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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)

DISCLOSEABLE TRANSACTION
ACQUISITION OF THE ENTIRE REGISTERED CAPITAL OF THE TARGET COMPANY INVOLVING ISSUE OF CONSIDERATION SHARES UNDER GENERAL MANDATE

THE ACQUISITION

The Board is pleased to announce that on 16 March 2026 (after trading hours), the Purchaser, an indirect wholly-owned subsidiary of the Company, and the Vendor entered into the Agreement, pursuant to which the Purchaser has conditionally agreed to purchase, and the Vendor has conditionally agreed to sell, the Equity Interest, representing the entire registered capital of the Target Company for the total consideration of HK$21,600,000, subject to the terms and conditions of the Agreement.

GEM LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as calculated with Rule 19.07 of the GEM Listing Rules) are more than 5% but all applicable percentage ratios are less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and is therefore subject to the reporting and announcement requirements under the GEM Listing Rules.

As Completion is subject to and conditional upon fulfilment or waiver (as the case may be) of the conditions precedent set out in the Agreement and may or may not proceed, Shareholders and potential investors of the Company are advised to exercise caution when dealing in securities of the Company.

INTRODUCTION

The Board is pleased to announce that on 16 March 2026 (after trading hours), the Purchaser, an indirect wholly-owned subsidiary of the Company, and the Vendor entered into the Agreement, pursuant to which the Purchaser has conditionally agreed to purchase, and the Vendor has conditionally agreed to sell, the Equity Interest, representing the entire registered capital of the Target Company for the total consideration of HK$21,600,000, subject to the terms and conditions of the Agreement.

Upon Completion, the Target Company will become an indirect wholly-owned subsidiary of the Company and its financial results will be consolidated into the consolidated financial statements of the Group.

PRINCIPAL TERMS OF THE AGREEMENT

Date

16 March 2026 (after trading hours)

Parties

(1) the Purchaser; and

(2) the Vendor.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Vendor is an Independent Third Party.

Equity Interest

Pursuant to the Agreement, the Purchaser conditionally agreed to purchase, and the Vendor conditionally agreed to sell the Equity Interest, representing the entire registered capital of the Target Company.

Consideration and payment terms

The Consideration for the Equity Interest is HK$21,600,000, which shall be settled by the allotment and issue of 273,417,722 Consideration Shares at the Issue Price of HK$0.079 per Consideration Share. The Consideration Shares will be issued under the General Mandate.

The Consideration Shares shall be issued within 20 business days after handover of all management of the Target Company to the Purchaser.

Basis of determination of the Consideration

The Consideration was determined after arm's length negotiation between the Purchaser and the Vendor taking into account (i) the Valuation as at 31 December 2025 on the entire registered capital of the Target Company as prepared by the Valuer, being approximately RMB21,680,000; (ii) the potential synergies which may be achieved from the Acquisition; (iii) the financial conditions of the Target Company; (iv) the prospects of the Target Company; (v) the other terms and conditions of the Acquisition; (vi) the potential benefits of the Acquisition to the Group as set out in the paragraph headed "Reasons for and benefits of the Acquisition" of this announcement; and (vii) the overall economic environment.

Given the above, the Directors are of the view that the terms of the Agreement (including the Consideration) are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

VALUATION

Valuation Approach

The cost approach is not considered applicable as it fails to capture earnings potential of the Target Company.

The income approach is also not adopted as various projected inputs, including but not limited to the contract terms and operating costs, have to be made, which cannot be easily justified or ascertained.

As advised by the management of the Group, the Target Company is expected to sustain its existing business operations in the foreseeable future. Besides, there are sufficient public comparable companies reliably available for the Valuer to benchmark the value of the Target Company. Therefore, the Valuer considered that market approach is the most appropriate approach for valuing the Target Company.

Assumption

In arriving at the valuation opinion, the Valuer has considered the following key factors:

- the economic prospects of the region where the Target Company operates, and the specific competitive environment affecting that industry;
- the business risks of the Target Company;
- the nature and development prospects of the industry in which the Target Company operates;
- comparable listed companies engaged in similar business operations to the Target Company; and
- the overall legal and regulatory environment of the industry.

