

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

China Oral Industry Group Holdings Limited
中國口腔產業集團控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8406)

**ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2024**

CHARACTERISTICS OF THE GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

*This announcement for which the directors (the “**Directors**”) of China Oral Industry Group Holdings Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

The Board hereby presents the audited consolidated final results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2024 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	<i>Notes</i>	2024 RMB'000	2023 <i>RMB'000</i>
Revenue	4	230,959	166,917
Cost of sales		(193,708)	(139,882)
Gross profit		37,251	27,035
Other income and gains	6	2,586	5,468
Distribution and selling expenses		(26,296)	(20,174)
Administrative and other operating expenses		(20,393)	(19,593)
(Impairment loss)/reversal of impairment on trade and other receivables under expected credit loss model, net		(1,634)	94
Impairment loss of goodwill		(7,200)	–
Impairment loss on non-financial assets		–	(10,223)
Finance costs	7	(753)	(1,015)
Loss before tax		(16,439)	(18,408)
Income tax expense	8	–	(218)
Loss for the year	9	(16,439)	(18,626)
Other comprehensive income, net of income tax			
<i>Item that will not be reclassified to profit or loss:</i>			
Exchange differences on translation from functional currency to presentation currency		381	1,319
<i>Item that may be reclassified subsequently to profit or loss :</i>			
Exchange difference on translating foreign operations		145	(1,176)
Other comprehensive income for the year		526	143
Total comprehensive expense for the year		(15,913)	(18,483)
		RMB cents	RMB cents
Loss per share			
– Basic and diluted	10	(1.5)	(1.9)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

		2024	2023
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
Non-current assets			
Property, plant and equipment		1,787	2,169
Right-of-use assets		2,085	2,690
Goodwill	11	8,062	14,379
Other intangible assets		—	—
		11,934	19,238
Current assets			
Inventories		59,262	61,039
Trade receivables	12	33,775	17,707
Prepayments, deposits and other receivables		16,849	9,468
Tax recoverable		127	—
Bank deposits with maturity period over three months		10,000	20,000
Cash and bank balances		57,045	56,323
		177,058	164,537
Assets classified as held for sale		13,467	—
		190,525	164,537
Total assets		202,459	183,775
Current liabilities			
Trade and other payables	13	48,415	49,608
Amount due to a shareholder		11,794	8,954
Lease liabilities		2,616	5,263
Contract liabilities		8,073	3,625
Bank borrowings		676	—
Current tax liabilities		—	16
		71,574	67,466
Liabilities classified as held for sale		20,189	—
		91,763	67,466
Net current assets		98,762	97,071
Total assets less current liabilities		110,696	116,309

		2024	2023
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
Non-current liabilities			
Lease liabilities		1,387	9,310
Deferred tax liabilities		2,171	2,334
		3,558	11,644
Net assets		107,138	104,665
Capital and reserves			
Equity attributable to owners of the Company			
Share capital	14	10,059	8,427
Reserves		97,079	96,238
Total equity		107,138	104,665

NOTES:

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands under the Companies Law of the Cayman Islands as an exempted company with limited liability on 3 November 2015.

The shares of the Company have been listed on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) with effect from 7 December 2017.

Its ultimate controlling party is Ms. Yan Ping, who is also the chairlady and an executive director of the Company.

The addresses of the registered office and the principal place of business of the Company are Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman, KY1-1108, Cayman Islands and Unit 304, 3/F, Dominion Centre, 43 Queen’s Road East, Hong Kong respectively.

The Company is an investment holding company. The Company and its subsidiaries (collectively, the “**Group**”) are principally engaged in the manufacturing and sales of inflatable products and related accessories, and the provision of dental clinic services, sales of dental related products and sales of yarn and polyester in the People’s Republic of China (the “**PRC**”).

Items included in the financial statements of each of the Group’s subsidiaries are measured using the currency of the primary economic environment in which the respective entity operates (the “**functional currency**”). The functional currency of the Company is Hong Kong dollars (“**HK\$**”). The consolidated financial statements are presented in Renminbi (“**RMB**”), rounded to the nearest thousand, which is different from the functional currency of the Company as the Group’s dominated operations are substantially based in the PRC.

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

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) for the first time, which are mandatorily effective for the annual periods beginning on or after 1 January 2024 for the preparation of the consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the new and amendments to HKFRSs in the current year 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 these consolidated financial statements.

