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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)

CHANGE IN USE OF PROCEEDS; AND SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

CHANGE IN USE OF PROCEEDS

As at the date of this announcement, the unutilised Net Proceeds from the issue of new Shares under the general mandate of the Company completed on 24 January 2025 amounted to approximately HK\$20 million. For the reasons set out in the paragraph headed “REASONS FOR THE CHANGE IN USE OF PROCEEDS” in this announcement below, the Board has resolved to change the use of unutilised Net Proceeds to working capital of the Group.

SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

On 27 July 2026 (after trading hours of the Stock Exchange), the Company entered into seven separate Subscription Agreements with seven Subscribers, pursuant to which the Company has conditionally agreed to allot and issue, and each of the Subscribers has conditionally agreed to subscribe for an aggregate of 328,200,000 Subscription Shares at the Subscription Price of HK\$0.056 per Subscription Share.

The Subscription Shares represent (i) approximately 20% of the total number of Shares in issue as at the date of this announcement; and (ii) approximately 16.66% of the total number of Shares in issue as enlarged by the allotment and issue of the Subscription Shares, assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the Completion.

The Company intends to apply the net proceeds as to (i) approximately 60% of the net proceeds (equivalent to approximately HK\$10.97 million) for strengthening financial resources to cope with the daily operations and business development of the Group's existing principal businesses comprising marketing, procurement of inventories and equipment, exploration of sales channels and customer network and recruitment of staff; and (ii) approximately 40% of the net proceeds (equivalent to approximately HK\$7.32 million) for the general working capital of the Group including staff salaries, rent, legal and professional fees and daily overheads.

Completion of each of the Subscriptions is subject to fulfilment (or waiver, if applicable) of the conditions precedent in the respective Subscription Agreements and the Subscriptions may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

CHANGE IN USE OF PROCEEDS

Reference is made to the announcements of the Company dated 6 December 2024 and 30 December 2024 in relation to the subscription of 228,000,000 Shares under the general mandate of the Company, and the announcement of the Company dated 24 January 2025 in relation to the completion of the subscription of new Shares under the general mandate of the Company (collectively, the “**Announcements**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as defined in the Announcements.

As disclosed in the Announcements, the subscription was completed on 24 January 2025, and a total of 228,000,000 subscription Shares were successfully issued to the subscribers at a subscription price of HK\$0.14 per subscription Share. The net proceeds from the subscription were approximately HK\$31,720,000 (the “**Net Proceeds**”). The Company originally intended to use (i) 63.05% (equivalent to approximately HK\$20,000,000) of the net proceeds for the Group's potential acquisition or investment opportunities; and (ii) 36.95% (equivalent to approximately HK\$11,720,000) for the Group's general working capital.

As of the date of this announcement, the Group has utilised approximately HK\$11,720,000 of the Net Proceeds as general working capital as intended, while approximately HK\$20,000,000 remains unused.

After considering the Group's current business development needs, financial condition, capital utilisation efficiency and overall working capital needs, the Board has decided to reallocate approximately HK\$20,000,000 of unused Net Proceeds originally intended for potential acquisitions or investment opportunities as the Group's general working capital.

The original intended use of the Net Proceeds, the actual use of them as of the date of this announcement, and the changed use are set out below:

	Original intended use of Net Proceeds <i>HK\$ million</i>	Utilised Net Proceeds as at the date of this announcement <i>HK\$ million</i>	Unutilised Net Proceeds as at the date of this announcement <i>HK\$ million</i>	Proposed use of the unutilised Net Proceeds <i>HK\$ million</i>
Potential acquisitions or investment opportunities	20.00	–	20.00	–
General working capital	<u>11.72</u>	<u>11.72</u>	<u>–</u>	<u>20.00</u>
Total	<u>31.72</u>	<u>11.72</u>	<u>20.00</u>	<u>20.00</u>

Following the change in use of proceeds, the remaining Net Proceeds of approximately HK\$20,000,000 will be used as general working capital for the Group to support its operational needs in the following areas: (i) approximately HK\$6 million for the Group's general corporate, administrative, and ongoing compliance expenses; (ii) approximately HK\$5 million for the daily working capital of the Group's inflatable products and related accessories business; and (iii) approximately HK\$5 million for the working capital and integration of the Group's yarn and polyester business and related businesses following the recent acquisition; and (iv) approximately HK\$4 million for the daily working capital of the Group's dental clinic services and dental-related products business. It is expected that the remaining net proceeds will be utilised on or before 31 December 2026.

