:

	2025	2024
	RMB'000	RMB'000
Driving training service income		
Standard courses	24,462	20,300
Premium courses	6,495	11,059
Additional training fees	1,881	938
	<u>32,838</u>	<u>32,297</u>

Analysed by types of vehicles:

	2025	2024
	RMB'000	RMB'000
Driving training service income		
Large vehicles	21,273	22,322
Small vehicles	11,565	9,975
	<u>32,838</u>	<u>32,297</u>

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 Directors review the loss for the year 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 years.

6. OTHER INCOME AND LOSSES, NET

	2025	2024
	RMB'000	RMB'000
Interest income	88	325
Income on expiry of driving courses withdrawn by trainees	188	231
Government subsidies (<i>Note</i>)	124	436
Value-added tax refund	14	4
Gain on bargain purchase of a subsidiary	-	138
Others	189	117
Loss on disposal of property, plant and equipment	(288)	(20)
Loss on early termination of lease	(74)	-
Exchange gain/(loss), net	51	(27)
	<u>292</u>	<u>1,204</u>

Note: Government subsidies were received from local government authorities for skills training and the Group's contribution to local economies, of which the entitlement was unconditional and under the discretion of the relevant authorities.

7. FINANCE COSTS

	2025	2024
	RMB'000	RMB'000
Interest on bank borrowings	2,732	3,142
Interest on lease liabilities	223	137
	<u>2,955</u>	<u>3,279</u>

8. LOSS BEFORE INCOME TAX

	2025	2024
	RMB'000	RMB'000
Loss before income tax has been arrived at after charging:		
Directors' remuneration	1,367	1,372
Other staff costs		
- Salaries and other allowances	10,359	10,713
- Retirement benefit scheme contributions	1,270	1,435
	<u>12,996</u>	<u>13,520</u>
Auditor's remuneration	1,154	1,203
Depreciation of:		
- Property, plant and equipment	15,183	12,353
- Right-of-use assets	2,253	1,978
Donations	27	5
Gasoline expenses	3,499	4,884
Consulting fee	793	1,108
Students' meal fees	1,345	1,101
Taxes and surcharges	1,213	1,231

9. INCOME TAX CREDIT

	2025	2024
	RMB'000	RMB'000
The PRC Enterprise Income Tax ("EIT")		
- Over-provision in prior years	-	(3,033)
Deferred tax credit	<u>(2,133)</u>	<u>(2,302)</u>
	<u>(2,133)</u>	<u>(5,335)</u>

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdiction in which members of the Group are domiciled and operated.

Pursuant to the applicable laws, rules and regulations of the Cayman Islands and the British Virgin Islands (the "BVI"), the Group is not subject to any income tax under these jurisdictions during the year ended 31 December 2025 (2024: Nil).

No provision for Hong Kong Profits Tax has been recognised in the consolidated financial statements for the year ended 31 December 2025 as the Group does not have income which arises in, or derived from, Hong Kong (2024: Nil).

No provision for EIT has been recognised in the consolidated financial statements during the year ended 31 December 2025 as the Group did not have any assessable profits for the year (2024: Nil).

Under the Law of the PRC on EIT, 10% withholding tax is imposed on dividends declared in respect of profits earned by the PRC subsidiaries from 1 January 2008 onwards. Deferred tax has not been provided for in the consolidated financial statements in respect of temporary differences attributable to retained earnings of the PRC subsidiaries amounting to approximately RMB90,797,000 as at 31 December 2025 (2024: RMB95,968,000), 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 dividend has been paid/declared or proposed for ordinary shareholders of the Company during the year ended 31 December 2025, nor has any dividend been proposed since the end of the reporting period (2024: Nil).

11. LOSS PER SHARE

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

	2025	2024
Loss		
Loss for the year attributable to owners of the Company for the purpose of basic loss per share (in RMB'000)	<u>(10,125)</u>	<u>(8,360)</u>
Number of shares		
Weighted average number of ordinary shares for the purpose of basic loss per share	<u>435,958,192</u>	<u>430,877,279</u>

The basic loss per share for the years ended 31 December 2024 have been adjusted to reflect the bonus element in rights issue of shares that took place on 20 March 2024.

There were no potential ordinary shares in issue for the year ended 31 December 2025 (2024: Nil). Hence no adjustments have been made to the basic loss per share calculation in arriving at diluted loss per share.

12. PROPERTY, PLANT AND EQUIPMENT

	Buildings <i>RMB'000</i>	Leasehold improvements <i>RMB'000</i>	Equipment <i>RMB'000</i>	Furniture and fixtures <i>RMB'000</i>	Office equipment <i>RMB'000</i>	Motor vehicles <i>RMB'000</i>	Construction in progress <i>RMB'000</i>	Total <i>RMB'000</i>
COST								
At 1 January 2024	42,576	59,935	11,822	1,230	2,862	21,156	-	139,581
Additions	265	-	-	17	1,388	12	16,583	18,265
Acquisition of a subsidiary	-	1,557	-	158	252	352	-	2,319
Disposals	-	-	-	-	-	(1,907)	-	(1,907)
Transfer from right-of-use assets	-	-	-	-	-	7,352	-	7,352
Transfer	-	12,810	-	-	3,773	-	(16,583)	-
At 31 December 2024 and 1 January 2025	42,841	74,302	11,822	1,405	8,275	26,965	-	165,610
Additions	-	7	-	-	244	211	2,300	2,762
Acquisition of a subsidiary	-	7,141	-	185	48	716	-	8,090
Disposals	-	(228)	(130)	-	(108)	(6,922)	-	(7,388)
Transfer from right-of-use assets	-	-	-	-	-	2,794	-	2,794
Transfer	-	2,300	-	-	-	-	(2,300)	-
At 31 December 2025	42,841	83,522	11,692	1,590	8,459	23,764	-	171,868
ACCUMULATED DEPRECIATION								
At 1 January 2024	10,206	21,325	8,581	882	1,998	13,517	-	56,509
Provided for the year	2,510	5,445	1,222	122	748	2,306	-	12,353
Transfer from right-of-use assets	-	-	-	-	-	4,131	-	4,131
Disposals	-	-	-	-	-	(1,428)	-	(1,428)
At 31 December 2024 and 1 January 2025	12,716	26,770	9,803	1,004	2,746	18,526	-	71,565
Provided for the year	2,523	6,908	972	144	2,039	2,597	-	15,183
Transfer from right-of-use assets	-	-	-	-	-	857	-	857
Disposals	-	(119)	(124)	-	(102)	(6,142)	-	(6,487)
At 31 December 2025	15,239	33,559	10,651	1,148	4,683	15,838	-	81,118
CARRYING VALUES								
At 31 December 2025	27,602	49,963	1,041	442	3,776	7,926	-	90,750
At 31 December 2024	30,125	47,532	2,019	401	5,529	8,439	-	94,045

