China Oriented International Holdings Limited
向中國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1871)

ANNOUNCEMENT ON THE INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

RESULTS

The Board is pleased to announce the unaudited consolidated interim results of the Group for the six months ended 30 June 2026, together with the comparative figures for the six months ended 30 June 2025. 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 EXPENSE

		For the six months ended	
		30 June	30 June
		2026	2025
		RMB'000	*RMB'000*
	Notes	**(Unaudited)**	(Unaudited)
Revenue	*4*	**15,659**	17,061
Cost of services rendered		**(13,209)**	(14,412)
Gross profit		**2,450**	2,649
Other income and other gains and losses, net	*6*	**527**	59
Selling and marketing expenses		**(1,155)**	(939)
Administrative expenses		**(5,538)**	(6,176)
Finance costs	*7*	**(1,097)**	(1,385)
Loss before income tax	*8*	**(4,813)**	(5,792)
Income tax credit	*9*	**602**	1,003
Loss and total comprehensive expense for the period attributable to the owners of the Company		**(4,211)**	(4,789)
Loss per share attributable to the owners of the Company	*11*		
– Basic and diluted (RMB cents)		**(0.97)**	(1.10)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**As at 30 June 2026** **RMB'000** **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
Non-current assets			
Property, plant and equipment	*12*	**83,593**	90,750
Right-of-use assets	*13*	**39,844**	40,813
Deferred tax assets	*17*	**228**	–
		123,665	131,563
Current assets			
Trade and other receivables and prepayments	*14*	**1,702**	1,825
Bank balances and cash		**118,609**	117,859
		120,311	119,684
Current liabilities			
Trade and other payables and accruals	*15*	**14,207**	15,874
Contract liabilities		**8,285**	8,617
Amount due to a shareholder		**1,963**	1,963
Lease liabilities	*16*	**1,101**	1,298
Borrowings		**34,220**	34,230
		59,776	61,982
Net current assets		**60,535**	57,702
Total assets less current liabilities		**184,200**	189,265

	Notes	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Non-current liabilities			
Lease liabilities	*16*	**2,728**	3,208
Borrowings		**8,990**	8,990
Deferred tax liabilities	*17*	**–**	374
		11,718	12,572
Net assets		**172,482**	176,693
EQUITY			
Equity attributable to the owners of the Company			
Share capital	*18*	**3,939**	3,939
Reserves		**168,543**	172,754
Total equity		**172,482**	176,693

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

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 condensed consolidated financial statements are presented in Renminbi, which is the currency of the primary economic environment in which 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 condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standards ("HKASs") 34 "Interim Financial Report" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and these condensed 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").

The preparation of the condensed consolidated financial statements in conformity with HKAS 34 requires the management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The condensed consolidated financial statements include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since 31 December 2025 and therefore, do not include all of the information required in annual financial statements in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") and should be read in conjunction with the Company's annual financial statements for the year ended 31 December 2025.

Basis of measurement

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.

The condensed consolidated financial statements have not been audited.

3. ADOPTION OF NEW AND REVISED HKFRS ACCOUNTING STANDARDS

(a) Application of amendments to an HKFRS Accounting Standard effective from 1 January 2026

In the current interim period, 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 2026 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11

The adoption of the above amendments to an HKFRS Accounting Standard in the current period has had no material impact on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in the condensed 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 condensed consolidated financial statements, the HKICPA has issued a number of new or amendments to HKFRS Accounting Standards, which are not yet effective for the six months period ended 30 June 2026 and which have not been early adopted in these condensed consolidated financial statements. These developments include the following which may be relevant to the Group:

		Effective for annual reporting periods beginning on or after
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to Hong Kong Interpretation 5	Hong Kong Interpretation 5 Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
HKFRS 20	Regulatory Assets and Regulatory Liabilities	1 January 2029
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 condensed 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 is recognised over time. Revenue recognised during the periods are as follows:

Analysed by types of courses:

	For the six months ended	
	30 June 2026	30 June 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Driving training service income		
Standard course	**12,561**	13,428
Premium course	**2,020**	2,889
Additional training fees	**1,078**	734
	15,659	17,061

Analysed by types of vehicles:

	For the six months ended	
	30 June 2026	30 June 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Driving training service income		
Large vehicles	**9,971**	11,883
Small vehicles	**5,688**	5,178
	15,659	17,061

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 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 GAIN AND LOSSES, NET

	For the six months ended	
	30 June	30 June
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Interest income	**30**	58
Income on expiry of driving courses withdrawn by trainees	**243**	188
Government subsidies *(Note)*	**42**	–
Others	**73**	116
Gain/(Loss) on disposal of property, plant and equipment	**50**	(300)
Exchange gain/(loss), net	**89**	(3)
	527	59

