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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)

**INTERIM RESULTS FOR THE SIX MONTHS
ENDED 30 JUNE 2024 ANNOUNCEMENT**

The board of directors (the “**Board**”) of China Oral Industry Group Holdings Limited (the “**Company**”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 June 2024 (the “**Interim Results**”). This announcement contains the full text of the interim report of the Group for the six months ended 30 June 2024 and the contents were prepared in accordance with the relevant disclosure requirements of the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”). The Interim Results have been reviewed by the Board and the audit committee of the Board.

This results announcement is published on the websites of the Company (www.chinaoral.co) and the Hong Kong Stock Exchange (www.hkexnews.hk). The interim report of the Company for the six months ended 30 June 2024 will be delivered to shareholders of the Company in due course.

By Order of the Board

China Oral Industry Group Holdings Limited

Yan Ping

Chairlady and executive Director

Hong Kong, 28 August 2024

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, 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.

CHINA ORAL INDUSTRY GROUP HOLDINGS LIMITED

中國口腔產業集團控股有限公司

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2024
INTERIM REPORT



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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.

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This report, for which the directors (the “**Directors**”) of China Oral Industry Group Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) 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 (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 report 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 report misleading.

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Ms. Yan Ping (*Chairlady*)
Mr. Liu Yao Guang (*Chief Executive Officer*)
Mr. Xiao Jiansheng

Independent non-executive Directors

Ms. Shen Jindan
Ms. Deng Xin
Ms. Lian Jingyu
Ms. Tseung Choi Wing Queenie
(appointed on 8 July 2024)

BOARD COMMITTEE

Audit Committee

Ms. Lian Jingyu (*Chairlady*)
Ms. Deng Xin
Ms. Shen Jindan
Ms. Tseung Choi Wing Queenie
(appointed on 8 July 2024)

Remuneration Committee

Ms. Deng Xin (*Chairlady*)
Ms. Lian Jinyu
Mr. Liu Yao Guang
Ms. Shen Jidan
Ms. Tseung Choi Wing Queenie
(appointed on 8 July 2024)

Nomination Committee

Ms. Yan Ping (*Chairlady*)
Ms. Shen Jindan
Ms. Lian Jinyu
Ms. Tseung Choi Wing Queenie
(appointed on 8 July 2024)

COMPLIANCE OFFICER

Mr. Xiao Jiansheng

AUTHORISED REPRESENTATIVES

Ms. Yan Ping
Ms. Chim Lai Kuen

COMPANY SECRETARY

Ms. Chim Lai Kuen

REGISTERED OFFICE IN THE CAYMAN ISLANDS

Windward 3, Regatta Office Park
P.O. Box 1350, Grand Cayman
KY1-1108, Cayman Islands

HEAD OFFICE

Dongcheng Industrial Zone
Xinping Road, Minzhong Town
Zhongshan City, Guangdong Province
The PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 304, 3/F, Dominion Centre
43 Queen's Road East
Hong Kong

AUDITORS

HLB Hodgson Impey Cheng Limited
Certified Public Accountants
31/F., Gloucester Tower, The Landmark
11 Pedder Street, Central, Hong Kong

LEGAL ADVISERS

YIP & CO., H.F.
Unit 809, 8/F, Dominion Centre
43 Queen's Road East
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Ocorian Trust (Cayman) Limited
Windward 3, Regatta Office Park
PO Box 1350, Grand Cayman
KY1-1108, Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road, Hong Kong

PRINCIPAL BANKERS

Bank of China
Industrial & Commercial Bank of China (Asia) Limited

GEM STOCK CODE

8406

COMPANY'S WEBSITE

www.chinaoral.co

The directors of the Company (the “**Directors**”) announce the unaudited condensed consolidated results of the Group for the six months ended 30 June 2024 (the “**Period**”), together with the comparative figures as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2024