13. RIGHT-OF-USE ASSETS

	Leasehold lands RMB'000	Building RMB'000	Motor vehicles RMB'000	Total RMB'000
			<i>Note</i>	
COST				
At 1 January 2024	46,336	126	10,396	56,858
Additions	-	-	1,690	1,690
Expiry of lease term	-	(126)	-	(126)
Transfer to property, plant and equipment	-	-	(7,352)	(7,352)
At 31 December 2024 and 1 January 2025	46,336	-	4,734	51,070
Additions	2,143	-	1,671	3,814
Early termination	(836)	-	-	(836)
Transfer to property, plant and equipment	-	-	(2,794)	(2,794)
At 31 December 2025	47,643	-	3,611	51,254
ACCUMULATED DEPRECIATION				
At 1 January 2024	6,800	112	4,787	11,699
Charges for the year	1,480	14	484	1,978
Expiry of lease term	-	(126)	-	(126)
Transfer to property, plant and equipment	-	-	(4,131)	(4,131)
At 31 December 2024 and 1 January 2025	8,280	-	1,140	9,420
Charges for the year	1,958	-	295	2,253
Early termination	(375)	-	-	(375)
Transfer to property, plant and equipment	-	-	(857)	(857)
At 31 December 2025	9,863	-	578	10,441
CARRYING VALUES				
At 31 December 2025	37,780	-	3,033	40,813
At 31 December 2024	38,056	-	3,594	41,650

Note:

As at 31 December 2025 and 2024, all motor vehicles in right-of-use assets are under hire-purchase arrangement with purchase options. The Group is reasonably certain to exercise the purchase options and the exercise price of purchase options, if any were included in lease liabilities.

14. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	Notes	2025 RMB'000	2024 RMB'000
Trade receivables	(a)	53	67
Other receivables	(b)	2,190	1,629
Less: allowance for expected credit loss		(1,428)	(1,428)
Other receivables, net of expected credit loss		762	201
Prepayments	(c)	1,010	9,450
		1,825	9,718
Less: Prepayments classified as non-current assets			
- acquisition of a subsidiary	(c)	-	(3,900)
- property, plant and equipment	(c)	-	(4,190)
Current portion		1,825	1,628

Notes:

- (a) 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 enrolment 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:

	2025 RMB'000	2024 RMB'000
0 - 30 days	53	67

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

- (b) The gross carrying amounts of other receivables comprise mainly the examination venue service fees in relation to the Group's venues provided for use by the local government agencies. As the service fees have not been recovered for years, full impairment provisions have been made for it. The remaining amounts comprise mainly other receivables arising from advances to employees.
- (c) As at 31 December 2024, non-current portion of prepayments mainly represented the consideration paid in advance for acquisition of a subsidiary, which is a driving school, of approximately RMB3,900,000 and for renovation works of approximately RMB4,190,000 prepaid for the renovation of training ground and interior decoration of the subsidiary being acquired. During the current year, these balances were utilised and the acquisition of the subsidiary was completed.

15. TRADE AND OTHER PAYABLES AND ACCRUALS

	2025 RMB'000	2024 RMB'000
Trade payables (<i>Note</i>)	1,213	1,158
Construction costs payables	2,197	3,104
Accrued salaries and other staff cost	5,183	2,675
Accrued directors' remuneration	1,878	2,756
Examination fees payables	914	1,139
Other tax payables	1,089	1,167
Other payables	3,400	3,648
	<u>15,874</u>	<u>15,647</u>

Note:

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.

	2025 RMB'000	2024 RMB'000
0 – 60 days	561	733
61 – 90 days	183	130
91 – 120 days	106	108
121 – 365 days	176	-
Over 365 days	187	187
	<u>1,213</u>	<u>1,158</u>

16. LEASE LIABILITIES

Lease liabilities are presented in the consolidated statement of financial position as follows:

	2025 RMB'000	2024 RMB'000
Lease liabilities payable:		
Within one year	1,590	1,854
Within a period of more than one year but not exceeding two years	1,102	932
Within a period of more than two years but not exceeding five years	1,421	909
Over five years	1,582	197
	<u>5,695</u>	<u>3,892</u>
Less: Future finance charges	(1,189)	(459)
Present value of lease liabilities	<u>4,506</u>	<u>3,433</u>
Less: Amounts due for settlement within twelve months from the end of the reporting period (shown under current liabilities)	<u>(1,298)</u>	<u>(1,635)</u>
Amounts due for settlement after twelve months from the end of the reporting period	<u>3,208</u>	<u>1,798</u>

The weighted average incremental borrowing rates applied to lease liabilities range from 5.4% to 13.0% (2024: 5.4% to 12.8%) per annum. All leases are entered at fixed prices. The Group does not face significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's treasury function.

