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MODERN DENTAL GROUP LIMITED

現代牙科集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3600)

CONTINUING CONNECTED TRANSACTIONS TENANCY AGREEMENTS

Reference is made to the Prospectus, regarding, among other things, the entering into of the Previous Tenancy Agreement.

The Board announces that on 26 August 2016, Most Wealth (as landlord) and MDLCL (as tenant) entered into the Tenancy Agreement I in respect of the Premises I for a term of two years commencing from 1 September 2016 to 31 August 2018, to renew the tenancy under the Previous Tenancy Agreement.

On 30 December 2016 (after trading hours), the following tenancy agreements have been entered into among the Group and its connected persons:

- (i) Mr. Chan Kwun Fung and Mr. Chan Kwun Pan (as landlords) and MDLSZ (as tenant) entered into the Tenancy Agreement II in respect of the Premises II for a term of two years commencing from 1 January 2017 to 31 December 2018;
- (ii) Mr. Chan Kwun Fung and Mr. Chan Kwun Pan (as landlords) and MDLSZ (as tenant) entered into the Tenancy Agreement III in respect of the Premises III for a term of two years commencing from 1 January 2017 to 31 December 2018;
- (iii) Mr. Chan Kwun Fung and Mr. Chan Kwun Pan (as landlords) and MDLSZ (as tenant) entered into the Tenancy Agreement IV in respect of the Premises IV for a term of two years commencing from 1 January 2017 to 31 December 2018;

- (iv) Mr. Chan Kwun Fung and Mr. Chan Kwun Pan (as landlords) and MDLSZ (as tenant) entered into the Tenancy Agreement V in respect of the Premises V for a term of two years commencing from 1 January 2017 to 31 December 2018;
- (v) Mr. Chan Kwun Fung, Mr. Chan Kwun Pan and Landlord C (as landlords) and MDLSZ (as tenant) entered into the Tenancy Agreement VI in respect of the Premises VI for a term of two years commencing from 1 January 2017 to 31 December 2018;
- (vi) Mr. Chan Kwun Fung, Mr. Chan Kwun Pan and Landlord C (as landlords) and MDLSZ (as tenant) entered into the Tenancy Agreement VII in respect of the Premises VII for a term of two years commencing from 1 January 2017 to 31 December 2018;
- (vii) Mr. Chan Kwun Fung, Mr. Chan Kwun Pan and Landlord C (as landlords) and MDLSZ (as tenant) entered into the Tenancy Agreement VIII in respect of the Premises VIII for a term of two years commencing from 1 January 2017 to 31 December 2018;
- (viii) Mr. Chan Kwun Fung, Mr. Chan Kwun Pan and Landlord C (as landlords) and MDLSZ (as tenant) entered into the Tenancy Agreement IX in respect of the Premises IX for a term of two years commencing from 1 January 2017 to 31 December 2018;
- (ix) Mr. Chan Kwun Fung, Mr. Chan Kwun Pan and Landlord C (as landlords) and MDLSZ (as tenant) entered into the Tenancy Agreement X in respect of the Premises X for a term of two years commencing from 1 January 2017 to 31 December 2018;
- (x) Mr. Chan Kwun Fung, Mr. Chan Kwun Pan and Landlord C (as landlords) and MDLSZ (as tenant) entered into the Tenancy Agreement XI in respect of the Premises XI for a term of two years commencing from 1 January 2017 to 31 December 2018;
- (xi) Mr. Chan Kwun Fung, Mr. Chan Kwun Pan and Landlord C (as landlords) and MDLSZ (as tenant) entered into the Tenancy Agreement XII in respect of the Premises XII for a term of two years commencing from 1 January 2017 to 31 December 2018;
- (xii) Mr. Chan Kwun Fung, Mr. Chan Kwun Pan and Landlord C (as landlords) and MDLSZ (as tenant) entered into the Tenancy Agreement XIII in respect of the Premises XIII for a term of two years commencing from 1 January 2017 to 31 December 2018;

- (xiii) Landlord B (as landlord) and MDLSZ (as tenant) entered into the Tenancy Agreement XIV in respect of the Premises XIV for a term of two years commencing from 1 January 2017 to 31 December 2018;
- (xiv) Landlord C (as landlord) and MDLSZ (as tenant) entered into the Tenancy Agreement XV in respect of the Premises XV for a term of two years commencing from 1 January 2017 to 31 December 2018; and
- (xv) Landlord A (as landlord) and MDLSZ (as tenant) entered into the Tenancy Agreement XVI in respect of the Premises XVI for a term of two years commencing from 1 January 2017 to 31 December 2018.