New and amendments to HKFRSs in issue but not yet effective

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

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial instruments ³
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 ³
Amendments to HKAS 21	Lack of Exchangeability ²
HKFRS 18	Presentation and Disclosure in Financial Statement ⁴

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2025.

³ Effective for annual periods beginning on or after 1 January 2026.

⁴ Effective for annual periods beginning on or after 1 January 2027.

The directors of the Company anticipate that the application of all amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on GEM of the Stock Exchange and by the Hong Kong Companies Ordinance.

4. REVENUE

An analysis of the Group's revenue by category is as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Sale of inflatable products and related accessories	170,790	150,860
Sub-contracting income	3,920	317
Provision of dental services	10,257	9,695
Sale of medical equipment	2,687	1,450
Sale of dental materials	9,587	4,595
Sale of yarn and polyester	33,718	–
	<u>230,959</u>	<u>166,917</u>

5. SEGMENT INFORMATION

HKFRS 8, Operating Segments, requires identification and disclosure of operating segment information based on internal financial reports that are regularly reviewed by the executive directors of the Company, being the chief operating decision maker (“**CODM**”), for the purpose of resources allocation and performance assessment.

In prior year, the Group has two operating segments which are the manufacturing and sales of inflatable products and related accessories and provision of dental clinic services and sales of dental related products in the PRC. Upon completion of acquisition of HongKong Taixing Holding Co., Limited (“**HongKong Taixing**”) and its subsidiaries during the year, the Group commenced the business engaging in the sales of yarn and polyester. For the purpose of resource allocation and performance assessment, management monitors the results of the Group’s operating segments separately for the purpose of making decisions about resource allocation and performance assessment.

Specifically, the Group’s business activities are operated and managed as three segments as follows:

- (i) Inflatable products business – manufacturing and sales of inflatable products and related accessories;
- (ii) Dental clinic business – provision of dental clinic services and sales of dental related products in the PRC; and
- (iii) Yarn and polyester business – sales of yarn and polyester.

Segment revenue and results

The following is an analysis of the Group’s revenue and results by reportable segments:

For the year ended 31 December 2024

	Inflatable products business RMB’000	Dental clinic business RMB’000	Yarn and polyester business RMB’000	Total RMB’000
Segment revenue				
Sales to external customers	174,710	22,531	33,718	230,959
Segment results	2,177	(14,490)	(542)	(12,855)
Interest income on bank deposits				700
Loss on lease modification				(38)
Net foreign exchange gains				1,563
Directors’ remuneration				(2,125)
Unallocated corporate expenses				(3,684)
Loss before tax				(16,439)

For the year ended 31 December 2023

	Inflatable products business RMB'000	Dental clinic business RMB'000	Total RMB'000
Segment revenue			
Sales to external customers	151,177	15,740	166,917
Segment results	(19,176)	857	(18,319)
Interest income on bank deposits			753
Gain on lease modification			280
Gain on financial assets at fair value through profit or loss			137
Net foreign exchange gains			3,761
Directors' remuneration			(2,325)
Unallocated corporate expenses			(2,695)
Loss before tax			(18,408)

There were no inter-segment sales in the current year (2023: Nil).

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment results represent the (loss)/profit from each segment without allocation of interest income on bank deposits, loss/gain on lease modification, gain on financial assets at fair value through profit or loss, net foreign exchange gains, directors' remuneration and unallocated corporate expenses. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segments:

As at 31 December 2024

	Inflatable products business RMB'000	Dental clinic business RMB'000	Yarn and polyester business RMB'000	Total RMB'000
Segment assets	69,701	33,640	31,578	134,919
Bank deposits with original maturity period over three months				10,000
Cash and bank balances				57,045
Corporate and other unallocated assets				495
Consolidated assets				202,459
Segment liabilities	53,222	8,467	10,203	71,892
Amount due to a shareholder				11,794
Deferred tax liabilities				2,171
Corporate and other unallocated liabilities				9,464
Consolidated liabilities				95,321

As at 31 December 2023

	Inflatable products business RMB'000	Dental clinic business RMB'000	Total RMB'000
Segment assets	61,296	45,491	106,787
Bank deposits with maturity period over three months			20,000
Cash and bank balances			56,323
Corporate and other unallocated assets			665
Consolidated assets			183,775
Segment liabilities	54,747	5,739	60,486
Amount due to a shareholder			8,954
Deferred tax liabilities			2,334
Corporate and other unallocated liabilities			7,336
Consolidated liabilities			79,110

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to reportable segments other than bank deposits with maturity period over three months, cash and bank balances (excluding cash and bank balances classified as held for sale) and corporate and other unallocated assets; and
- all liabilities are allocated to reportable segments other than amount due to a shareholder, deferred tax liabilities and corporate and other unallocated liabilities.