17. DEFERRED TAX LIABILITIES/(ASSETS)

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

	Right-of-use assets RMB'000	Lease liabilities RMB'000	Temporary difference on depreciation of property, plant and equipment RMB'000	Temporary difference on interest capitalisation RMB'000	Revenue recognition RMB'000	Deductible tax losses RMB'000	Total RMB'000
At 1 January 2024	408	(410)	2,764	1,600	2,058	(1,611)	4,809
Charged/(credited) to profit or loss	(76)	62	(2,421)	(148)	591	(310)	(2,302)
At 31 December 2024 and 1 January 2025	332	(348)	343	1,452	2,649	(1,921)	2,507
Charged/(credited) to profit or loss	(282)	276	(1,427)	(148)	380	(932)	(2,133)
Addition of right-of-use assets and lease liabilities	396	(396)	-	-	-	-	-
At 31 December 2025	<u>446</u>	<u>(468)</u>	<u>(1,084)</u>	<u>1,304</u>	<u>3,029</u>	<u>(2,853)</u>	<u>374</u>

18. SHARE CAPITAL

	Number of Shares	Share capital RMB'000
Ordinary shares of HK\$0.01 each		
Authorised		
At 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025	10,000,000,000	90,179
Issued and fully paid		
At 1 January 2024	400,000,000	3,608
Issuance of shares upon the Rights Issue (Note)	35,958,192	331
At 31 December 2024, 1 January 2025 and 31 December 2025	435,958,192	3,939

Note:

On 16 January 2024, the Company proposed to conduct the Rights Issue on the basis of one (1) Rights Share for every two (2) Shares held at the subscription price of HK\$0.2 per Rights Share, to raise gross proceeds of up to approximately HK\$40,000,000 before expenses, by way of the Rights Issue of up to 200,000,000 Rights Shares. On 20 March 2024, a total of 35,958,192 Rights Shares were issued and allotted at HK\$0.20 per Rights Share pursuant to the Rights Issue. Upon completion of the Rights Issue, the issued share capital of the Company comprises 435,958,192 Shares of HK\$0.01 each and the total amount of paid-up share capital became approximately HK\$4,360,000 (equivalent to approximately RMB3,939,000). The gross proceeds raised from the Rights Issue were approximately HK\$7,192,000 and the net proceeds from the Rights Issue after deducting the relevant expenses are approximately HK\$6,062,000, of which approximately HK\$5,702,000 (equivalent to approximately RMB5,278,000) are credited to the Company's equity under share premium. Details of the Rights Issue are set forth in the Company's announcement dated 16 January 2024, 23 January 2024, 7 March 2024 and 19 March 2024, and the prospectus of the Company dated 20 February 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

We are a provider of driving training service based in Zhumadian city, Henan province, the PRC. We engage in the provision of driving training services through our two major 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. In November 2024, we acquired Kai Yuan School, a qualified level II driving school in Zhumadian City. Kai Yuan School was established in 2016 and currently offers driving training services for preparation for driving tests of Small Vehicles and certain types of Large Vehicles. In March 2025, we acquired Xin Cai School, a qualified level II driving school in Zhumadian City. Xin Cai School was established in 2024 and currently offers driving training services for preparation for driving tests of Small Vehicles and certain types of Large Vehicles. This acquisition did not constitute a notifiable transaction under the Listing Rules.

Tong Tai School, Shun Da School, Kai Yuan School and Xin Cai School are currently offering two types of driving training courses for our trainees, namely standard courses and premium courses. Standard courses are designed for trainees who wish to complete only part of the minimum training hours requirements with lower course fees and less training hours. Trainees, who have enrolled in our standard courses, wish to fulfil the minimum training hours requirements, or for other reasons wish to have further training, may subscribe from the respective school for additional training services on an hourly basis. Premium courses offer to trainees driving training for a number of training hours that is equal to the minimum training hours requirements specified in the Driving Training Curriculum. Our premium courses comprised holidays and weekends courses, economy courses and VIP courses. Our VIP courses for Large Vehicles provide different complimentary supporting services including pick-up services and/or accommodation services.

Throughout the year ended 31 December 2025, our overall number of course enrollments and number of trainees attended our driving courses of both Large and Small Vehicles rebounded and improved. However, our financial performance continued to be adversely affected by the continuing deterioration of the market conditions of the logistics industry as a result of the continuous US-China trade tensions and the lower threshold for existing Small Vehicles driving schools to enter into the sector of driving training services offering Large Vehicles driving courses which intensified the keen competition in the driving training services market. With the aim to reducing the keen competition and capturing market share, we adopted an operational strategy to acquire other driving schools in Zhumadian City and nearby cities and have acquired Kai Yuan School in November 2024 and Xin Cai School in March 2025, respectively.

Our total number of course enrollments recorded an overall increase of 29.6% from 8,646 for the year ended 31 December 2024 to 11,203 for the year ended 31 December 2025. Both Tong Tai School and Shun Da School marked growth in the overall number of course enrollments for the year ended 31 December 2025, as comparing to that for the year ended 31 December 2024. The total number of course enrollments of Shun Da School amounted to 1,160 (year ended 31 December 2024: 846), representing an increase of approximately 37.1% due to the increasing demand of course enrollments of driving course of Small Vehicles. The total number of course enrollments of Tong Tai School amounted to 8,407 (year ended 31 December 2024: 7,800), representing an increase of approximately 7.8% which is mainly attributable to the increase in the demand for driving courses of Small Vehicles despite the demand for driving courses of Large Vehicles slightly declined by 5.1% from 3,279 for the year ended 31 December 2024 to 3,113 for the year ended 31 December 2025, which has still been our primary source of revenue accounting for approximately 64.8% of our total revenue for the year ended 31 December 2025. In addition, we acquired two driving schools, Kai Yuan School and Xin Cai School since November 2024 and March 2025, respectively, and the total number of course enrollments of Kai Yuan School and Xin Cai School amounted to 1,155 and 481, respectively, for the year ended 31 December 2025. The overall number of course enrollments of driving course of Large Vehicles and Small Vehicles recorded an increase of 9.4% from 3,279 for the year ended 31 December 2024 to 3,586 for the year ended 31 December 2025 and a significant increase of 41.9% from 5,367 for the year ended 31 December 2024 to 7,617 for the year ended 31 December 2025, respectively.