REASONS FOR THE CHANGE IN USE OF PROCEEDS

As disclosed in the announcement of the Company dated 6 December 2024, in order to broaden the Group's source of profitability and ultimately improve Shareholders' returns, the Group has been actively seeking investment/business development opportunities and was considering a potential investment in a biotechnology company at that time. However, as at the date of this announcement, the Group has not entered into any binding agreements regarding such potential acquisitions or investment opportunities.

After careful consideration of the recent market environment, the execution time of potential investment projects, transaction uncertainties, risk-return profile, and the Group's current working capital needs, the Board believes that continuing to reserve the unutilised Net Proceeds for the acquisitions or investment opportunities at this stage may not effectively improve the Group's capital utilisation efficiency.

The Board believes that reallocating the unutilised Net Proceeds to working capital of the Group will help the Group allocate its financial resources more flexibly and effectively to support the Group's day-to-day business operations, compliance and general corporate purposes, and will enhance the Group's liquidity and financial flexibility.

The Board is of the view that the change in use of proceeds is fair and reasonable and is in the interests of the Company and its shareholders as a whole, and will not have any material adverse effect on the Group's existing business and operations.

The Company will continue to monitor the use of the Net Proceeds and will make further disclosures on the actual use of the Net Proceeds in its subsequent interim and annual reports.

SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

On 27 July 2026 (after trading hours of the Stock Exchange), the Company entered into seven separate Subscription Agreements with seven Subscribers, pursuant to which the Company has conditionally agreed to allot and issue, and each of the Subscribers has conditionally agreed to subscribe for an aggregate of 328,200,000 Subscription Shares at the Subscription Price of HK\$0.056 per Subscription Share.

THE SUBSCRIPTION AGREEMENTS

Each of the Subscription Agreements is on substantially the same terms (other than the number of Subscription Shares). The principal terms of the Subscription Agreements are set out below:

Date

27 July 2026 (after trading hours of the Stock Exchange)

Parties to the Subscriber Agreements

- (i) The Company (as issuer); and
- (ii) Each of the Subscribers (as subscriber)

Information of the Subscribers

There are seven Subscribers subscribing for the Subscription Shares comprising all individual investors. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the Subscribers is an Independent Third Party.

The Subscription Agreements are not inter-conditional upon one another. Upon Completion, none of the Subscribers will become a substantial shareholder of the Company.

Subscription Shares

The Subscription Shares represent (i) approximately 20% of the total number of Shares in issue as at the date of this announcement; and (ii) approximately 16.66% of the total number of Shares in issue as enlarged by the allotment and issue of the Subscription Shares, assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the Completion.

The aggregate nominal value of the Subscription Shares is HK\$3,282,000.

Ranking of the Subscription Shares

The Subscription Shares, when issued and fully paid, will rank *pari passu* in all respects among themselves and with all other Shares in issue on the Completion Date.

Subscription Price

The Subscription Price of HK\$0.056 per Subscription Share represents:

- (i) a discount of approximately 11.11% to the closing price of HK\$0.063 per Share as quoted on the Stock Exchange on the date of the Subscription Agreements; and
- (ii) a discount of approximately 18.84% to the average closing price of approximately HK\$0.069 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days immediately prior to the date of the Subscription Agreements.

The net Subscription Price, after deduction of relevant expenses, is estimated to be approximately HK\$0.0557 per Share. The Subscription Price was determined after arm's length negotiation between the Company and the Subscribers with reference to the prevailing price performance of the Shares. The Directors consider that the Subscription Price is fair and reasonable based on the prevailing price performance of the Shares.