Other segment information

Amounts included in the measure of segment results or segment assets:

For the year ended 31 December 2024

	Inflatable products business RMB'000	Dental clinic business RMB'000	Yarn and polyester business RMB'000	Unallocated RMB'000	Total RMB'000
Additions to non-current assets (Note)	793	–	14	–	807
Gain on disposal of property, plant and equipment	220	–	–	–	220
Depreciation of property, plant and equipment	2	450	–	–	452
Depreciation of right-of-use assets	341	750	–	–	1,091
(Reversal of write-down)/write- down on inventories	(4,374)	3,335	–	–	(1,039)
(Reversal of impairment)/ impairment loss on trade and other receivables under the expected credit loss model, net	(222)	505	1,351	–	1,634
Impairment loss of goodwill	–	7,200	–	–	7,200
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

For the year ended 31 December 2023

	Inflatable products business RMB'000	Dental clinic business RMB'000	Unallocated RMB'000	Total RMB'000
Additions to non-current assets (Note)	914	6,030	–	6,944
Loss on disposal of property, plant and equipment	376	–	–	376
Depreciation of property, plant and equipment	1,147	454	–	1,601
Amortisation of intangible assets	68	–	–	68
Depreciation of right-of-use assets	2,455	717	–	3,172
Write-down on inventories	1,581	–	–	1,581
(Reversal of impairment)/impairment loss on trade and other receivables under the expected credit loss model, net	(311)	217	–	(94)
Impairment loss on other non-financial assets	10,223	–	–	10,223
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Note: Non-current assets exclude goodwill.

Geographical information

All of the Group's operations are located in the PRC and Hong Kong. All of the Group's non-current assets (excluding goodwill) are located in the PRC. Accordingly, no geographical analysis is presented.

The following is an analysis of the Group's revenue by geographical segments:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Revenue from external customers:		
– China	76,764	26,781
– Europe	19,165	11,142
– Australia and Oceania	2,539	3,005
– North America	112,765	99,872
– Asia	18,609	24,773
– Central and South America	1,117	1,344
	<u>230,959</u>	<u>166,917</u>

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the Group's total revenue are as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Customer A ¹	61,463	54,237
Customer B ¹	N/A ²	16,834

¹ Revenue from inflatable products business.

² The corresponding revenue did not contribute over 10% of the Group's total revenue.

6. OTHER INCOME AND GAINS

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Interest income on bank deposits	700	753
Rental income	–	240
Grants and subsidies	93	52
Gain on lease modification	–	280
Gain on disposal of property, plant and equipment	220	–
Gain on fair value changes of financial assets at fair value through profit or loss	–	137
Net foreign exchange gains	1,563	3,761
Others	10	245
	<u>2,586</u>	<u>5,468</u>

7. FINANCE COSTS

	2024 RMB'000	2023 RMB'000
Interest on lease liabilities	552	1,015
Interest on bank borrowings	201	–
	<u>753</u>	<u>1,015</u>

8. INCOME TAX EXPENSE

	2024 RMB'000	2023 RMB'000
Current tax		
Hong Kong Profits Tax	71	16
PRC Enterprise Income Tax	92	101
Under provided in prior years	–	310
Deferred tax	<u>(163)</u>	<u>(209)</u>
Total income tax expense recognised in profit or loss	<u>–</u>	<u>218</u>

9. LOSS FOR THE YEAR

Loss for the year has been arrived at after charging/(crediting):

	2024 RMB'000	2023 RMB'000
Auditors' remuneration	823	802
Cost of inventories recognised as an expense	188,629	135,924
Depreciation of property, plant and equipment	452	1,601
Depreciation of right-of-use assets	1,091	3,172
(Gain)/loss on disposal of property, plant and equipment	(220)	376
Loss/(gain) on lease modification	38	(280)
(Reversal of write-down)/write-down of inventories	(1,039)	1,581
Amortisation of intangible assets	–	68
Short-term lease expenses	<u>15</u>	<u>18</u>
Employee benefits expense (including directors' emoluments):		
Salaries, wages and other benefits	46,923	39,843
Contribution to retirement benefits schemes	<u>4,238</u>	<u>2,158</u>
Total employee benefits expense	<u>51,161</u>	<u>42,001</u>

10. LOSS PER SHARE

The diluted loss per share is equal to the basic loss per share as there is no dilutive potential ordinary share in issue during the years ended 31 December 2024 and 2023.