Landlord A, Landlord B and Landlord C are associates of Mr. Chan Kwun Fung, Mr. Chan Kwun Pan and Mr. Ngai Shing Kin, respectively, and are therefore connected persons of the Company pursuant to Rule 14A.07(4) and Rule 14A.12 of the Listing Rules. Further, Most Wealth is held as to 37.5%, 37.5% and 25% by Mr. Chan Kwun Fung, Mr. Chan Kwun Pan and Mr. Ngai Shing Kin, respectively. Most Wealth is an associate of Mr. Chan Kwun Fung and Mr. Chan Kwun Pan and are therefore a connected person of the Company under Rule 14A.07(4) and Rule 14A.12 of the Listing Rules. The entering into of Tenancy Agreements and the transactions contemplated thereunder constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios for the largest of the total annual rents paid or payable under the Tenancy Agreement I for the financial year ending 31 December 2016, 2017 and 2018 under the Tenancy Agreement I are less than 5%, the entering into of the Tenancy Agreement I and the transaction contemplated thereunder do not constitute notifiable transactions under Chapter 14 of the Listing Rules and are not subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules. As the applicable percentage ratios for the largest of the total annual rents paid or payable under the Tenancy Agreement I for the financial year ending 31 December 2016, 2017 and 2018 under the Tenancy Agreement I are less than 5% and less than HK\$3,000,000, the entering into of the Tenancy Agreement I and the transaction contemplated thereunder are not subject to the reporting, announcement, annual review requirements, circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Given that (i) the Tenancy Agreements were all entered into or completed by the subsidiaries of the Group within a 12-month period; and (ii) the Tenancy Agreements were entered into by the subsidiaries of the Group with the same party or parties connected with one another, the transactions contemplated under the Tenancy Agreements are required to be aggregated pursuant to Rule 14A.81 and Rule 14A.82 of the Listing Rules.

As the applicable percentage ratios for the largest Aggregate Annual Caps are less than 5%, the entering into of the Tenancy Agreements and the transactions contemplated thereunder do not constitute notifiable transactions under Chapter 14 of the Listing Rules and are not subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules. However, as one or more of the applicable percentage ratios for the largest Aggregate Annual Caps exceed 1% but are less than 5%, the entering into of the Tenancy Agreements and the transactions contemplated thereunder are subject to the reporting, announcement and annual review requirements but are exempted from the circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

INTRODUCTION

Reference is made to the Prospectus, regarding, among other things, the entering into of the Previous Tenancy Agreement.

The Board announces that on 26 August 2016, Most Wealth (as landlord) and MDLCL (as tenant) entered into the Tenancy Agreement I in respect of the Premises I for a term of two years commencing from 1 September 2016 to 31 August 2018, to renew the tenancy under the Previous Tenancy Agreement. The principal terms are set out below:

TENANCY AGREEMENT I

Date	:	26 August 2016
Parties	:	(i) Most Wealth (as landlord) (ii) MDLCL (as tenant)
The Premises I leased	:	Units 1701 – 1702, 1708 – 1712 and 1715 – 1716, 17/F., CEO Tower, 77 Wing Hong Street, Cheung Sha Wan, Kowloon, Hong Kong
Usage	:	Commercial use
Construction area	:	8,554 m ²
Term	:	A term of two years commencing from 1 September 2016 to 31 August 2018 (both days inclusive)
Rent	:	HK\$213,850 per calendar month (inclusive of government rents and government rates, and exclusive of management fees, electricity charges and other outgoings)

The Board announces that on 30 December 2016 (after trading hours), the Tenancy Agreement II, the Tenancy Agreement III, the Tenancy Agreement IV, the Tenancy Agreement V, the Tenancy Agreement VI, the Tenancy Agreement VII, the Tenancy Agreement VIII, the Tenancy Agreement IX, the Tenancy Agreement X, the Tenancy Agreement XI, the Tenancy Agreement XII, the Tenancy Agreement XIII, the Tenancy Agreement XIV, the Tenancy Agreement XV and the Tenancy Agreement XVI were entered into between the Group and its connected persons. The principal terms are set out below:

TENANCY AGREEMENT II

Date : 30 December 2016 (after trading hours)

Parties : (i) Mr. Chan Kwun Fung and Mr. Chan Kwun Pan
(as landlords)
(ii) MDLSZ (as tenant)

The Premises II leased : 101-109, Dongfangjun hostel building, No. 12, Wenyuan Street, Xili, Nanshan District, Shenzhen, the PRC (深圳市南山區西麗文苑街12號東方駿宿舍樓101-109)

Usage : Residential use

Construction area : 410 m²

Term : A term of two years commencing from 1 January 2017 to 31 December 2018

Rent : RMB 20,568 (equivalent to approximately HK\$23,036) per calendar month (exclusive of management fees, maintenance fees, charges of water and electricity and other outgoings)

TENANCY AGREEMENT III

Date : 30 December 2016 (after trading hours)