Conditions precedent

Completion of each of the Subscriptions shall be conditional upon:

- (a) the GEM Listing Committee having granted the listing of, and permission to deal in, the Subscription Shares, and such listing and permission not subsequently having been revoked prior to the delivery of the definitive share certificate(s) representing the Subscription Shares;
- (b) the representations and warranties made by each of the Company and the respective Subscriber pursuant to the Subscription Agreement being true and accurate and not misleading as of the date of the Subscription Agreement and the date of Completion;

- (c) all necessary and relevant approvals and consents in relation to the Subscription having been obtained by the Company and each of the Subscriber; and
- (d) prior to Completion, there being no occurrence of any change, or any development or event reasonably likely to involve a prospective change in the financial condition, operations, legal environment, business or properties of the Company which, in the reasonable opinion of the Subscriber, is material and adverse to the issue of the Subscription Shares.

Each of the Subscribers may in its absolute discretion at any time waive in writing condition (d). If any of the conditions precedent of the relevant Subscription Agreement has not been fulfilled or waived by the Long Stop Date, the relevant Subscription Agreement shall automatically terminate and be of no further effect and neither party shall have any claim against the other for costs, damages, compensation or otherwise (save for any antecedent breach of the relevant Subscription Agreement).

Completion

Subject to fulfilment or waiver of the above conditions, Completion shall take place on the Completion Date (or such other date as the Company and the relevant Subscriber may agree in writing).

GENERAL MANDATE TO ISSUE THE SUBSCRIPTION SHARES

The Subscription Shares will be allotted and issued under the General Mandate granted to the Directors by a resolution of the Shareholders passed at the AGM, subject to the limit of up to 20% of the issued share capital of the Company as at the date of the AGM. Under the General Mandate, the Directors are authorised to issue and allot up to 328,283,544 new Shares. Up to the date of this announcement, no Shares have been allotted and issued under the General Mandate. As such, the General Mandate will be sufficient for, and no further Shareholders' approval is required for, the allotment and issue of the Subscription Shares.

APPLICATION FOR LISTING

Application will be made by the Company to the GEM Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

EQUITY FUND-RAISING ACTIVITIES BY THE COMPANY IN THE PAST TWELVE MONTHS PRIOR TO THE DATE OF THIS ANNOUNCEMENT

The Company had not conducted any fund-raising activities involving the issue of its equity securities in the 12 months immediately preceding the date of this announcement.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

For illustrative purposes only, assuming that there is no allotment and issue of new Shares from the date of this announcement up to the Completion of the Subscriptions, the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately upon the Completion of the Subscriptions is set out below:

Shareholders	As at the date of this announcement		Immediately upon Completion	
	No. of Shares	Approx. %	No. of Shares	Approx. %
Risen Thrive Limited (Note 1)	424,560,000	25.87%	424,560,000	21.56%
Wu Moutan	273,417,722	16.66%	273,417,722	13.88%
King Tower Global Absolute Return Fund	228,000,000	13.89%	228,000,000	11.58%
Chan Rongren	105,000,000	6.40%	105,000,000	5.33%
Subscribers (Note 2)	–	–	328,200,000	16.66%
Other Public Shareholders	610,440,000	37.19%	610,440,000	30.99%
Total	1,641,417,722	100.00%	1,969,617,722	100.00%

Note(s):

1. Risen Thrive Limited is wholly and beneficially owned by Ms. Yan Ping, who is the chairlady and an executive Director of the Company. Therefore, Ms. Yan Ping is deemed to be interested in the Shares held by Risen Thrive Limited by virtue of her 100% shareholding interest in Risen Thrive Limited.
2. None of the Subscribers will become a substantial Shareholder upon Completion.
3. The percentage figures shown in the table above have been subject to rounding adjustments. Any discrepancies between totals and sums of amounts listed herein are due to rounding adjustments.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTIONS AND USE OF PROCEEDS

The Company is an investment holding company. 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.