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

	For the six months ended	
	30 June	30 June
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest on bank loans	**1,007**	1,325
Interest on lease liabilities	**90**	60
	1,097	1,385

8. LOSS BEFORE INCOME TAX

	For the six months ended	
	30 June	30 June
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Loss before income tax has been arrived at after charging:		
Directors' remuneration	**606**	614
Other staff costs		
– Salaries and other allowances	**5,313**	5,687
– Retirement benefit scheme contributions	**649**	649
	6,568	6,950
Auditor's remuneration	**10**	10
Depreciation of:		
– Property, plant and equipment	**7,153**	7,707
– Right-of-use assets	**969**	1,009
Donations	**1**	1
Gasoline expenses	**1,423**	1,984
Consulting fee	**374**	381
Students' meal fees	**703**	778
Taxes and surcharges	**637**	629

9. INCOME TAX CREDIT

	For the six months ended	
	30 June	30 June
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
The PRC Enterprise Income Tax ("EIT")		
– Current year	**–**	–
– Over-provision in prior years	**–**	–
	–	–
Deferred tax credit	**(602)**	(1,003)
	(602)	(1,003)

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 both periods.

No provision for Hong Kong Profits Tax has been recognised during the six months ended 30 June 2026 and 2025 as the Group does not have income which arises in, or derived from, Hong Kong.

No provision for PRC EIT has been recognised in the consolidated financial statements during the six months ended 30 June 2026 as the Group did not have any assessable profits for the period (six months ended 30 June 2025: Nil).

Under the Law of the PRC on EIT, 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 RMB87,496,000 as at 30 June 2026 (six months ended 30 June 2025: RMB94,895,000), 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 was paid/declared or proposed for ordinary shareholders of the Company during the interim period, nor has any dividend been proposed since the end of the reporting period (30 June 2025: 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:

	For the six months ended	
	30 June 2026	30 June 2025
Loss		
Loss for the period attributable to owners of the Company for the purpose of basic loss per share (in RMB'000) (Unaudited)	**4,211**	4,789
Number of shares		
Weighted average number of ordinary shares for the purpose of basic loss	**435,958,192**	435,958,192

There were no potential ordinary shares in issue for the six months ended 30 June 2026 and 2025. 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 *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*	Total *RMB'000*
COST								
At 1 January 2025 (audited)	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 and 1 January 2026 (audited)	42,841	83,522	11,692	1,590	8,459	23,764	–	171,868
Additions	–	–	–	–	–	–	–	–
Disposals	–	–	–	–	–	(60)	–	(60)
Transfer from right-of-use assets	–	–	–	–	–	–	–	–
Transfer	–	–	–	–	–	–	–	–
At 30 June 2026 (unaudited)	**42,841**	**83,522**	**11,692**	**1,590**	**8,459**	**23,704**	**–**	**171,808**
ACCUMULATED DEPRECIATION								
At 1 January 2025 (audited)	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 and 1 January 2026 (audited)	15,239	33,559	10,651	1,148	4,683	15,838	–	81,118
Provided for the period	1,262	3,505	98	57	983	1,248	–	7,153
Transfer from right-of-use assets	–	–	–	–	–	–	–	–
Disposals	–	–	–	–	–	(56)	–	(56)
At 30 June 2026 (unaudited)	**16,501**	**37,064**	**10,749**	**1,205**	**5,666**	**17,030**	**–**	**88,215**
CARRYING VALUES								
At 30 June 2026 (unaudited)	**26,340**	**46,458**	**943**	**385**	**2,793**	**6,674**	**–**	**83,593**
At 31 December 2025 (audited)	27,602	49,963	1,041	442	3,776	7,926	–	90,750

13. RIGHT-OF-USE ASSETS

	Leasehold lands *RMB'000*	Motor vehicles *RMB'000* *Note*	Total *RMB'000*
COST			
At 1 January 2025 (audited)	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 and 1 January 2026 (audited)	47,643	3,611	51,254
Additions	–	–	–
Early termination	–	–	–
Transfer to property, plant and equipment	–	–	–
At 30 June 2026 (unaudited)	**47,643**	**3,611**	**51,254**
ACCUMULATED DEPRECIATION			
At 1 January 2025 (audited)	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 and 1 January 2026 (audited)	9,863	578	10,441
Charges for the period	761	208	969
Early termination	–	–	–
Transfer to property, plant and equipment	–	–	–
At 30 June 2026 (unaudited)	**10,624**	**786**	**11,410**
CARRYING VALUES			
At 30 June 2026 (unaudited)	**37,019**	**2,825**	**39,844**
At 31 December 2025 (audited)	37,780	3,033	40,813

Note:

As at 30 June 2026 and 31 December 2025, 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, was included in lease liabilities.

14. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Notes	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Trade receivables	(a)	**68**	53
Other receivables		**2,337**	2,190
Less: allowance for expected credit loss		**(1,428)**	(1,428)
Other receivables, net of expected credit loss	(b)	**909**	762
Prepayments		**725**	1,010
Current portion		**1,702**	1,825

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:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
0 – 30 days	**68**	53

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.

15. TRADE AND OTHER PAYABLES AND ACCRUALS

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Trade payables *(Note)*	**948**	1,213
Construction costs payables	**1,767**	2,197
Accrued salaries and other staff cost	**5,989**	5,183
Accrued directors' remuneration	**2,028**	1,878
Examination fees payables	**897**	914
Other tax payables	**1,098**	1,089
Other payables	**1,480**	3,400
	14,207	15,874

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.

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
0 – 60 days	**415**	561
61 – 90 days	**331**	183
91 – 120 days	**168**	106
121 – 365 days	**34**	176
Over 365 days	**–**	187
	948	1,213

16. LEASE LIABILITIES

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

	30 June 2026 *RMB'000* **(Unaudited)**	31 December 2025 *RMB'000* (Audited)
Lease liabilities payable:		
Within one year	**1,347**	1,590
Within a period of more than one year but not exceeding two years	**992**	1,102
Within a period of more than two years but not exceeding five years	**1,038**	1,421
Over five years	**1,482**	1,582
	4,859	5,695
Less: Future finance charges	**(1,030)**	(1,189)
Present value of lease liabilities	**3,829**	4,506
Less: Amounts due for settlement within twelve months from the end of the reporting period (shown under current liabilities)	**(1,101)**	(1,298)
Amounts due for settlement after twelve months from the end of the reporting period	**2,728**	3,208

The weighted average incremental borrowing rates applied to lease liabilities range from 5.4% to 13.0% (2025: 5.4% to 13.0%) 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 six months ended 30 June 2026:

	Right-of-use assets	Lease liabilities	Temporary difference on depreciation of property, plant and equipment	Temporary difference on interest capitalisation	Revenue recognition	Deductible tax losses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2025 (audited)	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 and 1 January 2026 (audited)	446	(468)	(1,084)	1,304	3,029	(2,853)	374
Charged/(credited) to profit or loss	(42)	19	(665)	(73)	159	–	(602)
At 30 June 2026 (unaudited)	**404**	**(449)**	**(1,749)**	**1,231**	**3,188**	**(2,853)**	**(228)**

18. SHARE CAPITAL

	Number of Shares	Share capital
		RMB'000
Ordinary shares of HK$0.01 each		
Authorised		
At 1 January 2025, 31 December 2025, 1 January 2026 and 30 June 2026	10,000,000,000	90,179
Issued and fully paid		
At 1 January 2025, 31 December 2025, 1 January 2026 and 30 June 2026	435,958,192	3,939

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.

In the first half of 2026, our overall number of course enrolments and number of trainees attended our driving courses slightly declined as compared to that for the six months ended 30 June 2025. Our financial performance continued to be affected by the continuing deterioration of the market conditions of the logistics industry as a result of 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 of 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, to increase the course enrolments and expand the market share.

Our total number of course enrolments recorded an overall decrease of 2.2% from 6,232 for the six months ended 30 June 2025 to 6,097 for the six months ended 30 June 2026. Both Xin Cai School and Shun Da School marked growth in the overall number of course enrolments for the six months ended 30 June 2026, as comparing to that for the six months ended 30 June 2025 but both Tong Tai School and Kai Yuan School marked decline in the overall number of course enrolments for the six months ended 30 June 2026, as comparing to that for the six months ended 30 June 2025. The total number of course enrolments of Shun Da School amounted to 1,043 (six months ended 30 June 2025: 608), representing an increase of approximately 71.5% due to the increasing demand of course enrolments of driving course of Small Vehicles in Sui Ping county. The total number of course enrolments of Xin Cai School amounted to 385 (six months ended 30 June 2025: 228), representing an increase of approximately 68.9% due to the increasing demand of course enrolments of driving course of Large Vehicles and Small Vehicles in Xin Cai county. However, the total number of course enrolments of Tong Tai School amounted to 4,179 (six months ended 30 June 2025: 4,707), representing a decrease of approximately 11.2% which is mainly attributable to the decrease in the demand for driving courses of Large Vehicles as a result of the continuing deterioration of the market conditions of the logistics industry as a result of 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 and the decrease in the number of course enrolments for driving courses of Small Vehicles as a result of the shift of the demand to our Shun Da School within Zhumadian city, respectively. The contribution of revenue from the Large Vehicle has still been our primary source of revenue accounting for approximately 63.7% of our total revenue for the six months ended 30 June 2026. In addition, the total number of course enrolments of Kai Yuan School amounted to 490 (six months ended 30 June 2025: 689), representing a decrease of approximately 28.9% due to the decrease in the demand for driving courses of Large Vehicles as a result of the continuing deterioration of the market conditions of the logistics industry as well. The overall number of course enrolments of driving course of Large Vehicles recorded a decrease of 13.7% from 1,918 for the six months ended 30 June 2025 to 1,656 for the six months ended 30 June 2026 which has offset the positive effect of the increase in the overall number of course enrolments of driving course of Small Vehicles by 2.9% from 4,314 for the six months ended 30 June 2025 to 4,441 for the six months ended 30 June 2026.