The overall number of course enrollments for standard courses of Large Vehicles and Small Vehicles increased by approximately 58.1% from 7,006 for the year ended 31 December 2024 to 11,077 for the year ended 31 December 2025 due to our newly designed driving courses of both Large Vehicles and Small Vehicles with lower course fee providing less or without training hours has captured the market share resulting from our sales and marketing and promotion activities and acquisition of Kai Yuan School and Xin Cai School throughout the second half of 2024 and the year ended 31 December 2025.

The overall number of course enrollments for premium courses of both Large Vehicles and Small Vehicles decreased by approximately 92.3% from 1,640 for year ended 31 December 2024 to 126 for the year ended 31 December 2025 due to the continuing deterioration of the market conditions of the logistics industry as a result of the continuous US-China trade tensions and the lower threshold for existing Small Vehicles driving schools to enter into the sector of driving training services offering Large Vehicles driving courses which intensified the keen competition in the driving training services market.

The following table sets out a breakdown of the number of course enrollments by our trainees and by types of courses for the year ended 31 December 2025, together with the comparative figures for the year ended 31 December 2024:

	For the year ended 31 December			
	2025		2024	
	<i>Number of</i>	<i>%</i>	<i>Number of</i>	<i>%</i>
	<i>course</i>		<i>course</i>	
	<i>enrollments</i>		<i>enrollments</i>	
Tong Tai School				
Large Vehicles				
- Standard courses	3,106	27.7	3,271	37.8
- Premium courses	7	0.1	8	0.1
Small Vehicles				
- Standard courses	5,176	46.2	3,019	34.9
- Premium courses	118	1.0	1,502	17.4
Shun Da School				
Small Vehicles				
- Standard courses	1,159	10.3	716	8.3
- Premium courses	1	0.1	130	1.5
Kai Yuan School				
Large Vehicles				
- Standard courses	271	2.4	-	-
Small Vehicles				
- Standard courses	884	7.9	-	-
Xin Cai School				
Large Vehicles				
- Standard courses	202	1.8	-	-
Small Vehicles				
- Standard courses	279	2.5	-	-
Total	11,203	100.0	8,646	100.0
Course				
Total standard courses	11,077	98.9	7,006	81.0
Total premium courses	126	1.1	1,640	19.0
Total	11,203	100.0	8,646	100.0
Driving school				
Tong Tai School	8,407	75.0	7,800	90.2
Shun Da School	1,160	10.4	846	9.8
Kai Yuan School	1,155	10.3	-	-
Xin Cai School	481	4.3	-	-
Total	11,203	100.0	8,646	100.0
Driving course				
Large Vehicles	3,586	32.0	3,279	37.9
Small Vehicles	7,617	68.0	5,367	62.1
Total	11,203	100.0	8,646	100.0

We recorded a significant increase by approximately 18.6% in the number of trainees attended our driving courses but our total revenue recorded an overall slight increase of approximately 1.7%. The overall number of trainees who attended our driving courses for the year ended 31 December 2025 amounted to 12,397 (year ended 31 December 2024: 10,450), representing a significant increase of approximately 18.6%. The total revenue of the Group for the year ended 31 December 2025 amounted to approximately RMB32.8 million (year ended 31 December 2024: approximately RMB32.3 million), representing a slight increase of approximately 1.7%.

The overall slight increase in revenue was attributable to a decrease in the actual number of training hours of our trainees for the year ended 31 December 2025 which offset the positive effect from the overall increase in each of the number of trainees who attended our driving courses and in the average course fees per hour for our driving courses of both Large and Small Vehicles as a result of the higher average course fees per hour for our standard courses with less or without training hours provided recognised as revenue for the year ended 31 December 2025. Our provision of driving training services for Large Vehicles continued to be our primary source of revenue, accounting for approximately 64.8% of our total revenue (year ended 31 December 2024: 69.1%). Revenue generated from premium courses of Large Vehicles contributed to approximately 8.5% of our total revenue (year ended 31 December 2024: 15.4%) and revenue generated from standard courses of Large Vehicles contributed to approximately 54.9% of our total revenue (year ended 31 December 2024: 53.0%).

The following table sets out a breakdown of the number of trainees attended our driving courses, as well as our revenue by types of vehicles and types of driving courses for the year ended 31 December 2025, together with the comparative figures for the year ended 31 December 2024:

	For the year ended 31 December					
	2025			2024		
	<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	3,585	18,019	54.9	2,921	17,126	53.0
- Premium courses	449	2,802	8.5	838	4,972	15.4
- Additional training services	N/A	452	1.4	N/A	223	0.7
Sub-total	4,034	21,273	64.8	3,759	22,321	69.1
Small Vehicles						
- Standard courses	6,615	6,443	19.6	3,607	3,174	9.9
- Premium courses	1,748	3,693	11.2	3,084	6,087	18.8
- Additional training services	N/A	1,429	4.4	N/A	715	2.2
Sub-total	8,363	11,565	35.2	6,691	9,976	30.9
Total	12,397	32,838	100.0	10,450	32,297	100.0

Future Development and Prospects

Regulatory changes were introduced by the PRC government relating to the setting-up of driving schools in the PRC since the third quarter of 2021, which lowered the threshold for existing Small Vehicles driving schools to enter into the sector of driving training services for Large Vehicles, thus intensifying the keen competition in driving training services market. The number of driving schools has been increasing constantly since the third quarter of 2021, and the number of driving schools operating training and examination sites for Large Vehicles and Small Vehicles also increased at the same time, which put further pressure on our Group. In addition, the continuous US-China trade tensions as well as the tariff policies implemented in the first half of 2025 have further weakened market conditions in the logistics industry and in turn led to the decrease in the demand for driving courses, particularly on the number of course enrollments of Large Vehicles driving courses. Over the past few years, with intensified competition in the driving training industry, the overall industry course fees have continued to decline, though at a slower pace. Although most driving schools across the industry reported their underperformance in course enrollments as compared with the previous year, with an increasing number of them being on the verge of closure, the Group's enrollment for both Large-Vehicle and Small-Vehicle driving training course for last year increased as compared with 2024. Despite persistently falling course fees, the Group adopted targeted strategic adjustments, including the acquisition of other driving schools, adjustments to course content and the adoption of new energy vehicles, which led to an increase in course enrollment in both Large-Vehicle and Small-Vehicle driving training course last year, and the Group's revenue and gross profit have improved slightly compared with previous year.