Several general assumptions were made in arriving at the Valuation. The key assumptions used in the Valuation include:

- no material changes are expected in the current political, legal, technological, financial, or economic environment that could adversely affect the Target Company's business; and

- there are no hidden or unforeseen circumstances related to the assets being valued that could adversely affect the reported value. Furthermore, it is assumed that changes in market conditions after the valuation date are beyond the Valuer's liability.

Documents/information considered by the Valuer

During the valuation process, the Valuer reviewed the following documents and information, including:

- Background information of the operation and relevant corporate information of the Target Company;

- Historical financial statements of the Target Company;

- Market data from FactSet;

- Historical financial statements and data from market comparables; and

- The economic outlook in general and the specific economic environment and market elements affecting the relevant business, industry and market.

Selection Criteria for market comparables in the market

- The comparable's principal business is the production and sale of textile fabrics, with fabric-related products constituting its core business;

- The comparable's principal products are various textile fabric products, including knitted fabrics, woven fabrics, or other textile fabric materials, excluding those companies engaged in yarn production, spinning products, or other upstream textile raw material companies;

- The comparable's main business operations and revenue are primarily derived from the Mainland China market;

- The comparable's revenue structure is primarily business-to-business (B2B), with revenue from retail or branded consumer sales accounting for less than 50%; and

- The comparable's is listed on a major stock exchange, and its financial information is publicly available.

Analysis of market comparables

The analysis of market comparables are as follows:

#	Comparable Companies	Stock Code	Currency	Market Cap. *(Notes 1, 2)*	Enterprise Valuer *(Notes 1,2,3,4)*	Financial Period Ended *(MM/DD/YYYY)*	LTM EBITDA *(Notes 2,3,4)*	LTM EV/ EBITDA
1	Zhejiang Golden Eagle Co. Ltd.	600232-CN	RMB'million	2,885	3,084	6/30/2025	21	N.M
2	Fountain Set (Holdings) Limited	420-HK	HKD'million	735	(267)	6/30/2025	181	N.M
3	Jiangsu Lianfa Textile Co. Ltd.	002394-CN	RMB'million	5,134	4,214	6/30/2025	524	8.01x
4	Yadong Group Holdings Limited	1795-HK	HKD'million	336	619	6/30/2025	79	7.47x
5	Best Pacific International Holdings Ltd	2111-HK	HKD'million	3,390	3,788	6/30/2025	644	5.40x
6	Zhejiang Yingfeng Technology Co., Ltd.	605055-CN	RMB'million	4,272	5,336	6/30/2025	198	26.32x
7	Shandong Nanshan Fashion Sci-Tech Co., Ltd.	300918-CN	RMB'million	9,309	9,343	6/30/2025	314	29.20x
							Median:	8.01x
							Max:	29.20x
							Min	5.40x

Notes:

1. The Valuation Date is 31 December 2025.

2. Data sourced from FactSet.

3. Sourced from FactSet and annual and quarterly reports of the guideline public companies.

4. Enterprise Value and LTM EBITDA are adjusted to exclude lease liabilities balance and amortization expense on right-of-use assets respectively.

Determination of Valuation

	Note	**RMB**
LTM EBITDA of the Target	1	3,645,665
Adopted EV/EBITDA Multiple (Median)		8.01x
Implied Enterprise Value		29,190,329
Add: Cash and Cash Equivalents		177,573
Less: Debt		(8,450,000)
Implied 100% Equity Value (Marketable and Non-Controlling Basis)		20,917,902
Less: Lack of marketability discount (20.4%)	2	(4,267,252)
Implied 100% Equity Value (Non-Marketable and Non-Controlling Basis)		16,650,650
Add: Control premium (30.2%)	3	5,028,496
Implied 100% Equity Value (Non-Marketable and Controlling Basis)		21,679,146

Notes:

1. Based on the management account for the year ended 31 December 2025 provided by the management.

2. Lack of marketability discount ("**LoMD**") reflects the fact that there is no ready market for shares in a closely held company. Ownership interests in closely held companies are typically not readily marketable compared to similar interests in publicly listed companies. Therefore, a share of stock in a privately held company is usually worth less than an otherwise comparable share in a publicly listed company. As the guideline companies are all listed companies, the Valuer considered a LoMD shall be applied.

3. Control premium ("**CP**") is the amount that a buyer is willing to pay over the minority equity value of the company in order to acquire a controlling interest in that company. The multiple adopted in the Valuation was calculated from public listed companies, which represents minority ownership interest. Thus, the Valuer considered a CP shall be applied.