As disclosed in the 2025 Annual Report, the uneven global economic recovery, changes in the trade environment, and intensified market competition all placed pressure on the Group's overall operations. After reviewing the Group's scale of operations and future working capital requirement, the Company considers the current available financial resources as stretched, and it is appropriate to secure additional financial resources to cope with such volatile business environment and supporting sustainable business growth of the Group.

The Directors are of the view that the Subscriptions represent a valuable opportunity to raise additional funds to strengthen the financial resources of the Group. The gross proceeds of the Subscriptions will be HK\$18.38 million. The net proceeds from the Subscriptions, after deducting all the relevant expenses, will amount to approximately HK\$18.29 million. The Company intends to apply the net proceeds as to (i) approximately 60% of the net proceeds (equivalent to approximately HK\$10.97 million) for strengthening financial resources to cope with the daily operations and business development of the Group's existing principal businesses comprising marketing, procurement of inventories and equipment, exploration of sales channels and customer network and recruitment of staff; and (ii) approximately 40% of the net proceeds (equivalent to approximately HK\$7.32 million) for the general working capital of the Group including staff salaries, rent, legal and professional fees and daily overheads.

The Board is of the view that the Subscriptions will enlarge the capital base of the Company. In addition, the net proceeds of the Subscriptions will strengthen the Group's financial position. The Board considers that the terms of the Subscriptions are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Completion of each of the Subscriptions is subject to fulfilment (or waiver, if applicable) of the conditions precedent in the respective Subscription Agreements and the Subscriptions may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“2025 Annual Report”	the annual report of the Company for the year ended 31 December 2025
“AGM”	the annual general meeting of the Company held on 15 June 2026
“associate(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“Business Day(s)”	any day on which licensed banks in Hong Kong are required to be and are generally open for business (other than any Saturday, Sunday or gazetted public holiday in Hong Kong)
“Company”	China Oral Industry Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on GEM (stock code: 8406)

“Completion”	completion of the issue and allotment of the Subscription Shares by the Company to the Subscribers in accordance with the terms and conditions of the Subscription Agreements
“Completion Date”	the date of completion of the relevant Subscription pursuant to the terms and conditions of the relevant Subscription Agreement, being a date within the fifth (5th) Business Day after all of the conditions under the relevant Subscription Agreement have been fulfilled (or waived as appropriate) (or such other date as the Company and the relevant Subscriber may agree in writing)
“connected person(s)”	has the meaning ascribed to it in the GEM Listing Rules
“Director(s)”	the director(s) of the Company from time to time
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Committee”	has the meaning ascribed to it under the GEM Listing Rules
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“General Mandate”	the general mandate granted to the Directors by an ordinary resolution of the Shareholders passed at the AGM to allot, issue and deal with up to 328,283,544 Shares, representing 20% of the total number of issued Shares of the Company as at the date of the AGM
“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)”	independent third party(ies) who are not connected person(s) of the Company and are independent of and not connected with the Company or Directors, chief executives, or substantial Shareholders of the Company or any of its subsidiaries or their respective associates
“Long Stop Date”	on or before 17 August 2026 (other such later which may agree in writing between the Company and the Subscriber(s))

“PRC”	the People’s Republic of China, which for the purpose of this announcement shall exclude Hong Kong, Macau and Taiwan
“SFC”	the Securities and Futures Commission
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“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
“Subscribers”	the seven subscribers under Subscription Agreements
“Subscriptions”	the subscription of an aggregate of 328,200,000 Subscription Shares by the Subscribers in accordance with the terms and conditions of the Subscription Agreements, and “Subscription” shall mean any of them
“Subscription Agreements”	the subscription agreements each dated 27 July 2026 entered into between the Company and each of the respective Subscribers in relation to the Subscription (each a “ Subscription Agreement ”)
“Subscription Price”	the issue price of HK\$0.056 per Subscription Share
“Subscription Share(s)”	an aggregate of 328,200,000 new Shares to be subscribed by the Subscribers pursuant to the terms and conditions of the Subscription Agreements
“%”	per cent.

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

Hong Kong, 27 July 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. 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.