	Note	For the six months ended 30 June	
		2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Revenue	6	124,660	94,882
Cost of sales		(101,256)	(81,542)
Gross profit		23,404	13,340
Other income and gains	7	1,254	3,440
Distribution and selling expenses		(12,483)	(10,316)
Administrative expenses		(10,466)	(9,188)
Finance costs	8	(558)	(635)
Profit/(loss) before tax		1,151	(3,359)
Income tax expense	9	(271)	(225)
Profit/(loss) for the period	10	880	(3,584)
Other comprehensive income, net of income tax			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		962	1,297
Other comprehensive income for the period		962	1,297
Total comprehensive income/(expense) for the period		1,842	(2,287)
		RMB cents	RMB cents
Earnings/(loss) per share			
– Basic and diluted	11	0.08	(0.37)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	Note	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Non-current assets			
Property, plant and equipment	13	1,853	2,169
Right-of-use assets		2,863	2,690
Goodwill		14,379	14,379
		19,095	19,238
Current assets			
Inventories		75,690	61,039
Trade receivables	15	40,652	17,707
Prepayments, deposits and other receivables		28,693	9,468
Bank deposits with maturity period over three months		–	20,000
Cash and bank balances		72,039	56,323
		217,074	164,537
Total assets		236,169	183,775
Current liabilities			
Trade and other payables	16	83,164	53,233
Amount due to a shareholder		11,477	8,954
Lease liabilities		5,297	5,263
Bank borrowings		663	–
Current tax liabilities		235	16
		100,836	67,466
Net current assets		116,238	97,071
Total assets less current liabilities		135,333	116,309

	Note	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Non-current liabilities			
Lease liabilities		6,878	9,310
Deferred tax liabilities		2,334	2,334
		9,212	11,644
Net assets			
		126,121	104,665
Capital and reserves			
Equity attributable to owners of the Company			
Share capital	17	10,061	8,427
Reserves		116,060	96,238
Total equity			
		126,121	104,665

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

	Attributable to owners of the Company						
	Share capital RMB'000	Share premium RMB'000	Special reserve RMB'000	Statutory reserve RMB'000	Foreign currency	Retained profits RMB'000	Total equity RMB'000
					translation reserve RMB'000		
Balance at 1 January 2024 (Audited)	8,427	62,355	17,429	9,567	1,973	4,914	104,665
Issue of shares for acquisition of a subsidiary	1,634	17,980	-	-	-	-	19,614
Profit for the period	-	-	-	-	-	880	880
Other comprehensive income for the period	-	-	-	-	962	-	962
Total comprehensive income for the period	-	-	-	-	962	880	1,842
Balance at 30 June 2024 (Unaudited)	10,061	80,335	17,429	9,567	2,935	5,794	126,121
Balance at 1 January 2023 (Audited)	8,427	62,355	17,429	9,567	1,830	23,540	123,148
Loss for the period	-	-	-	-	-	(3,584)	(3,584)
Other comprehensive income for the period	-	-	-	-	1,297	-	1,297
Total comprehensive income/(expense) for the period	-	-	-	-	1,297	(3,584)	(2,287)
Balance at 30 June 2023 (Unaudited)	8,427	62,355	17,429	9,567	3,127	19,956	120,861

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024

	Six months ended 30 June	
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Cash flows from operating activities		
Profit/(loss) before tax	1,151	(3,359)
Adjustments for:		
Depreciation of property, plant and equipment	344	855
Depreciation of right-of-use assets	541	1,950
Amortisation of intangible assets	–	58
Reversal of write-down of inventories	–	(479)
Interest income	(263)	(417)
Finance costs	558	635
Gain on lease modification	–	(35)
Loss on disposal of property, plant and equipment and assets classified held for sale, net	–	57
Operating cash flows before movement in working capital	2,331	(735)
Decrease in inventories	14,668	10,257
(Increase)/decrease in trade and other receivables	(18,290)	19,993
Increase/(decrease) in trade and other payables	1,111	(6,417)
Increase in amount due to a shareholder	2,523	786
Cash generated from operations	2,343	23,884
Income tax paid	(52)	(1,201)
Net cash generated from operating activities	2,291	22,683
Cash flows from investing activities		
Interest received	263	417
Payments for property, plant and equipment	(14)	(2,800)
Proceeds from disposal of property, plant and equipment and assets classified held for sale	–	3,540
Payments for intangibles assets	–	(27)
Purchase of subsidiary companies, net of cash acquired	(3,399)	(12,825)
Decrease in financial assets at fair value through profit or loss	–	30,899
Decrease in bank deposit with maturity period over 3 months	20,000	–
Net cash generated from investing activities	16,850	19,204
Cash flows from financing activities		
Interest paid	(141)	–
Repayment of bank borrowings	(717)	–
Capital element of lease liabilities	(3,112)	(2,010)
Interest element of lease liabilities	(417)	(635)
Net cash used in financing activities	(4,387)	(2,645)
Net increase in cash and cash equivalents	14,754	39,242
Cash and cash equivalents at the beginning of the period	56,323	29,385
Effect of foreign exchange rate changes, net	962	1,296
Cash and cash equivalents at the end of the period	72,039	69,923