Views of the Board on the Valuation

The Board reviewed and analyzed the assumptions and methodology of the Valuation and enquired with the Valuer and the Company's management about the Valuation and its assumptions and methodology. It included but not limited to the approach for the preparation of the Valuation, comparable listed companies selected by the Valuer, key specific assumption in arriving at the Valuation and the calculation of the Valuation. Therefore, the Board considered the assumptions and methodology of the Valuation to be fair and reasonable.

Issue of the Consideration Shares

The 273,417,722 Consideration Shares represent:

(a) approximately 19.99% of the total issued share capital of the Company as at the date of this announcement; and

(b) approximately 16.66% of the total issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares.

The Consideration Shares will be allotted and issued under the General Mandate at Completion. As at the date of this announcement, no Share has been allotted and issued under the General Mandate. Accordingly, the allotment and issue of the Consideration Shares is within the limit of the General Mandate and is not subject to the approval of the Shareholders.

Issue Price

The Issue Price of the Consideration Shares of HK$0.079 per Consideration Share, represents:

(a) a premium of approximately 17.91% to the closing price of HK$0.067 per Share as quoted on the Stock Exchange on 16 March 2026, being the date of the Agreement; and

(b) a premium of approximately 23.82% to the average closing price of approximately HK$0.0638 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to the date of the Agreement.

The Issue Price was determined after arm's length negotiation between the Vendor and the Purchaser with reference to the prevailing market price of the Shares. The Directors consider that the Issue Price is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

An application will be made to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares. The Consideration Shares, when issued upon Completion, will rank *pari passu* in all respects with the existing Shares then in issue.

Conditions Precedent

Completion shall be subject to the following conditions precedent having been fulfilled or waived (as the case may be):

(i) all transactions contemplated under the Agreement being in compliance with the applicable laws of the relevant jurisdictions (including but not limited to the PRC);

(ii) the Company having complied with the requirements under the GEM Listing Rules and having obtained all necessary approval, consent, sanction or waiver from all relevant governmental or regulatory authorities (including but not limited to the Stock Exchange) in respect of the Agreement and the transactions contemplated thereunder;

(iii) the Stock Exchange having granted the listing of and permission to deal in the Consideration Shares;

(iv) the Purchaser having completed relevant internal procedures and obtained approval from its board of directors in respect of the Acquisition;

(v) the representations and warranties remaining true and accurate and not misleading in all material respects;

(vi) there being no material adverse change in the Target Company from the date of the Agreement until Completion; and

(vii) the Purchaser being satisfied with the result of the due diligence review conducted on the Target Company.

In the event that the above conditions are not fulfilled or waived (as the case may be) on or before 30 June 2026 (or such later date that may be agreed by both parties in writing), the Agreement shall cease to be effective and the parties shall be released from all obligations and liabilities thereunder (save for any antecedent breach).

Completion

The Vendor shall facilitate the Purchaser and the Target Company to arrange the change of business registration within 5 business days after the fulfilment of the conditions precedent.

Upon Completion, the Target Company will become a subsidiary of the Company and its financial results will be consolidated into the consolidated financial statements of the Group.

The Vendor shall complete the handover of the management of the Target Company within 5 business days after the fulfilment of the conditions precedent.

EFFECT OF THE ACQUISITION ON THE SHAREHOLDING STRUCTURE

Set out below is the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after the allotment and issue of the Consideration Shares:

	(i) As at the date of this announcement		**(ii) Immediately after the allotment and issue of the Consideration Shares**	
	No. of Shares	*Approx. %*	*No. of Shares*	*Approx. %*
Ms. Yan Ping *(Note)*	424,560,000	31.04%	424,560,000	25.87%
The Vendor	–	–	273,417,722	16.66%
Public Shareholders	943,440,000	68.96%	943,440,000	57.47%
Total	**1,368,000,000**	**100.00%**	**1,641,417,722**	**100.00%**

Note: Ms. Yan Ping holds those Shares through Risen Thrive Limited, a company wholly-owned by her.

INFORMATION ON THE VENDOR AND THE TARGET COMPANY

The Vendor is a merchant.

The Target Company is a company incorporated in the PRC with limited liability. Immediately before Completion, it is wholly-owned by the Vendor.