The overall number of course enrolments for standard courses of Large Vehicles and Small Vehicles slightly decreased by approximately 1.8% from 6,173 for the six months ended 30 June 2025 to 6,060 for the six months ended 30 June 2026 due to the demand for our newly designed standard courses of Large Vehicles with lower course fee providing less or without training hours has declined from 1,918 for the six months ended 30 June 2025 to 1,656 for the six months ended 30 June 2026 as a result of the continuing deterioration of the market conditions of the logistics industry as a result of 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 which has offset the positive effect of the increase in the demand for our newly designed standard courses of Small Vehicles by 3.5% from 4,255 for the six months ended 30 June 2025 to 4,404 for the six months ended 30 June 2026.

The overall number of course enrolments for premium courses of both Large Vehicles and Small Vehicles decreased by approximately 37.3% from 59 for the six months ended 30 June 2025 to 37 for the six months ended 30 June 2026 due to the launch of our newly designed standard courses of both Large Vehicles and Small Vehicles with lower course fee providing less or without training hours in previous years.

The following table sets out a breakdown of the number of course enrolments by our trainees and by types of courses for the six months ended 30 June 2026, together with the comparative figures for the corresponding period in 2025:

	For the six months ended 30 June			
	2026		2025	
	Number of course enrolments	*%*	*Number of course enrolments*	*%*
Tong Tai School				
Large Vehicles				
– Standard courses	**1,482**	**24.3**	1,655	26.5
– Premium courses	**–**	**–**	–	–
Small Vehicles				
– Standard courses	**2,660**	**43.6**	2,993	48.0
– Premium courses	**37**	**0.7**	59	0.9
Shun Da School				
Small Vehicles				
– Standard courses	**1,043**	**17.1**	608	9.8
– Premium courses	**–**	**–**	–	–
Kai Yuan School				
Large Vehicles				
– Standard courses	**42**	**0.7**	166	2.7
Small Vehicles				
– Standard courses	**448**	**7.3**	523	8.4
Xin Cai School				
Large Vehicles				
– Standard courses	**132**	**2.2**	97	1.6
Small Vehicles				
– Standard courses	**253**	**4.1**	131	2.1
Total	**6,097**	**100.0**	6,232	100.0

	For the six months ended 30 June			
	2026		2025	
	Number of course enrolments	***%***	*Number of course enrolments*	*%*
Course				
Total standard courses	**6,060**	**99.4**	6,173	99.1
Total premium courses	**37**	**0.6**	59	0.9
Total	**6,097**	**100.0**	6,232	100.0
Driving school				
Tong Tai School	**4,179**	**68.6**	4,707	75.4
Shun Da School	**1,043**	**17.1**	608	9.8
Kai Yuan School	**490**	**8.0**	689	11.1
Xin Cai School	**385**	**6.3**	228	3.7
Total	**6,097**	**100.0**	6,232	100.0
Driving course				
Large Vehicles	**1,656**	**27.2**	1,918	30.8
Small Vehicles	**4,441**	**72.8**	4,314	69.2
Total	**6,097**	**100.0**	6,232	100.0

We recorded a slight decrease by approximately 1.8% in the number of trainees attended our driving courses and our total revenue recorded an overall decrease of approximately 8.2%. The overall number of trainees who attended our driving courses for the six months ended 30 June 2026 amounted to 7,056 (for the six months ended 30 June 2025: 7,188), representing a slight decrease of approximately 1.8%. The total revenue of the Group for the six months ended 30 June 2026 amounted to approximately RMB15.7 million (for the six months ended 30 June 2025: approximately RMB17.1 million), representing a decrease of approximately 8.2%.