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Loss		
Loss for the year attributable to owners of the Company for the purpose of basic loss per share	<u>(16,439)</u>	<u>(18,626)</u>
	2024 '000	2023 '000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic loss per share	<u>1,126,230</u>	<u>960,000</u>

11. GOODWILL

	<i>RMB'000</i>
Cost	
Balance at 1 January 2023	–
Arising on acquisition of subsidiaries	<u>14,379</u>
Balance at 31 December 2023	14,379
Arising on acquisition of subsidiaries	<u>883</u>
Balance at 31 December 2024	<u>15,262</u>
Impairment	
Balance at 1 January 2023 and 31 December 2023	–
Impairment loss recognised in the year	<u>7,200</u>
Balance at 31 December 2024	<u>7,200</u>
Carrying amount	
Balance at 31 December 2024	<u><u>8,062</u></u>
Balance at 31 December 2023	<u><u>14,379</u></u>

The goodwill of RMB883,000 arose from the acquisition of the entire equity interest in Hong Kong Taixing and its subsidiaries during the year ended 31 December 2024 and the goodwill of RMB14,379,000 arose from the acquisition of HongKong Eko Holding Co., Limited and its subsidiary during the year ended 31 December 2023.

12. TRADE RECEIVABLES

	2024 RMB'000	2023 RMB'000
Trade receivables arising from		
– Inflatable products business	15,235	11,540
– Dental clinic business	13,937	6,830
– Yarn and polyester business	6,641	–
Allowance for credit losses	(2,038)	(663)
	<u>33,775</u>	<u>17,707</u>

The following is an analysis of trade receivables by age, net of allowance for credit losses, presented based on the invoice dates:

	2024 RMB'000	2023 RMB'000
0–30 days	20,537	16,698
31–60 days	3,932	849
61–90 days	1,821	100
91–120 days	4,080	60
121–365 days	3,405	–
	<u>33,775</u>	<u>17,707</u>

13. TRADE AND OTHER PAYABLES

	2024 RMB'000	2023 RMB'000
Trade payables	16,090	28,826
Accrued salaries and other benefits	10,890	10,390
Deposit received for assets and liabilities classified as held for sale	1,000	–
Refund liabilities	3,363	–
Other payables and accruals	17,072	10,392
	<u>48,415</u>	<u>49,608</u>

The following is an analysis of trade payables based on the invoice date:

	2024 RMB'000	2023 RMB'000
0–30 days	9,145	13,772
31–60 days	3,682	7,350
61–90 days	1,693	6,380
91–120 days	881	355
121–365 days	454	898
Over 365 days	235	71
	<u>16,090</u>	<u>28,826</u>

14. SHARE CAPITAL

Details of the Company's authorised and issued ordinary share capital are as follows:

	Number of ordinary shares '000	Share capital HK\$'000
Ordinary shares of HK\$0.01 each		
Authorised:		
At 1 January 2023, 31 December 2023 and 31 December 2024	2,000,000	20,000
Issued and fully paid:		
At 1 January 2023 and 1 January 2024	960,000	9,600
Shares issued for acquisition of subsidiaries	180,000	1,800
At 31 December 2024	1,140,000	11,400
	2024	2023
	RMB'000	RMB'000
Equivalents to RMB	10,059	8,427

15. DIVIDENDS

No final dividend was proposed by the board of directors in respect of the years ended 31 December 2024 and 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The year of 2024 was one filled with challenges and opportunities. Against a backdrop of persistent global economic uncertainties, and diversified market demands, the Group faced unprecedented pressures while simultaneously gaining momentum.

The Group is principally engaged in the manufacturing and sales of inflatable products and related accessories, the provision of dental clinic services and sales of dental related products, and sales of yarn and polyester in the People's Republic of China ("**PRC**").