Considering our actual situations, we will focus on the following key initiatives in 2026:

1. Continue internal optimization to reduce costs and improve efficiency. We will strengthen intelligent teaching and pursue workforce reduction, efficiency enhancement and quality improvement across various areas. Intelligent teaching will reduce labour and lower costs, and standardize the driving training. This will better align with the habits of young people and improve driving training efficiency. Meanwhile, we will continue to diversify and strengthen online marketing with the widespread use of new media, gradually achieving cross-regional online promotion to expand market reach.

2. Leverage the industry downturn to continue implementing joint operations and cooperation in selected regions. On the one hand, we have eliminated some competitors in the Zhumadian market, resulting in an increased market share. On the other hand, the current industry environment also represents an optimal opportunity for joint operations and consolidation, with lower integration costs compared with two years ago. Successful regional consolidation will allow us to maintain healthy market price and achieve steady growth in course enrollment, significantly improving the Group's overall revenue.
3. Pursue multi-regional cooperation with enterprises in higher-priced areas to enhance the Group's profitability. As a large-vehicle driving training school, we operate in a nationally competitive market. Driving training policies and fee levels vary significantly across provinces in China, with the highest prices in northwest regions such as Xinjiang and Gansu, and relatively high levels for large vehicle in mainland provinces including Hunan and Guangxi. Based on current market conditions, we plan to seek various forms of cooperation in these higher-priced regions to achieve breakthroughs in high-margin markets outside our core market.
4. Utilize private domain traffic from existing students to develop multi-industry training cooperation and create more profit growth drivers. We do not need to make substantial investments. By leveraging private domain traffic from our existing students to partner with other training institutions, we aim to open new business segments.

Against the backdrop of increasing industry volatility in 2026, the Group should seize opportunities to accelerate market elimination and consolidation, actively establish a leading regional position in our core market in Zhumadian city, pursue multi-regional cooperation in higher-priced areas, and explore new industry partnerships to develop new profit growth drivers.

Financial Review

1. Overview

Our overall financial performance for the year ended 31 December 2025 has declined as compared to that for the year ended 31 December 2024. We recorded an increase in total revenue by approximately RMB0.5 million (or approximately 1.7%) from approximately RMB32.3 million for the year ended 31 December 2024 to approximately RMB32.8 million for the year ended 31 December 2025. Our gross profit has also increased by approximately RMB1.3 million (or approximately 33.2%) from approximately RMB3.9 million for the year ended 31 December 2024 to approximately RMB5.2 million for the year ended 31 December 2025. Gross profit margin has also increased by 3.7 percentage points from 12.2% for the year ended 31 December 2024 to 15.9% for the year ended 31 December 2025. Our loss before tax has decreased by approximately RMB1.4 million (or approximately 10.5%) from approximately RMB13.7 million for the year ended 31 December 2024 to approximately RMB12.3 million for the year ended 31 December 2025. However, the net loss attributable to the owners of the Company has been adversely increased by approximately RMB1.8 million from approximately RMB8.4 million for the year ended 31 December 2024 to approximately RMB10.1 million for the year ended 31 December 2025 which is mainly attributable to the decrease in income tax credit of approximately RMB3.2 million, or approximately 60.0%, from approximately RMB5.3 million for the year ended 31 December 2024 to approximately RMB2.1 million for the year ended 31 December 2025 due to the overprovision of income tax in prior years which has been recognised as income tax credit for the year ended 31 December 2024 and the decrease in deferred tax credit recognised for the tax loss and difference on depreciation of property, plant and equipment of our subsidiaries. Consequently, we recorded a net loss margin attributable to the owners of the Company of 30.8% for the year ended 31 December 2025 as compared to the net loss margin attributable to the owners of the Company of 25.9% for the year ended 31 December 2024.

2. Revenue

Our overall revenue increased by approximately RMB0.5 million, or approximately 1.7% from RMB32.3 million for the year ended 31 December 2024 to approximately RMB32.8 million for the year ended 31 December 2025. This slight increase was mainly attributable to the combined effect of the decrease in revenue generated from the provision of driving training services for Large Vehicles of approximately RMB1.0 million and the increase in revenue generated from the provision of driving training services for Small Vehicles of approximately RMB1.6 million. This overall increase in revenue is mainly attributable to the increase in the average course fees per hour for our driving courses of both Large Vehicles and Small Vehicles recognised as revenue which was offset by the negative effect from the decrease in the actual number of training hours for both Large Vehicles and Small Vehicles provided by the Group during the year ended 31 December 2025 due to the significant increase in the demand for standard courses of driving courses for Large Vehicles and Small Vehicles with less or without training hours, caused by the continuing deterioration of the market conditions of the logistics industry as a result of the continuous US-China trade tensions and the lower threshold for existing Small Vehicles driving schools to enter into the sector of driving training services offering Large Vehicles driving courses which intensified the keen competition in the driving training services market.

The revenue generated from the provision of driving training services for Large Vehicles decreased by approximately RMB1.0 million, or approximately 4.7%, from approximately RMB22.3 million for the year ended 31 December 2024 to approximately RMB21.3 million for the year ended 31 December 2025. The overall decrease was mainly attributable to the effect of the decrease in the actual number of training hours of our trainees of Large Vehicles from 157,603 for the year ended 31 December 2024 to 138,852 for the year ended 31 December 2025 which offset the positive effect from the increase in each of the number of trainees who attended our driving courses of Large Vehicles from 3,759 for the year ended 31 December 2024 to 4,034 for the year ended 31 December 2025 and in the average course fees per hour for our standard courses of Large Vehicles recognised as revenue during the year ended 31 December 2025 as a result of the increase in the number of trainees attended our standard courses of Large Vehicles with less or without training hours provided from 2,921 for the year ended 31 December 2024 to 3,585 for the year ended 31 December 2025 despite the number of trainees attended our premium courses of Large Vehicles decreased from 838 for the year ended 31 December 2024 to 449 for the year ended 31 December 2025.