The overall decrease in revenue was attributable to an overall decrease in the actual number of training hours of our trainees for the six months ended 30 June 2026 which offset the positive effect from the overall increase 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 six months ended 30 June 2026. Our provision of driving training services for Large Vehicles continued to be our primary source of revenue, accounting for approximately 63.7% of our total revenue (six months ended 30 June 2025: 69.6%). Revenue generated from premium courses of Large Vehicles contributed to approximately 2.1% of our total revenue (six months ended 30 June 2025: 8.9%) and revenue generated from standard courses of Large Vehicles contributed to approximately 59.2% of our total revenue (six months ended 30 June 2025: 59.6%). Our provision of driving training services for Small Vehicles accounted for higher portion of source of revenue, accounting for approximately 36.3% of our total revenue (six months ended 30 June 2025: 30.4%). Revenue generated from standard courses of Small Vehicles contributed to approximately 28.3% of our total revenue (six months ended 30 June 2025: 19.1%).

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 six months ended 30 June 2026, together with the comparative figures for the six months ended 30 June 2025:

	For the six months ended 30 June					
	2026			2025		
	Number of trainees attended	***RMB'000***	***%***	*Number of trainees attended*	*RMB'000*	*%*
Large Vehicles						
– Standard courses	**2,030**	**9,271**	**59.2**	2,049	10,173	59.6
– Premium courses	**108**	**325**	**2.1**	258	1,516	8.9
– Additional training services	**N/A**	**375**	**2.4**	N/A	194	1.1
Sub-total	**2,138**	**9,971**	**63.7**	2,307	11,883	69.6
Small Vehicles						
– Standard courses	**4,639**	**4,438**	**28.3**	4,257	3,255	19.1
– Premium courses	**279**	**547**	**3.5**	624	1,383	8.1
– Additional training services	**N/A**	**703**	**4.5**	N/A	540	3.2
Sub-total	**4,918**	**5,688**	**36.3**	4,881	5,178	30.4
Total	**7,056**	**15,659**	**100.0**	7,188	17,061	100.0

Future Development and Prospects

In the first half of 2026, with the intensified competition in the driving training industry, a persistent downtrend in the overall market prices, a general reduction in driving course fees, and severe price competition were witnessed. Furthermore, most driving schools across the industry reported declines in course enrollment as compared with the previous year, and many of which were on the verge of closure. Industry associations and stakeholders have called for collective actions to adopt the anti-involution initiatives, hoping to gradually ease the industry's operating environment.

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

1. Refine service details and continue to optimize internal operations to reduce costs and improve efficiency. For trainees residing in the suburbs, we have maintained a pick-up service to facilitate their attendance at the driving schools. This has expanded our recruitment reach and supported growth in enrollment numbers. Meanwhile, we will increase our use of new media for marketing and promotion, intensify our online marketing efforts and continue our promotion through new media channels to gradually achieve cross-regional and spatio-temporal online marketing and promotion models, thereby expanding our market share and with greater market influence.

2. Take advantage of the challenging environment faced by the industry and seek business cooperation in selected regions. On the one hand, we have eliminated some competitors in Zhumadian City market resulting in an increased market share. On the other hand, for markets outside Zhumadian City, we are actively seeking multi-regional joint operations to consolidate regional driving schools with the support of local industry associations, with the view to establishing a dominant market position in selected regions. This will enable us to increase our market share, enhance our bargaining power on pricing, and enhance profitability of the Group.

3. Continue to seek cooperation with driving schools in high-margin markets, such as Xinjiang and Guangxi where course fees are significantly higher than those of Zhumadian City. This will effectively enhance profitability of the Group.

With the implementation of the new national standards, the driving training industry has entered a new phase of compliance restructuring, elimination, and transformation. The two new national standards, *Business Conditions for Motor Vehicle Driver Training Institutions* (《機動車駕駛培訓機構業務條件》) and *Technical Requirements for Motor Vehicle Driver Training Coach Grounds* (《機動車駕駛培訓機構業務條件》), which officially took effect on 1 May 2026, have established clear compliance red lines for the industry. According to various local regulations, existing driving schools may need to complete all compliance rectifications by the end of 2026, and those failing to meet the standards will have their registrations cancelled. According to industry estimates, this requirement will accelerate the exit of non-compliant players and help rectify market order. As a compliant and well-managed group, we will leverage this regulatory upgrade as a strategic window for consolidation. By capitalizing on our strengths in service standards and management systems, we will actively participate in the ongoing market restructuring, solidify our leading position in core markets, and create more favorable competitive conditions for cross-regional cooperation.