Parties : (i) Mr. Chan Kwun Fung and Mr. Chan Kwun Pan
(as landlords)
(ii) MDLSZ (as tenant)

The Premises III leased : 201-209, Dongfangjun hostel building, No. 12, Wenyuan Street, Xili, Nanshan District, Shenzhen, the PRC (深圳市南山區西麗文苑街12號東方駿宿舍樓201-209)

Usage : Residential use

Construction area : 410 m²

Term : A term of two years commencing from 1 January 2017 to 31 December 2018

Rent : RMB 20,268 (equivalent to approximately HK\$23,700) per calendar month (exclusive of management fees, maintenance fees, charges of water and electricity and other outgoings)

TENANCY AGREEMENT IV

Date : 30 December 2016 (after trading hours)

Parties : (i) Mr. Chan Kwun Fung and Mr. Chan Kwun Pan
(as landlords)
(ii) MDLSZ (as tenant)

The Premises IV leased : 301-309, Dongfangjun hostel building, No. 12, Wenyuan Street, Xili, Nanshan District, Shenzhen, the PRC (深圳市南山區西麗文苑街12號東方駿宿舍樓301-309)

Usage : Residential use

Construction area : 410 m²

Term : A term of two years commencing from 1 January 2017 to 31 December 2018

Rent : RMB 19,968 (equivalent to approximately HK\$23,364) per calendar month (exclusive of management fees, maintenance fees, charges of water and electricity and other outgoings)

TENANCY AGREEMENT V

Date : 30 December 2016 (after trading hours)

Parties : (i) Mr. Chan Kwun Fung and Mr. Chan Kwun Pan
(as landlords)
(ii) MDLSZ (as tenant)

The Premises V leased : 401-409, Dongfangjun hostel building, No. 12, Wenyuan Street, Xili, Nanshan District, Shenzhen, the PRC (深圳市南山區西麗文苑街12號東方駿宿舍樓401-409)

Usage : Residential use

Construction area : 410 m²

Term : A term of two years commencing from 1 January 2017 to 31 December 2018

Rent : RMB 19,668 (equivalent to approximately HK\$22,028) per calendar month (exclusive of management fees, maintenance fees, charges of water and electricity and other outgoings)

TENANCY AGREEMENT VI

Date	:	30 December 2016 (after trading hours)
Parties	:	(i) Mr. Chan Kwun Fung, Mr. Chan Kwun Pan and Landlord C (as landlords) (ii) MDLSZ (as tenant)
The Premises VI leased	:	B201 – 213 and 215, Block B, Tower 7, Shiling Industrial Zone, Xinwei Village, Xili, Nanshan District, Shenzhen, the PRC (深圳市南山區西麗新圍村石嶺工業區7棟B座B201 – 213及215)
Usage	:	Residential use
Construction area	:	520 m ²
Term	:	A term of two years commencing from 1 January 2017 to 31 December 2018
Rent	:	RMB 20,214 (equivalent to approximately HK\$22,640) per calendar month (exclusive of management fees, maintenance fees, charges of water and electricity and other outgoings)

TENANCY AGREEMENT VII

Date	:	30 December 2016 (after trading hours)
Parties	:	(i) Mr. Chan Kwun Fung, Mr. Chan Kwun Pan and Landlord C (as landlords) (ii) MDLSZ (as tenant)
The Premises VII leased	:	B301 – 313 and 315, Block B, Tower 7, Shiling Industrial Zone, Xinwei Village, Xili, Nanshan District, Shenzhen, the PRC (深圳市南山區西麗新圍村石嶺工業區7棟B座B301 – 313及315)
Usage	:	Residential use
Construction area	:	520 m ²
Term	:	A term of two years commencing from 1 January 2017 to 31 December 2018
Rent	:	RMB 19,714 (equivalent to approximately HK\$22,080) per calendar month (exclusive of management fees, maintenance fees, charges of water and electricity and other outgoings)

TENANCY AGREEMENT VIII

Date : 30 December 2016 (after trading hours)

Parties : (i) Mr. Chan Kwun Fung, Mr. Chan Kwun Pan and
Landlord C (as landlords)
(ii) MDLSZ (as tenant)

The Premises VIII leased : B401 – 413 and 415, Block B, Tower 7, Shiling Industrial Zone, Xinwei Village, Xili, Nanshan District, Shenzhen, the PRC (深圳市南山區西麗新圍村石嶺工業區7棟B座B401 – 413及415)

Usage : Residential use

Construction area : 520 m²

Term : A term of two years commencing from 1 January 2017 to 31 December 2018

Rent : RMB 19,214 (equivalent to approximately HK\$21,520) per calendar month (exclusive of management fees, maintenance fees, charges of water and electricity and other outgoings)

TENANCY AGREEMENT IX

Date : 30 December 2016 (after trading hours)