The revenue generated from the provision of driving training services for Small Vehicles increased by approximately RMB1.6 million, or approximately 15.9%, from approximately RMB10.0 million for the year ended 31 December 2024 to approximately RMB11.6 million for the year ended 31 December 2025. The overall increase was mainly attributable to the net effect of the decrease in the actual number of training hours of our trainees of Small Vehicles from 128,585 for the year ended 31 December 2024 to 100,777 for the year ended 31 December 2025 and the positive effect from the increase in each of the number of trainees who attended our driving courses of Small Vehicles from 6,691 for the year ended 31 December 2024 to 8,363 for the year ended 31 December 2025 and the significant increase in the average course fees per hour for our driving courses of Small Vehicles recognised as revenue during the year ended 31 December 2025 as a result of the significant increase in the number of trainees attended our standard courses of Small Vehicles with less or without training hours provided from 3,607 for the year ended 31 December 2024 to 6,615 for the year ended 31 December 2025 despite the number of trainees attended our premium courses of Small Vehicles decreased from 3,084 for the year ended 31 December 2024 to 1,748 for the year ended 31 December 2025.

3. Cost of services rendered

For the year ended 31 December 2025 and 2024, our Group's cost of services rendered amounted to approximately RMB27.6 million and RMB28.4 million, respectively. Our cost of services rendered mainly comprises employee benefit expenses paid to our driving instructors and other supporting staff, depreciation on property, plant and equipment and rights-of-use assets and fuel expenses. Our cost of services rendered decreased by approximately RMB0.8 million, or approximately 2.7%, from approximately RMB28.4 million for the year ended 31 December 2024 to approximately RMB27.6 million for the year ended 31 December 2025.

Employee benefit expenses decreased by approximately RMB0.7 million, or approximately 8.3%, from approximately RMB8.2 million for the year ended 31 December 2024 to approximately RMB7.5 million for the year ended 31 December 2025 which was mainly attributable to the decrease in salaries paid to our driving instructors and other supporting staff in line with the decrease in the actual number of training hours of our trainees as a result of the application of our unique teaching simulators. Our fuel expenses decreased by approximately RMB1.4 million, or approximately 28.4%, from approximately RMB4.9 million for the year ended 31 December 2024 to approximately RMB3.5 million for the year ended 31 December 2025, in line with the decrease in the actual number of training hours of our trainees and is attributable to the application of our unique teaching simulators and acquisition of the new energy training vehicles for Small Vehicle and Large Vehicles. Our depreciation on property, plant and equipment and rights-of-use assets increased by approximately RMB1.6 million, or approximately 13.1%, from approximately RMB12.4 million for the year ended 31 December 2024 to approximately RMB14.1 million for the year ended 31 December 2025 as result of the increased in fixed depreciation charges of our training field and the amortisation charges of right-of-use assets.

4. Gross profit and gross profit margin

Our overall gross profit from the provision of driving training services increased by approximately RMB1.3 million, or approximately 33.2%, from approximately RMB3.9 million for the year ended 31 December 2024 to approximately RMB5.2 million for the year ended 31 December 2025 in line with the increase in the revenue and the decrease in our cost of services rendered. Our gross profit margin from the provision of driving training services increased by approximately 3.7 percentage points from approximately 12.2% for the year ended 31 December 2024 to approximately 15.9% for the year ended 31 December 2025. Our overall increase in gross profit and gross profit margin was mainly attributable to the net effect of the increase in fixed depreciation charges of our training field and training motor vehicles and amortization charges of right-of-use assets and the positive effect from (i) the increase in the average course fees per hour for our driving courses for both Large and Small Vehicles due to the increased number of trainees attended our standard courses of Large and Small Vehicles with higher gross profit margin and (ii) the decrease in the employee benefit expenses and fuel expenses as a result of the decrease in the actual number of training hours of Large Vehicles and Small Vehicles.

Our gross profit for provision of driving training services for Large Vehicles decreased by approximately RMB1.0 million, or approximately 54.1%, from approximately RMB1.8 million for the year ended 31 December 2024 to approximately RMB0.8 million for the year ended 31 December 2025. Our gross profit margin from the provision of driving training services for Large Vehicles decreased by approximately 4.3 percentage points from approximately 8.3% for the year ended 31 December 2024 to approximately 4.0% for the year ended 31 December 2025. The decrease in both gross profit and gross profit margin was mainly attributable to the decrease in the actual number of training hours and the increase in fixed depreciation charges of our training field and training motor vehicles and the amortisation charges of right-of-use assets which offset the positive effect of the increased average course fee per hour.

Our gross profit for provision of driving training services for Small Vehicle increased by approximately RMB2.3 million, or approximately 110.3%, from approximately RMB2.1 million for the year ended 31 December 2024 to approximately RMB4.4 million for the year ended 31 December 2025. Our gross profit margin from the provision of driving training services for Small Vehicles increased by approximately 17.1 percentage points from approximately 20.9% for the year ended 31 December 2024 to approximately 38.0% for the year ended 31 December 2025. The increase in both gross profit and gross profit margin was mainly attributable to (i) the higher average course fees per hour due to the significant increase in the number of trainees attended our standard course of Small Vehicles which contributed higher gross profit margin, (ii) decrease in employee benefit expenses paid to our driving instructors for Small Vehicles as a result of the application of our unique teaching simulators and (iii) fuel expenses incurred for Small Vehicles were decreased as a result of the acquisition of new energy training vehicles.