Financial Review

1. Overview

Our overall financial performance for the six months ended 30 June 2026 has slightly improved as compared to that for the six months ended 30 June 2025. Despite we recorded a decline in total revenue by approximately RMB1.4 million (or approximately 8.2%) from approximately RMB17.1 million for the six months ended 30 June 2025 to RMB15.7 million for the six months ended 30 June 2026, our gross profit has decreased by approximately RMB0.2 million (or approximately 7.5%) from approximately RMB2.6 million for the six months ended 30 June 2025 to approximately RMB2.5 million for the six months ended 30 June 2026. Gross profit margin has maintained stable at 15.5% and 15.6% for the six months ended 30 June 2025 and 2026 respectively. Our loss before tax has slightly decreased by approximately RMB1.0 million (or approximately 16.9%) from approximately RMB5.8 million for the six months ended 30 June 2025 to approximately RMB4.8 million for the six months ended 30 June 2026. The net loss attributable to the owners of the Company has been also decreased from approximately RMB4.8 million for the six months ended 30 June 2025 to approximately RMB4.2 million for the six months ended 30 June 2026 which is mainly attributable to the decrease in administrative expenses from approximately RMB6.2 million for the six months ended 30 June 2025 to approximately RMB5.5 million for the six months ended 30 June 2026 due to the decrease in the salaries paid to the administrative staff and depreciation charges and amortization charges. Consequently, we recorded a net loss margin attributable to the owners of the Company of 26.9% for the six months ended 30 June 2026 as compared to the net loss margin attributable to the owners of the Company of 28.1% for the six months ended 30 June 2025.

2. *Revenue*

Our overall revenue decreased by approximately RMB1.4 million, or approximately 8.2% from RMB17.1 million for the six months ended 30 June 2025 to RMB15.7 million for the six months ended 30 June 2026. This decrease was mainly attributable to the decrease in revenue generated from the provision of driving training services for Large Vehicles of approximately RMB1.9 million which has offset the positive effect from the increase in revenue generated from the provision of driving training services for Small Vehicles of approximately RMB0.5 million. This decline in revenue is mainly attributable to the overall decrease in each of the number of trainees who attended our driving course and the actual number of training hours provided by the Group during the six months ended 30 June 2026 due to the decrease in the demand for both standard courses and premium courses of driving courses for Large Vehicles due to the continuing deterioration of the market conditions of the logistics industry as a result of 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 RMB1.9 million, or approximately 16.1%, from approximately RMB11.9 million for the six months ended 30 June 2025 to approximately RMB10.0 million for the six months ended 30 June 2026. The decrease was mainly attributable to the effect of the decrease in each of the actual number of training hours of our trainees of Large Vehicles from 75,700 for the six months ended 30 June 2025 to 49,425 for the six months ended 30 June 2026 and the decrease in the number of trainees who attended our driving courses of Large Vehicles from 2,307 for the six months ended 30 June 2025 to 2,138 for the six months ended 30 June 2026 which has offset the positive effect from the increased average course fees per hour for our standard courses of Large Vehicles recognised as revenue during the six months ended 30 June 2026 although the number of trainees who attended our standard courses of Large Vehicles with less or without training hours provided slightly decreased from 2,049 for the six months ended 30 June 2025 to 2,030 for the six months ended 30 June 2026.

The revenue generated from the provision of driving training services for Small Vehicles increased by approximately RMB0.5 million, or approximately 9.8%, from approximately RMB5.2 million for the six months ended 30 June 2025 to approximately RMB5.7 million for the six months ended 30 June 2026. The overall increase was mainly attributable to the net effect of the increase in each of the actual number of training hours of our trainees of Small Vehicles from 41,779 for the six months ended 30 June 2025 to 47,301 for the six months ended 30 June 2026 and the increase in the number of trainees who attended our driving courses of Small Vehicles from 4,881 for the six months ended 30 June 2025 to 4,918 for the six months ended 30 June 2026 which has offset the negative effect from the slight decrease in the average course fees per hour for our driving courses of Small Vehicles recognised as revenue during the six months ended 30 June 2026 as a result of the increase in the training hours provided for the trainees attended our standard courses of Small Vehicles for the six months ended 30 June 2026 and the number of trainees attended our premium courses of Small Vehicles further decreased from 624 for the six months ended 30 June 2025 to 279 for the six months ended 30 June 2026.

3. Cost of services rendered

For the six months ended 30 June 2026 and 2025, our Group's cost of services rendered amounted to approximately RMB13.2 million and RMB14.4 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 RMB1.2 million, or approximately 8.3%, from approximately RMB14.4 million for the six months ended 30 June 2025 to approximately RMB13.2 million for the six months ended 30 June 2026.