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

China Oral Industry Group Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands under the Companies Act (as revised) 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 in Hong Kong 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, sales of yarn and polyester, and the provision of dental clinic services and sales of dental related products 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 unaudited condensed 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. BASIS OF PREPARATION

The Group's unaudited condensed consolidated financial statements have been prepared in accordance with the accounting policies, which conform to the Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), the disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of the GEM Listing Rules.

The unaudited condensed consolidated financial statements have been prepared under the historical cost convention.

Other than changes in accounting policies resulting from application of new and amendments to HKFRSs, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2024 are the same as those followed in the preparation of the financial statements for the year ended 31 December 2023.

During the current period, the Group has applied the following amendments to HKFRSs issued by the HKICPA, which are mandatorily effective for the annual period beginning on or after 1 January 2024 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Hong Kong Interpretation 5 (Revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

Except as described above, the application of the amendments to HKFRSs in the current period has no material impact on the Group's performance and financial positions for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

3. ESTIMATES

In the application of the Group's accounting policies, the management is required to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience, expectations of the future and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are reviewed if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In preparing the unaudited condensed consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2023.

4. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

4.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: interest rate risk, credit risk and liquidity risk. The interim condensed consolidated financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's consolidated financial statements as at 31 December 2023.

There have been no changes in the risk management policies since year end.

4.2 Liquidity risk

Compared to the year ended 31 December 2023, there had been no material changes to the policies and practices for the Group's liquidity and funding risks management as described in the unaudited condensed consolidated financial statements for the six months ended 30 June 2024.

4.3 Fair value estimation

The carrying values of receivables and payables are a reasonable approximation of their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.

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.

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; and
- (iii) Yarn and polyester business – sales of yarn and polyester.

No operating segments have been aggregated in arriving at the reporting segments of the Group.

Segment revenue and results

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

For the six months ended 30 June 2024

	Inflatable products business RMB'000 (Unaudited)	Dental clinic business RMB'000 (Unaudited)	Yarn and polyester business RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Segment revenue				
Sales to external customers	103,565	7,092	14,003	124,660
Segment results	(240)	1,602	355	1,717
Interest income on bank deposits				263
Net foreign exchange gains				901
Directors' remuneration				(956)
Unallocated corporate expenses				(774)
Profit before tax				1,151

For the six months ended 30 June 2023 (Restated)

	Inflatable products business RMB'000 (Unaudited)	Dental clinic business RMB'000 (Unaudited)	Yarn and polyester business RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Segment revenue				
Sales to external customers	89,791	5,091	–	94,882
Segment results	(5,868)	1,194	–	(4,674)
Interest income on bank deposits				417
Net foreign exchange gains				2,830
Directors' remuneration				(806)
Unallocated corporate expenses				(1,126)
Loss before tax				(3,359)

There are no inter-segment sales for both periods.