5. Other income and losses, net

Our other income and losses, net decreased by approximately RMB0.9 million, or approximately 75.7%, from approximately RMB1.2 million for the year ended 31 December 2024 to approximately RMB0.3 million for the year ended 31 December 2025 which was mainly attributable to (i) the decrease in income from government subsidies received from several local government authorities for skills training and the Group's contribution to local economies, of which the entitlement was unconditional and under the discretion of the relevant authorities from approximately RMB0.4 million received for the year ended 31 December 2024 to approximately RMB0.1 million for the year ended 31 December 2025; (ii) the decrease in interest income from approximately RMB0.3 million for the year ended 31 December 2024 to approximately RMB0.1 million for the year ended 31 December 2025; and (iii) the increase in loss on disposal of training motor vehicles of Large Vehicles and Small Vehicles and property, plant and equipment and loss on early termination of lease from approximately RMB20,000 and nil, respectively, for the year ended 31 December 2024 to approximately RMB0.3 million and RMB74,000 for the year ended 31 December 2025, respectively.

6. Selling and marketing expenses

Our selling and marketing expenses increased by approximately RMB0.2 million, or approximately 9.9%, from approximately RMB1.7 million for the year ended 31 December 2024 to approximately RMB1.9 million for the year ended 31 December 2025 which was mainly attributable to the decrease in sales and marketing and promotion activities which was offset by the increase in the average employee benefit expenses paid to our sales staff.

7. Administrative expenses

Our administrative expenses decreased by approximately RMB0.9 million, or approximately 6.4%, from approximately RMB13.8 million for the year ended 31 December 2024 to approximately RMB12.9 million for the year ended 31 December 2025 which was mainly attributable to the decrease in employees benefit expenses for administrative staff, traveling expenses and legal and professional fees.

8. Finance costs

Our finance costs decreased by approximately RMB0.3 million, or approximately 9.9%, from approximately RMB3.3 million for the year ended 31 December 2024 to approximately RMB3.0 million for the year ended 31 December 2025 which was mainly attributable to the repayment of a bank borrowing and the decrease in interest rate of borrowings during the year.

9. Income tax credit

Our income tax credit decreased by approximately RMB3.2 million, or approximately 60.0%, from approximately RMB5.3 million for the year ended 31 December 2024 to approximately RMB2.1 million for the year ended 31 December 2025 which was mainly attributable to the overprovision of income tax in prior years of approximately RMB3.0 million recognised during the year ended 31 December 2024 and the decrease in deferred tax credit recognised for the tax loss and difference on depreciation of property, plant and equipment of our subsidiaries.

10. Loss and total comprehensive expense for the year

As a result of the above factors, we recorded the loss before income tax of approximately RMB12.3 million for the year ended 31 December 2025 as compared to the loss before income tax of approximately RMB13.7 million for the year ended 31 December 2024 but we recorded the net loss attributable to the owners of the Company of approximately RMB10.1 million for the year ended 31 December 2025 as compared to the net loss attributable to the owners of the Company of approximately RMB8.4 million for the year ended 31 December 2024 which was mainly attributable to the decrease in income tax credit as a result of the overprovision of income tax in prior years recognised during the year ended 31 December 2024 and the decrease in deferred tax credit recognised for the tax loss and difference on depreciation of property, plant and equipment of our subsidiaries . Accordingly, we recorded a net loss margin attributable to the owners of the Company of 30.8% for the year ended 31 December 2025 as compared to the net loss margin attributable to the owners of the Company of 25.9% for the year ended 31 December 2024.

11. Liquidity and source of funding and borrowing

The Group's bank balances and cash decreased from approximately RMB120.9 million as at 31 December 2024 to approximately RMB117.9 million as at 31 December 2025, which was mainly attributable to the cash inflows from the operating activities which was offset by the outflows from the investing and financing activities during the year. The Group has concentration of credit risk arising from bank balances as there was a bank which individually contributed an amount of approximately RMB101.4 million (2024: RMB101.8 million), representing 86.0% (2024: 84.2%) of the Group's bank balances as at 31 December 2025. The management considers that the credit risk on liquid funds is low as counterparties are financial institutions with good reputation and have provided financing amounted to approximately RMB26.7 million as at 31 December 2025 (31 December 2024: RMB26.7 million) to the Group.

As at 31 December 2025, the current assets of the Group amounted to approximately RMB119.7 million, including approximately RMB117.9 million in bank balances and cash, and approximately RMB1.8 million in trade and other receivables, deposits and prepayments. The current liabilities of the Group amounted to approximately RMB62.0 million, including approximately RMB15.9 million in trade and other payables and accruals, approximately RMB8.6 million in contract liabilities, approximately RMB2.0 million in amount due to a shareholder, approximately RMB34.2 million in bank borrowings and approximately RMB1.3 million in lease liabilities. As at 31 December 2025, the current ratio of the Group, which is equivalent to the current assets divided by the current liabilities, was 1.93 (31 December 2024: 1.63).

As of 31 December 2025, the Group had aggregate interest-bearing borrowings of approximately RMB34.2 million which are repayable within one year and approximately RMB9.0 million which are repayable within a period of more than one year but not exceeding two years as compared to approximately RMB45.2 million which are repayable within one year as of 31 December 2024. The decrease in borrowings is mainly due to the repayment of a bank loan in June 2025.

12. Gearing ratio

As at 31 December 2025, 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 0.28 times (31 December 2024: 0.26 times).

13. Material investments

The Group did not make any material investments during the year ended 31 December 2025.

14. Material acquisitions and disposals

The Group did not make any material acquisitions and disposals during the year ended 31 December 2025.

15. Borrowings and pledge of assets

As of 31 December 2025, the Group had aggregate interest-bearing borrowings of approximately RMB43.2 million as compared to approximately RMB45.2 million as of 31 December 2024. The borrowings of approximately RMB34.2 million are repayable within one year and approximately RMB9.0 million repayable within a period of more than one year but not exceeding two years.