Employee benefit expenses decreased by approximately RMB0.4 million, or approximately 9.4%, from approximately RMB4.0 million for the six months ended 30 June 2025 to approximately RMB3.7 million for the six months ended 30 June 2026 which was mainly attributable to the decrease in salaries paid to our driving instructors and other supporting staff in line with the overall 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 RMB0.6 million, or approximately 28.3%, from approximately RMB2.0 million for the six months ended 30 June 2025 to approximately RMB1.4 million for the six months ended 30 June 2026, in line with the overall 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 Vehicle. Our depreciation on property, plant and equipment and rights-of-use assets decreased by approximately RMB0.3 million, or approximately 4.6%, from approximately RMB7.1 million for the six months ended 30 June 2025 to approximately RMB6.8 million for the six months ended 30 June 2026 as result of the decrease in fixed depreciation charges of our training motor vehicles 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 decreased by approximately RMB0.2 million, or approximately 7.5%, from approximately RMB2.6 million for the six months ended 30 June 2025 to approximately RMB2.5 million for the six months ended 30 June 2026 in line with the decrease in the revenue. Our gross profit margin from the provision of driving training services increased by approximately 0.1 percentage points from approximately 15.5% for the six months ended 30 June 2025 to approximately 15.6% for the six months ended 30 June 2026. Our overall decrease in gross profit but moderate increase in gross profit margin was mainly attributable to the overall decrease in the actual number of training hours which has offset the positive effect from the overall increase in the average course fees per hour for our driving courses due to the overall increase in the number of trainees attended our standard courses with higher gross profit margin.

Our gross profit for provision of driving training services for Large Vehicles decreased by approximately RMB51,000, or approximately 6.2%, from approximately RMB0.8 million for the six months ended 30 June 2025 to approximately RMB0.8 million for the six months ended 30 June 2026. Our gross profit margin from the provision of driving training services for Large Vehicles increased by approximately 0.8 percentage points from approximately 7.0% for the six months ended 30 June 2025 to approximately 7.8% for the six months ended 30 June 2026. The slight decrease in gross profit but the adverse increase in 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 has offset the positive effect of the increased average course fee per hour.

Our gross profit for provision of driving training services for Small Vehicle decreased by approximately RMB0.1 million, or approximately 8.1%, from approximately RMB1.8 million for the six months ended 30 June 2025 to approximately RMB1.7 million for the six months ended 30 June 2026. Our gross profit margin from the provision of driving training services for Small Vehicles decreased by approximately 5.8 percentage points from approximately 35.2% for the six months ended 30 June 2025 to approximately 29.4% for the six months ended 30 June 2026. The decrease in both gross profit and gross profit margin was mainly attributable to the increase in each of the actual number of training hours and the number of trainees who attended our driving course of Small Vehicles was offset by the negative effect from the decreased average course fee per hour for our standard course of Small Vehicles which contributed lower gross profit margin due to the increase in the training hours provided for our standard courses of Small Vehicles.

5. Other income and other gains and losses, net

Our other income and other gains and losses, net increased by approximately RMB0.5 million, or approximately 793.2%, from approximately RMB0.1 million for the six months ended 30 June 2025 to approximately RMB0.5 million for the six months ended 30 June 2026 which was mainly attributable to the loss on disposal of training motor vehicles of Large Vehicles and Small Vehicles of approximately RMB0.3 million recorded for the six months ended 30 June 2025 but we recorded the gain on disposal of training motor vehicles of Large Vehicles of approximately RMB0.1 million for the six months ended 30 June 2026.

6. Selling and marketing expenses

Our selling and marketing expenses increased by approximately RMB0.2 million, or approximately 23.0%, from approximately RMB0.9 million for the six months ended 30 June 2025 to approximately RMB1.2 million for the six months ended 30 June 2026 which was mainly attributable to the increase in the employee benefit expenses paid to our sales.

7. Administrative expenses

Our administrative expenses decreased by approximately RMB0.6 million, or approximately 10.3%, from approximately RMB6.2 million for the six months ended 30 June 2025 to approximately RMB5.5 million for the six months ended 30 June 2026 which was mainly attributable to the decrease in employee benefit expenses paid to our administrative staff and the decrease in the depreciation charges of our property, plant and equipment.

8. Finance costs

Our finance costs decreased by approximately RMB0.3 million, or approximately 20.8%, from approximately RMB1.4 million for the six months ended 30 June 2025 to approximately RMB1.1 million for the six months ended 30 June 2026 which was mainly attributable to the repayment of a bank borrowing during the second half of 2025.