Inflatable products business

Founded in 2003, the Group has over 20 years of experience in designing, manufacturing, and selling high-quality inflatable amusement parks and other inflatable products.

Inflatable products business has recovered from early 2024, yielding a 15.6% growth in revenue from approximately RMB151,177,000 in 2023 to approximately RMB174,710,000 in 2024. Throughout our stringent cost control measures, the gross profit ratio from the inflatable products business increased from 15.8% in 2023 to 22.8% in 2024.

Dental clinic business

Since 2023, the Group has attempted a foray into the oral health care industry.

In January 2023, the Group acquired the entire equity interest in Hongkong Eko Holding Co., Limited and its subsidiaries which are engaged in the operation of a dental clinic, the provision of dental clinic services, and sales of dental related products and equipment in the PRC.

In 2024, dental clinic services business fared quite well, experiencing a steady growth in revenue; however, sales of medical equipment made a loss mainly due to the price war in the PRC, resulting in a gross loss and significant write-down in the related inventories.

Yarn and polyester business

In January 2024, the Group has completed the acquisition of the entire equity interest in HongKong Taixing Holding Co., Limited and its subsidiaries which are engaged in the sales of yarn and polyester in the PRC. Within our expectation, the yarn and polyester business was performing well in 2024 and contributing 14.6% of the Group's revenue.

OUTLOOK

Looking forward 2025, we are filled with confidence and anticipation. With the gradual recovery of the global economy, we foresee increased opportunities and possibilities.

The Group does not discount the impact of the escalating geopolitical conflicts, the imminent trade war and the economic slowdown in China to the Group's business. The Group will remain vigilant and prudent in managing operating costs, business growth and the risk profile of our business portfolio. The Group believes that with its experience and production know-how, it is strategically well-positioned to manage its business and capitalise on opportunities which may arise in future.

FINANCIAL REVIEW

Revenue

The Group's revenue was derived from three principal businesses, namely, the sales of inflatable products and related accessories, the provision of dental clinic services and sales of dental related products, and sales of yarn and polyester which are analysed in Note 4 to this preliminary announcement.

The Group's revenue was approximately RMB230,959,000 in 2024, representing an increase of approximately RMB64,042,000 or 38.4% as compared to the revenue of approximately RMB166,917,000 in 2023.

Revenue from the inflatable products business in 2024 was approximately RMB174,710,000, representing an increase of approximately RMB23,533,000 or 15.6% as compared with approximately RMB151,177,000 in 2023.

Revenue from the provision of dental clinic services was approximately RMB10,257,000 (2023: RMB9,695,000), representing an increase of approximately RMB562,000 or 5.8%. Sales of medical equipment and dental materials in 2024 was approximately RMB12,274,000 (2023: RMB6,045,000), representing an increase of approximately RMB6,229,000 or 103%.

Revenue from the sales of yarn and polyester in 2024 was approximately RMB33,718,000 (2023: Nil) which accounted for approximately 14.6% of the Group's total revenue.

Cost of sales

Cost of sales was approximately RMB193,708,000 in 2024, representing an increase of approximately RMB53,826,000 or 38.5% as compared to approximately RMB139,882,000 in 2023.

Gross profit and gross profit margin

The Group recorded a gross profit of approximately RMB37,251,000 in 2024, representing an increase of approximately RMB10,216,000 or 37.8% compared with 2023 (2023: approximately RMB27,035,000). Overall gross profit margin was approximately 16.1% in 2024, representing a decrease of approximately 0.1% as compared to that of 2023 (2023: approximately 16.2%). Such decrease was mainly due to the higher gross profit margin from the inflatable products business but partly offset by the dental clinic business. In 2024, the gross profit margin was approximately 22.9% from the inflatable products business and approximately 5.1% from the yarn and polyester business, and the gross loss margin of 19.6% from the dental clinic business.

Other income and gains

Total other income and gains was approximately RMB2,586,000 in 2024, representing a decrease of approximately RMB2,882,000 or 52.7% as compared with that of 2023 (2023: approximately RMB5,468,000). Such decrease was mainly due to (i) the decrease in exchange gains of approximately RMB2,198,000, (ii) the absence of rental income of approximately RMB240,000, (iii) the absence of a gain on lease modification of approximately RMB280,000, (iv) the absence of gain on fair value changes of financial assets at fair value through profit or loss of RMB137,000, (v) the decrease in income of approximately RMB235,000 and partly offset by (vi) a gain on disposal of property, plant and equipment of approximately RMB220,000.