Segment assets and liabilities

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

As at 30 June 2024

	Inflatable products business RMB'000 (Unaudited)	Dental clinic business RMB'000 (Unaudited)	Yarn and polyester business RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Segment assets	63,374	32,278	54,034	149,686
Goodwill				14,379
Cash and bank balances				72,035
Corporate and other unallocated assets				69
Consolidated assets				236,169
Segment liabilities	54,280	5,181	29,797	89,258
Amount due to a shareholder				11,477
Deferred tax liabilities				2,334
Corporate and other unallocated liabilities				6,979
Consolidated liabilities				110,048

As at 31 December 2023

	Inflatable products business RMB'000 (Audited)	Dental clinic business RMB'000 (Audited)	Yarn and polyester business RMB'000 (Audited)	Total RMB'000 (Audited)
Segment assets	61,296	31,112	–	92,408
Goodwill				14,379
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

6. REVENUE

	For the six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Revenue from external customers		
– Sales of inflatable products and related accessories	103,126	89,804
– Sub-contracting income	439	(13)
– Sales of yarn and polyester	14,003	–
– Provision of dental clinic services	7,092	5,091
	124,660	94,882

Geographical information

The following table sets out information about the geographical location of the Group's revenue from external customers.

	For the six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Revenue from external customer		
– China	30,651	8,202
– Europe	5,637	1,742
– Australia and Oceania	817	701
– North America	78,594	69,192
– Asia	7,600	13,729
– Middle East	248	562
– Central and South America	1,113	754
	124,660	94,882

7. OTHER INCOME AND GAINS

	For the six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Interest income on bank deposits	263	417
Net foreign exchange gains	901	2,830
Grants and subsidies	81	–
Rental income	–	120
Gain on lease modification	–	35
Others	9	38
	1,254	3,440

8. FINANCE COSTS

	For the six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Interest on lease liabilities	417	635
Interest on bank borrowings	141	–
	558	635

9. INCOME TAX EXPENSE

The amount of income tax expense in the condensed consolidated statement of profit or loss and other comprehensive income represents:

	For the six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Current tax		
Hong Kong Profits Tax	211	154
PRC Enterprise Income Tax	60	71
Deferred tax	–	–
	271	225

The Group is subject to Hong Kong Profits Tax at a rate of 16.5%.

PRC subsidiaries are subject to PRC Enterprise Income Tax at 25% for both periods, unless preferential rate is applicable.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

10. PROFIT/(LOSS) FOR THE PERIOD

Profit/(loss) for the period has been arrived at after charging:

	For the six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Cost of inventories recognized as an expense	101,256	81,542
Depreciation of property, plant and equipment	344	855
Depreciation of right-of-use assets	541	1,950
Amortisation of intangible assets	–	58
Employee benefits expense (including directors' emoluments)		
Salaries, wages and other benefits	23,412	20,167
Contribution to retirement benefits schemes	2,684	2,363
	26,096	22,530

11. EARNINGS/(LOSS) PER SHARE

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

	For the six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Profit/(loss)		
Profit/(loss) for the period attributable to owners of the Company for the purpose of basic earnings/(loss) per share	880	(3,584)
	'000	'000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings/(loss) per share	1,112,308	960,000

The diluted earnings/(loss) per share is equal to the basic earnings/(loss) per share as there is no dilutive potential ordinary share in issue during the six months ended 30 June 2024 and 2023.

12. DIVIDENDS

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2024. (2023: Nil)

13. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements RMB'000	Plant and machinery RMB'000	Medical equipment RMB'000	Motor vehicles RMB'000	Furniture and equipment RMB'000	Total RMB'000
Cost						
Balance at 1 January 2024	9,201	18,844	1,735	1,551	3,288	34,619
Additions	-	-	-	-	14	14
Acquisition of subsidiaries	-	-	-	12	2	14
Balance at 30 June 2024	9,201	18,844	1,735	1,563	3,304	34,647
Accumulated depreciation and impairments						
Balance at 1 January 2024	8,809	18,844	88	1,551	3,158	32,450
Depreciation expense	84	-	161	-	99	344
Balance at 30 June 2024	8,893	18,844	249	1,551	3,257	32,794
Carrying amounts						
Balance at 30 June 2024	308	-	1,486	12	47	1,853
Balance at 31 December 2023	392	-	1,647	-	130	2,169

14. INTANGIBLE ASSETS

During the Period, the Group did not make any acquisition of intangible assets (2023: RMB27,000).