9. Income tax credit

Our income tax credit decreased by approximately RMB0.4 million, or approximately 40.0%, from approximately RMB1.0 million for the six months ended 30 June 2025 to approximately RMB0.6 million for the six months ended 30 June 2026 which was mainly attributable to 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 period

As a result of the above factors, we recorded the loss before income tax of approximately RMB4.8 million for the six months ended 30 June 2026 as compared to the loss before income tax of approximately RMB5.8 million for the six months ended 30 June 2025 and we recorded the net loss attributable to the owners of the Company of approximately RMB4.2 million for the six months ended 30 June 2026 as compared to the net loss attributable to the owners of the Company of approximately RMB4.8 million for the six months ended 30 June 2025 which was mainly attributable to the increase in the other income and other gains and losses, net and the decrease in the administrative expenses and finance costs for the six months ended 30 June 2026. Accordingly, we recorded a net loss margin attributable to the owners of the Company of 26.9% for the six months ended 30 June 2026 as compared to the net loss margin attributable to the owners of the Company of 28.1% for the six months ended 30 June 2025.

11. Liquidity and source of funding and borrowing

The Group's bank balances and cash increased from approximately RMB117.9 million as at 31 December 2025 to approximately RMB118.6 million as at 30 June 2026 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 period. The Group has concentration of credit risk arising from bank balances as there was a bank which individually contributed an amount of approximately RMB118.0 million (2025: RMB101.4 million), representing 99.5% (2025: 86.0%) of the Group's bank balances as at 30 June 2026. The management considers that the credit risk on liquid funds is low as counterparties are financial institutions with good reputation and have provided financing amounting to approximately RMB26.7 million as at 30 June 2026 (2025: RMB26.7 million) to the Group.

As at 30 June 2026, the current assets of the Group amounted to approximately RMB120.3 million, including approximately RMB118.6 million in bank balances and cash, and approximately RMB1.7 million in trade and other receivables, deposits and prepayments. The current liabilities of the Group amounted to approximately RMB59.8 million, including approximately RMB14.2 million in trade and other payables and accruals, approximately RMB8.3 million in contract liabilities, approximately RMB2.0 million in amount due to a shareholder, approximately RMB34.2 million in borrowings and approximately RMB1.1 million in lease liabilities. As at 30 June 2026, the current ratio of the Group, which is equivalent to the current assets divided by the current liabilities, was 2.01 (31 December 2025: 1.93).

As of 30 June 2026 and 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, respectively.

12. Gearing ratio

As at 30 June 2026, 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 2025: 0.28 times).

13. Material investments

The Group did not make any material investments during the six months ended 30 June 2026.

14. Material acquisitions and disposals

The Group did not make any material acquisitions and disposals during the six months ended 30 June 2026.

15. Borrowings and pledge of assets

As of 30 June 2026, the Group had aggregate interest-bearing borrowings of approximately RMB43.2 million as compared to approximately RMB43.2 million as of 31 December 2025. 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 30 June 2026, the Group's borrowings of approximately RMB43.2 million were at fixed interest rates. As of 30 June 2026, 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 30 June 2026, 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 2026, 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 benefits

As at 30 June 2026, we had 159 employees, representing an increase from that of 155 employees as at 31 December 2025. 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 experience 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 employee benefit expenses incurred by the Group for the six months ended 30 June 2026 was approximately RMB6.6 million (six months ended 30 June 2025: approximately RMB7.0 million).

The following table sets forth the total number of Directors and employees by function as at 30 June 2026:

	Number of employees	*% of the total*
Function		
Directors	6	3.8
Driving instructors	80	50.3
Sale and marketing	23	14.5
Finance and accounting	5	3.1
Teaching affair office	22	13.8
Administration	20	12.6
Vehicle management	3	1.9
Total	159	100.0

SUBSEQUENT EVENTS

There are no material events subsequent to 30 June 2026 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 Futures Commission transaction levy for the new shares in the Company and the listing and other expenses in connection with the IPO.

As at 30 June 2026, a total of approximately HK$45.5 million had been utilised by the Group according to the allocation set out hereinbelow:

	% of net proceeds	**Net proceeds from IPO**	**Utilisation during the period from the listing date (i.e. 24 October 2019) to 30 June 2026**	**Unutilised amount as at 30 June 2026**	**Expected timeframe for intended use**
		HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
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 2026 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.

INTERIM DIVIDEND

The Board does not recommend the payment of any interim dividend to Shareholders for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

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

During the six months ended 30 June 2026, 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 2026, the Company has complied with all applicable code provisions set out in the Corporate Governance Code except code provision B.3.5. According to code provision B.3.5, issuers should appoint at least one director of a different gender to the nomination committee. Although the Board comprises directors of different genders, the Nomination Committee did not include a director of a different gender during the Reporting Period. The Company is actively seeking suitable candidate(s) with the view to complying code provision B.3.5. Further announcement will be made by the Company in respect of the Company's compliance with code provision B.3.5. 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 the 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 unaudited consolidated financial statements of the Group for the six months ended 30 June 2026. 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.

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 2026 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;
"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.

* *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

28 August 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.