As of 31 December 2025, the Group's borrowings of approximately RMB43.2 million were at fixed interest rates. As of 31 December 2025, the current portion and non-current borrowings of the Group amounting to approximately RMB43.2 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 31 December 2025, 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 31 December 2025, 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 31 December 2025, we had 155 employees, representing a decrease from that of 158 employees as at 31 December 2024. 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 year ended 31 December 2025 was approximately RMB10.4 million (year ended 31 December 2024: approximately RMB10.7 million).

The following table sets forth the total number of Directors and employees by function as at 31 December 2025:

Function	<i>Number of employees</i>	<i>% of the total</i>
Directors	6	3.9
Driving instructors	75	48.4
Sale and marketing	24	15.5
Finance and accounting	5	3.2
Teaching affair office	19	12.3
Administration	23	14.8
Vehicle management	3	1.9
Total	<u>155</u>	<u>100.0</u>

SUBSEQUENT EVENTS

There are no material events subsequent to 31 December 2025 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, Securities and Future Commission transaction levy for the new shares in the Company and the listing and other expenses in connection with the IPO.

As at 31 December 2025, a total of approximately HK\$45.5 million had been utilised by the Group according to the allocation set out hereinbelow:

	<i>% of net proceeds</i>	<i>Net proceeds from IPO HK\$'000</i>	<i>Utilisation during the period from the listing date (i.e 24 October 2019) to 31 December 2025 HK\$'000</i>	<i>Unutilised amount as at 31 December 2025 HK\$'000</i>	<i>Expected timeframe for intend use HK\$'000</i>
Acquisition of a parcel of land	45.7	49,547	-	49,547	By the end of December 2026
Construction of training fields	12.3	13,333	-	13,333	By the end of December 2026
Purchase of training vehicles	9.7	10,517	10,517	-	
Recruitment and training costs for 40 new driving instructors	9.6	10,408	10,408	-	
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	45,538	62,880	

The Board does not anticipate any changes to the intended use of net proceeds as previously disclosed in the Prospectus of the Company dated 11 October 2019.

Note: To increase our competitiveness, it is the Company's current intention to increase its training capacity by acquiring a parcel of land and constructing training fields in accordance with the future plans and use of proceeds as disclosed in the Prospectus. The Company believes that the new training fields will provide additional operational capacity which will allow Tong Tai School to offer desirable and flexible training hours for its trainees and attract new trainees in the future, which may strengthen the market position of Tong Tai School in the driving training industry. However, as a result of COVID-19 pandemic, there was insufficient commercial land supply during the years 2020 to 2025 and the Company had been unable to identify a suitable land parcel. The Company will continue to actively locate a suitable land parcel. While it is our current intention to acquire a parcel of land and construct training fields, we will closely monitor the changing business environment faced by the Company and will consider other alternative uses if they would allow the Company to deploy its financial resources more effectively and to achieve better business performance.

FINAL DIVIDEND

The Board does not recommend the payment of any dividend to Shareholders for the year ended 31 December 2025 (year ended 31 December 2024: Nil).

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

During the year ended 31 December 2025, 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 year ended 31 December 2025, 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. Wan San Fai Vincent (as the chairman), Mr. Chan Siu Wah and Mr. Xu Jianpo, all being independent non-executive Directors.

The Audit Committee has discussed with the management in reviewing the consolidated financial statements of the Group for the year ended 31 December 2025. The Audit Committee 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.

SCOPE OF WORK OF INDEPENDENT AUDITOR

The figures in respect of the Group's consolidated statement of financial position as at 31 December 2025, consolidated statement of profit or loss and other comprehensive loss and the related notes to the consolidated financial statements thereto for the year ended 31 December 2025 as set out in this announcement have been agreed by the Company's independent auditor, Moore CPA Limited (formerly known as Moore Stephens CPA Limited) ("Moore CPA"), Certified Public Accountants, to the amounts as set out in the Group's audited consolidated financial statements for the year ended 31 December 2025 and the amounts were found to be in agreement. The work performed by Moore CPA in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Moore CPA on this announcement.

PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL 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 annual report of the Group for the year ended 31 December 2025 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 C1 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;
“ Kai Yuan School ”	Zhumadian City Kaiyuan Vehicles Driver Training Company Limited* (駐馬店市開源機動車駕駛員培訓有限公司), a company established in the PRC with limited liability on 13 May 2016 and an indirect wholly-owned subsidiary of our Company;
“ 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 C3 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;
“Record Date”	Monday, 19 February 2024, the record date for the determination of the entitlements under the Rights Issue;
“Rights Issue”	the proposed issue by way of rights of one (1) Rights Share for every two (2) Shares in issue and held on the Record Date at the subscription price of HK\$0.20 per Rights Share on the terms and subject to the conditions to be set out in the prospectus of the Company dated 20 February 2024;
“Rights Share(s)”	up to 200,000,000 new share(s) of HK\$0.01 each in the share capital of the Company to be allotted and issued pursuant to the Rights Issue, assuming no change in the number of Shares in issue on or before the Record Date;
“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; and

“Xin Cai School”	Xincai County Yangchengguang Motor Vehicle Driving Training Company Limited* (新蔡縣陽辰光機動車駕駛培訓有限公司), a company established in the PRC with limited liability on 29 November 2024 and an indirect wholly-owned subsidiary of our Company.
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*for identification purposes only

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 passenger vehicles, being a type of vehicles classified by the Ministry of Public Security;
“A2 Vehicles”	large trailer vehicles with a total mass equal to or more than 4.5 metric tonnes, 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 passenger vehicles 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;
“C2 Vehicles”	small automatic vehicles, light-goods automatic vehicles and light-duty automatic working vehicles, being a type of vehicles classified by the Ministry of Public Security;
“C6 Vehicles”	trailer vehicles with a total mass of less than 4.5 metric tonnes, 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; and
“Small Vehicles”	C1 Vehicles, C2 Vehicles and C6 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

27 March 2026

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. Chan Siu Wah, Mr. Wan San Fai Vincent and Mr. Xu Jianpo.