Distribution and selling expenses

Total distribution and selling expenses was approximately RMB26,296,000 in 2024, representing an increase of approximately RMB6,122,000 or 30.3% as compared to that of 2023 (2023: approximately RMB20,174,000).

Our distribution and selling expenses mainly comprise expenses for salaries and benefits paid to our sales and marketing staffs, travelling expenses, marketing and exhibition expenses, distribution and transportation expense, advertisement and recruitment expenses.

The increase was in line with the increase in revenue derived for the year and mainly included (i) the increase in sales service fee and commission of approximately RMB2,307,000, (ii) the increase in distribution and transportation expenses of approximately RMB2,010,000, (iii) the increase in salaries of approximately RMB578,000 and (iv) the increase in other sales related expense of approximately RMB1,227,000.

Administrative expenses

The administrative expenses was approximately RMB20,393,000 in 2024, representing an increase of approximately RMB800,000 or 4.1% as compared to that of 2023 (2023: approximately RMB19,593,000).

In spite of the newly acquired business, the Group's administrative expenses remained relatively stable in 2024 as compared to 2023. Our administrative expenses mainly comprise salaries and benefits paid to our staff in the administrative function, directors' remuneration, utilities expenses, travelling and transportation expenses, depreciation expenses, amortisation expenses, insurance expenses, legal and professional expenses and other expense items such as repair and maintenance fees, entertainment fees, telephone and bank charges.

Impairment loss of goodwill

The Group tests at least annually whether goodwill has suffered any impairment. For the purpose of impairment testing, the estimate of recoverable amount is determined based on the value-in-use calculation. Based on the impairment assessment exercise, impairment loss of approximately RMB7,200,000 was recognised on goodwill relating to the dental clinic business in profit or loss during the year ended 31 December 2024 in order to write down the carrying amount of goodwill to the recoverable amount.

Finance costs

Finance costs was approximately RMB753,000 in 2024, representing a decrease of approximately RMB262,000 or 25.8% as compared to that of 2023 (2023: approximately RMB1,015,000).

Loss for the year

Loss for the year was approximately RMB16,439,000, representing a decrease of approximately RMB2,187,000 or 11.7% as compared to that of 2023 (2023: approximately RMB18,626,000).

Dividends

The Board does not recommend the payment of any dividend in 2024 (2023: Nil).

Liquidity, Financial Resources, Capital Structure and Gearing Ratio

The Group finances its liquidity and financial requirements primarily through cash generated from operations and equity contributed from the shareholders of the Company.

As at 31 December 2024, the Group's total equity attributable to owners of the Company amounted to approximately RMB107,138,000 (2023: RMB104,665,000).

The current ratio of the Group as at 31 December 2024 was approximately 2.08 as compared to that of approximately 2.44 in 2023. The quick ratio of the Group as at 31 December 2024 was approximately 1.43 as compared to that of approximately 1.53 in 2023. The Group had bank borrowings of approximately RMB676,000 (excluding bank borrowings classified as held for sale of approximately RMB8,000,000) as at 31 December 2024 (2023: Nil) and the gearing ratio of the Group, as calculated by the total debt divided by the total equity, was approximately 0.6% (2023: Nil). The Directors believe that the Group is in a healthy financial position to expand its core business and to achieve its business objectives.

Significant Investments Held, Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures, and Future Plan for Material Investments or Capital Assets

In January 2024, the Group has completed the acquisition of the entire equity interest in HongKong Taixing Holding Co., Limited and its subsidiaries.

Save as disclosed above, there was no other significant investment, material acquisition or disposal of subsidiaries or associated companies by the Group in 2024.

Contingent Liabilities

As at 31 December 2024, the Group did not have any significant contingent liabilities (2023: Nil).

Pledge of Assets

As at 31 December 2024, the Group had no assets pledged for bank borrowings or for other purpose (2023: Nil).

Commitments

As at 31 December 2024, the Group has entered into contractual commitments for the acquisition of property, plant and equipment of approximately RMB1,335,000 (2023: Nil).

Subsequent events

On 6 December 2024, the Company entered into a subscription agreement with the subscriber, with supplemental agreement entered on 30 December 2024, pursuant to which the Company has conditionally agreed to allot and issue, and the subscriber has conditionally agreed to subscribe for 228,000,000 subscription shares at the subscription price of HK\$0.140 per subscription share.