The Target Company is a textile manufacturing enterprise that focuses on the research, development, production and sales of knitted fabrics; it owns a number of patented technologies related to knitted fabric processing, and its main product comprises knitted fabric (textile product knitted fabric), which is widely used in clothing and domestic textiles, and its main customers are entities engaging in clothing manufacturing, textile trade, etc.

Set out below is the unaudited financial information of the Target Company for each of the two financial years ended 31 December 2025 prepared in accordance with generally accepted accounting principle of the PRC:

	For the year ended 31 December 2024 (unaudited) *RMB'000*	**For the year ended 31 December 2025** (unaudited) *RMB'000*
Profit before tax	1,615	2,322
Profit after tax	1,597	2,275

The net assets of the Target Company as at 31 December 2025 was approximately RMB22,680,000.

INFORMATION ON THE COMPANY AND THE PURCHASER

The Company is an investment holding company incorporated in the Cayman Islands. The Group is mainly engaged in the manufacturing and sales of inflatable products and related accessories, the provision of dental services and sales of dental related products, and sales of yarn and polyester in the PRC.

The Purchaser, an indirect wholly-owned subsidiary of the Company, is an investment holding company incorporated in the PRC.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The business of the Target Company is the upstream business of that of the Group. The Acquisition will strengthen the stability of the supply chain and enhance cost control of the Group's business and operation, help to achieve synergies and long-term development of the Group.

Having considered the above, the Directors consider that the terms of the Agreement (including the Consideration) and the Acquisition are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

GEM LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as calculated with Rule 19.07 of the GEM Listing Rules) are more than 5% but all applicable percentage ratios are less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and is therefore subject to the reporting and announcement requirements under the GEM Listing Rules.

DEFINITIONS

"Acquisition"	the acquisition of the Equity Interest by the Purchaser from the Vendor pursuant to the Agreement
"Agreement"	the sale and purchase agreement dated 16 March 2026 entered into among the Purchaser and the Vendor in respect of the Equity Interest
"Board"	the board of Directors

"Company"	China Oral Industry Group Holdings Limited (stock code: 8406), a company incorporated in the Cayman Islands with limited liability, whose shares are listed on GEM
"Completion"	completion of the Acquisition pursuant to the Agreement
"Consideration"	HK$21,600,000, being the total consideration for the Acquisition
"Consideration Share(s)"	273,417,722 new Shares to be allotted and issued by the Company to the Vendor free from any encumbrance at the issue price of HK$0.079 per Share
"Equity Interest"	the entire equity interest in the Target Company
"Director(s)"	the director(s) of the Company
"GEM"	the GEM of the Stock Exchange
"GEM Listing Rules"	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
"General Mandate"	the general mandate granted to the Directors by the Shareholders at the annual general meeting of the Company on 6 June 2025 to allot, issue and deal with up to 20% of the issued share capital of the Company as at the date of the annual general meeting
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Third Party(ies)"	person(s) who or company(ies) together with its/their ultimate beneficial owner(s) which is/are third party(ies) independent of the Company and its connected person(s)

"Issue Price"	HK$0.079 per Consideration Share
"PRC"	the People's Republic of China, and for the purposes of this announcement only, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Purchaser"	石獅市惠祥美管理諮詢有限公司 Shishishi Huixiangmei Consultancy Service Co., Limited*, a company established in the PRC with limited liability, which is wholly-owned by the Company
"RMB"	Renminbi, the lawful currency of the PRC
"Share(s)"	ordinary share(s) of HK$0.01 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Target Company"	石獅市新梭成龍織造有限公司, a company established in the PRC with limited liability
"Valuation"	the valuation on the entire registered capital of the Target Company as at 31 December 2025 conducted by the Valuer
"Valuer"	Times Appraisal Advisory Limited, an independent professional valuer
"Vendor"	Wu Moutan (吳謀毯), a PRC citizen who holds the entire registered capital in the Target Company prior to the Acquisition
"%"	per cent

* *For identification only*

By Order of the Board
China Oral Industry Group Holdings Limited
Yan Ping
Chairlady and Executive Director

Hong Kong, 16 March 2026

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. Lian Jingyu, Ms. Deng Xin, Ms. Tseung Choi Wing Queenie and Mr. Geng Chuan Long as independent non-executive Directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited 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.

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