15. TRADE RECEIVABLES

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Trade receivables arising from:		
– Inflatable products business	28,707	11,540
– Dental clinic business	4,509	6,830
– Yarn and polyester business	8,109	–
Allowable for credit losses	(673)	(663)
	40,652	17,707

The credit terms granted to customers are varied and are generally the result of negotiations between individual customers and the Group. The Group generally allows credit period ranging from 0 to 270 days. No interest is charged on overdue receivables.

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

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
0–30 days	5,816	16,698
31–60 days	4,104	849
61–90 days	13,258	100
91–120 days	5,393	60
121–365 days	7,856	–
Over 365 days	4,225	–
	40,652	17,707

16. TRADE AND OTHER PAYABLES

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Trade payables	25,672	28,826
Contract liabilities	16,956	3,625
Accrued salaries and other benefits	9,313	10,390
Other payables and accruals	31,223	10,392
	83,164	53,233

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

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
0–30 days	4,214	13,772
31–60 days	3,930	7,350
61–90 days	3,878	6,380
91–120 days	1,718	355
121–365 days	8,278	898
Over 365 days	3,654	71
	25,672	28,826

17. SHARE CAPITAL

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

	Number of ordinary shares '000	Share capital HK\$'000
Ordinary shares of HK\$0.01 each		
Authorised:		
At 31 December 2023 and 30 June 2024	2,000,000	20,000
Issued and fully paid:		
At 31 December 2023	960,000	9,600
Issue of shares for acquisition of a subsidiary	180,000	1,800
At 30 June 2024	1,140,000	11,400
	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Equivalent to RMB	10,061	8,427

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

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

Since 2023, the Group has undergone various changes in its principal business.

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

In January 2024, the Group has acquired the entire interest in HongKong Taixing Holding Co., Limited. HongKong Taixing Holding Co., Limited and its subsidiaries are engaged in the sales of yarn and polyester in the PRC.

Currently, 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.

FINANCIAL REVIEW

Revenue

The Group's revenue was derived from three principal businesses, namely, sales of inflatable products and related accessories, provision of dental clinic services and sales of yarn and polyester which are analysed in Note 6 to the unaudited condensed consolidated financial statements.

The Group's revenue was approximately RMB124,660,000 for the Period, representing an increase of approximately RMB29,778,000 or 31.4% as compared with the revenue of approximately RMB94,882,000 for the corresponding period in 2023. Revenue from the sales of inflatable products for the Period was approximately RMB103,565,000 (2023: approximately RMB89,791,000), representing an increase of approximately RMB13,774,000 or 15.3% compared with the corresponding period in 2023. Revenue from the provision of dental clinic services for the Period was approximately RMB7,092,000 (2023: RMB5,091,000) representing an increase of approximately RMB2,001,000 or 39.3% compared with the corresponding period in 2023. Revenue from the sales of yarn and polyester for the Period was RMB14,003,000 (2023: Nil) which accounted for approximately 11.2% of the Group's total revenue.

Cost of sales

Cost of sales was approximately RMB101,256,000 for the Period, representing an increase of approximately RMB19,714,000 or 24.2% as compared with that of approximately RMB81,542,000 for the corresponding period in 2023.

Gross profit and gross profit margin

The Group recorded a gross profit of approximately RMB23,404,000 for the Period, representing an increase of approximately RMB10,064,000 or 75.4% as compared with the corresponding period in 2023 (2023: approximately RMB13,340,000). Overall gross profit margin was approximately 18.8% for the Period, representing an increase of approximately 4.7% compared with that of the corresponding period in 2023 (2023: approximately 14.1%). Such increase was mainly due to the improvement in gross profit margin of inflatable business and higher gross profit margin from the dental clinic business. During the Period, the gross profit margin was approximately 18.9% from the inflatable products business, approximately 43.1% from the dental clinic business and approximately 5.8% from the sales of yarn and polyester business.