Completion took place on 24 January 2025 and a total of 228,000,000 ordinary shares of the Company has been issued to the subscriber at the subscription price of HK\$0.14 per share. The net proceeds from the subscription are approximately HK\$31.72 million.

The Company received a winding-up petition (the “**Petition**”) on 10 February 2025 filed by a printing service provider Equity Financial Press Limited (the “**Petitioner**”) against the Company at the High Court of the Hong Kong Special Administrative Region (the “**High Court**”) on 5 February 2025 in relation to the Company’s overdue payment for printing services in a total outstanding amount of HK\$541,150 and interest of HK\$167,037.59 as at 31 December 2024.

The Company has been actively communicating with the Petitioner and the alleged debt has been settled and on 26 March 2025, by consent of the Petitioner and the Company, the High Court has ordered that the Petition be withdrawn and the hearing of the Petition on 19 April 2025 be vacated.

Foreign Currency Exposure

As the majority of the Group’s revenue is denominated in US Dollars but the costs incurred by the Group for the production are denominated in RMB, significant fluctuation in the exchange rate between RMB against US Dollars may materially affect the business results of operations. As a result of the business expansion to overseas markets, the Group will continue to generate a significant amount of sales, assets and liabilities denominated in a currency other than RMB. In this case, the Group would be exposed to risks related to the exchange rate and the currency in which its assets and liabilities are denominated. A depreciation of RMB would require the Group to use more RMB to service the same amount of foreign currency liabilities, or a depreciation of foreign currency against RMB may result in receipts from receivables substantially less than the contractual amounts in terms of RMB at the settlement date.

Having considered the cost effectiveness with reference to the business model, the Group currently does not have a formal foreign currency hedging policy or engage in hedging activities designed or intended to manage such exchange rate risk during the reporting periods. Because RMB is not freely convertible, the ability of the Group to reduce foreign exchange risk is limited.

Treasury Policies

The Group is exposed to credit risk primarily arising from trade receivables and bank deposits. Trade receivables are from customers with good collection track records with the Group. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history to mitigate credit risks and allowance for credit loss on trade and other receivables of approximately RMB1,634,000 was recognised in 2024 (2023: reversal of an allowance for credit loss of RMB94,000).

Bank deposits are mainly deposits with banks with good credit ratings assigned by international credit rating agencies or with good reputation. For bank deposits, the Group adopts the policy of dealing only with high credit quality counterparties.

Employees and Remuneration Policies

As at 31 December 2024, the Group had 608 full-time employees (2023: 544). Most of the employees of the Group are located in the PRC. The total employee remuneration, including remuneration of Directors, amounted to approximately RMB51,161,000 in 2024 (2023: approximately RMB42,001,000).

The Group entered into separate labour contracts with each of its employees in accordance with the applicable labour laws in Hong Kong and the PRC. The Group provides its employees with various benefits including discretionary bonus, contribution to social insurance premium and housing provident fund, and contribution to mandatory provident fund. The Group also offers options that may be granted to employees under the share option scheme.

CORPORATE GOVERNANCE AND OTHER INFORMATION

INTERESTS AND SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVE IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 December 2024, the interests and short positions of the Directors and chief executive of the Company (the “**Chief Executive**”) in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (the “**SFO**”)) as recorded in the register required to be kept under section 352 of SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors of listed issuer as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules (the “**Required Standard of Dealings**”) were as follows:

Long positions in ordinary shares of the Company

Name of Director/ Chief Executive	Capacity/ Nature of interest	Number of shares	Percentage of shareholding (note 1)
Ms Yan Ping (note 2)	Interest of a controlled corporation	424,560,000	37.24%

Notes:

- (1) The percentage is calculated on the basis of 1,140,000,000 ordinary shares of the Company in issue as at 31 December 2024.
- (2) Ms. Yan Ping (“**Ms. Yan**”) beneficially owns the entire issued share capital of RISEN THRIVE LIMITED. Ms. Yan is deemed, or taken to be, interested in all the Shares held by RISEN THRIVE LIMITED for the purpose of the SFO. Ms. Yan is the sole director of RISEN THRIVE LIMITED

Save as disclosed above, as at 31 December 2024, none of the Directors or the Chief Executive or their respective associates had any interests or short positions in the shares, underlying shares or debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Required Standard of Dealings.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL AND OTHER SHAREHOLDERS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 December 2024, so far as was known to the Directors and the Chief Executive and based on the public records filed on the website of the Stock Exchange and records kept by the Company, there was no other person or corporation (other than the Directors and the Chief Executive) who had any interest or short position in the shares and underlying shares of the Company which would require disclosure to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who was, directly or indirectly, beneficially interested in 5% or more of the issued share capital of the Company, or as recorded in the register of interests required to be kept by the Company under section 336 of the SFO.