Other income and gains

Total other income and gains was approximately RMB1,254,000 for the Period, representing a decrease of approximately RMB2,186,000 or 63.5% as compared with that of the corresponding period (2023: approximately RMB3,440,000). The decrease was mainly due to a decrease in interest income on bank deposits of approximately RMB154,000, a decrease in net foreign exchange gains of approximately RMB1,929,000, and an absence of rental income of approximately RMB120,000 and gain on lease modification of approximately RMB35,000, partly offset by grants and subsidies from the PRC government of approximately RMB81,000.

Distribution and selling expenses

Total distribution and selling expenses was approximately RMB12,483,000 for the Period (2023: approximately RMB10,316,000), representing an increase of approximately RMB2,167,000 or 21.0% as compared with that of the corresponding period in 2023.

Administrative expenses

The administrative expenses was approximately RMB10,466,000 for the Period (2023: approximately RMB9,188,000), representing an increase of approximately RMB1,278,000 or 13.9% as compared with that of the corresponding period in 2023.

Finance costs

Finance costs was approximately RMB558,000 for the Period (2023: approximately RMB635,000), representing a decrease of approximately RMB77,000 or 12.1% as compared with that of the corresponding period in 2023. The decrease was mainly due to a decrease in interest on lease liabilities of approximately RMB218,000, offset by an increase in interest on bank borrowings of approximately RMB141,000.

Profit for the period

Profit for the Period was approximately RMB880,000 as compared with a loss of the corresponding period (2023: approximately RMB3,584,000), representing an increase of approximately RMB4,464,000 or 124.6%.

Dividends

The Board does not recommend the payment of any interim dividend for the Period (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 30 June 2024, the Group's total equity attributable to owners of the Company amounted to approximately RMB126,121,000 (31 December 2023: RMB104,665,000).

The current ratio of the Group as at 30 June 2024 was approximately 2.15 as compared to that of approximately 2.44 as at 31 December 2023. The quick ratio of the Group as at 30 June 2024 was approximately 1.40 as compared to that of approximately 1.53 as at 31 December 2023. Since bank borrowings was insignificant as at 30 June 2024 and was Nil as at 31 December 2023, no gearing ratio was applicable. The Directors believe that the Group is in a healthy financial position to expand its 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. HongKong Taixing Holding Co., Limited and its subsidiaries are engaged in the sales of yarn and polyester in the PRC.

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

Contingent Liabilities

As at 30 June 2024, the Group did not have any significant contingent liabilities (31 December 2023: Nil).

Pledge of Assets

As at 30 June 2024, the Group had no assets pledged for bank borrowings or for other purpose (31 December 2023: Nil).

Commitments

As at 30 June 2024, the Group has not entered into any contractual commitments for the acquisition of property, plant and equipment (31 December 2023: Nil).



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. No allowance for credit loss was recognised during the six months ended 30 June 2024 and 2023 because there were subsequent settlements or no historical default of payments by the respective customers and the amounts are still considered recoverable.

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 30 June 2024, the Group had 569 full-time employees (31 December 2023: 544). Most of the employees of the Group are located in the PRC. The total employee remuneration, including remuneration of Directors, for the six months ended 30 June 2024 amounted to approximately RMB26,096,000 (2023: approximately RMB22,530,000).

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 30 June 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 <i>(note 1)</i>
Ms. Yan Ping <i>(note 2)</i>	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 30 June 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 30 June 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 30 June 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 during the Period.

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 during the Period.

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 during the Period.

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**”). During the Period, 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. During the six months ended 30 June 2024, the Audit Committee comprised all three independent non-executive Directors and chaired by Ms. Lian Jingyu. The other members are Ms. Shen Jindan and Ms. Deng Xin. 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 unaudited condensed financial results for the Period have not been audited by the Company's independent auditors, but have been reviewed by the Audit Committee. The Audit Committee is of the opinion that such results complied with the applicable accounting standards, GEM Listing Rules and that adequate disclosures have been made.

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

Hong Kong, 28 August 2024

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.