SHARE OPTION SCHEME

The Company had conditionally adopted a share option scheme (the “**Share Option Scheme**”) on 15 November 2017 pursuant to the written resolution of the shareholders of the Company on 15 November 2017 for the purpose of providing additional incentives to eligible participants for their contribution to the Group and/or enabling the Group to attract and retain best available personnel that are valuable to the Group.

No share option had been granted under the Share Option Scheme since its adoption on 15 November 2017 to the date of this report.

COMPETING AND CONFLICT OF INTERESTS

None of the Directors, the controlling shareholders or substantial shareholders of the Company and their respective close associates had engaged in any business which competes or may compete, directly or indirectly, with the businesses of the Group, as defined in the GEM Listing Rules, or has any other conflict of interests with the Group in 2024.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted a code of conduct for dealing in securities of the Company by the Directors in accordance with Rules 5.46 to 5.67 of the GEM Listing Rules. Having made specific enquiries with all Directors, all Directors confirmed that they had complied with the Required Standard of Dealings and the code of conduct regarding securities transactions by Directors adopted by the Company in 2024.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s securities in 2024.

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The forthcoming annual general meeting (the “**2025 AGM**”) of the Company is scheduled to be held on Friday, 6 June 2025. A notice convening the 2025 AGM will be issued and despatched to the Shareholders according to the Articles. The register of members of the Company will be closed from Tuesday, 3 June 2025 to Friday, 6 June 2025 (both dates inclusive), the period during which no transfer of shares may be effected for the purpose of determining the Shareholders who are entitled to attend and vote at the 2025 AGM. In order to be eligible to attend and vote at the 2025 AGM, all transfer forms accompanied by the relevant share certificate(s) should be lodged for registration with the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Monday, 2 June 2025.

CORPORATE GOVERNANCE CODE

The Company has applied the principles and code provisions of the Corporate Governance Code as set out in Appendix 15 of the GEM Listing Rules (the “**CG Code**”). In 2024, to the best knowledge of the Board, the Company had complied with all applicable code provisions of the CG Code.

AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”) was established on 20 June 2017 with written terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules and code provision D.3 of the CG Code. In 2024, the Audit Committee comprised all four independent non-executive Directors and chaired by Ms. Lian Jingyu. The other members are Ms. Shen Jindan, Ms. Deng Xin and Ms. Tseung Choi Wing Queenie. The primary duties of the Audit Committee are mainly to review and supervise the financial reporting process and the internal control procedures of the Group.

The audit committee has reviewed the Group’s audited consolidated result for the year ended 31 December 2024.

SCOPE OF WORK OF HLB HODGSON IMPEY CHENG LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in this preliminary announcement have been agreed by the Group's auditors, HLB Hodgson Impey Cheng Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by HLB Hodgson Impey Cheng Limited 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 HLB Hodgson Impey Cheng Limited on this preliminary announcement.

APPRECIATION

The Board would like to take this opportunity to express their thanks and gratitude to the Group's management and staff who dedicated their endless efforts and devoted services, and to our shareholders, suppliers, clients and bankers for their continuous support.

By order of the Board
China Oral Industry Group Holdings Limited
Yan Ping
Chairlady and executive Director

Hong Kong, 31 March 2025

As at the date of this announcement, the Board comprises Ms. Yan Ping, Mr. Liu Yao Guang and Mr. Xiao Jiansheng as executive Directors; and Ms. Shen Jindan, Ms. Deng Xin, Ms. Lian Jingyu and Ms. Tseung Choi Wing Queenie as independent non-executive Directors.

This announcement will remain on the "Latest Listed Company Information" page of the website of the Stock Exchange at www.hkexnews.hk for at least 7 days from the date of its posting and on the Company's website at www.chinoral.co.