Parties : (i) Mr. Chan Kwun Fung, Mr. Chan Kwun Pan and
Landlord C (as landlords)
(ii) MDLSZ (as tenant)

The Premises IX leased : B501 – 513 and 515, Block B, Tower 7, Shiling Industrial Zone, Xinwei Village, Xili, Nanshan District, Shenzhen, the PRC (深圳市南山區西麗新圍村石嶺工業區7棟B座B501 – 513及515)

Usage : Residential use

Construction area : 520 m²

Term : A term of two years commencing from 1 January 2017 to 31 December 2018

Rent : RMB 18,714 (equivalent to approximately HK\$20,960) per calendar month (exclusive of management fees, maintenance fees, charges of water and electricity and other outgoings)

TENANCY AGREEMENT X

Date : 30 December 2016 (after trading hours)

Parties : (i) Mr. Chan Kwun Fung, Mr. Chan Kwun Pan and
Landlord C (as landlords)
(ii) MDLSZ (as tenant)

The Premises X leased : B601 – 613 and 615, Block B, Tower 7, Shiling
Industrial Zone, Xinwei Village, Xili, Nanshan
District, Shenzhen, the PRC (深圳市南山區西麗新
圍村石嶺工業區7棟B座B601 – 613及615)

Usage : Residential use

Construction area : 520 m²

Term : A term of two years commencing from 1 January
2017 to 31 December 2018

Rent : RMB 18,214 (equivalent to approximately
HK\$20,400) per calendar month (exclusive of
management fees, maintenance fees, charges of
water and electricity and other outgoings)

TENANCY AGREEMENT XI

Date : 30 December 2016 (after trading hours)

Parties : (i) Mr. Chan Kwun Fung, Mr. Chan Kwun Pan and
Landlord C (as landlords)
(ii) MDLSZ (as tenant)

The Premises XI leased : B701 – 713 and 715, Block B, Tower 7, Shiling
Industrial Zone, Xinwei Village, Xili, Nanshan
District, Shenzhen, the PRC (深圳市南山區西麗新
圍村石嶺工業區7棟B座B701 – 713及715)

Usage : Residential use

Construction area : 520 m²

Term : A term of two years commencing from 1 January
2017 to 31 December 2018

Rent : RMB 17,714 (equivalent to approximately
HK\$19,840) per calendar month (exclusive of
management fees, maintenance fees, charges of
water and electricity and other outgoings)

TENANCY AGREEMENT XII

Date	:	30 December 2016 (after trading hours)
Parties	:	(i) Mr. Chan Kwun Fung, Mr. Chan Kwun Pan and Landlord C (as landlords) (ii) MDLSZ (as tenant)
The Premises XII leased	:	B801 – 813 and 815, Block B, Tower 7, Shiling Industrial Zone, Xinwei Village, Xili, Nanshan District, Shenzhen, the PRC (深圳市南山區西麗新 圍村石嶺工業區7棟B座B801 – 813及815)
Usage	:	Residential use
Construction area	:	520 m ²
Term	:	A term of two years commencing from 1 January 2017 to 31 December 2018
Rent	:	RMB 17,214 (equivalent to approximately HK\$19,280) per calendar month (exclusive of management fees, maintenance fees, charges of water and electricity and other outgoings)

TENANCY AGREEMENT XIII

Date	:	30 December 2016 (after trading hours)
Parties	:	(i) Mr. Chan Kwun Fung, Mr. Chan Kwun Pan and Landlord C (as landlords) (ii) MDLSZ (as tenant)
The Premises XIII leased	:	C201, C203, C205, C207, C209, C210, C211, C213, C214 and C301, Block B, Tower 7, Shiling Industrial Zone, Xinwei Village, Xili, Nanshan District, Shenzhen, the PRC (深圳市南山區西麗新 圍村石嶺工業區7棟B座C201, C203, C205, C207, C209, C210, C211, C213, C214及C301)
Usage	:	Residential use
Construction area	:	363.42 m ²
Term	:	A term of two years commencing from 1 January 2017 to 31 December 2018
Rent	:	RMB 14,308 (equivalent to approximately HK\$16,028) per calendar month (exclusive of management fees, maintenance fees, charges of water and electricity and other outgoings)

TENANCY AGREEMENT XIV

Date	:	30 December 2016 (after trading hours)
Parties	:	(i) Landlord B (as landlord) (ii) MDLSZ (as tenant)
The Premises XIV leased	:	1821, 1916, 1921 and 1932, Commercial and residential building No. 9, Northern District, Liu Xian Ju, Xinggao Road, Xili, Nanshan District, Shenzhen, the PRC (深圳市南山區西麗新高路留仙居北區9號商住樓 1821, 1916, 1921及 1932)
Usage	:	Residential use
Construction area	:	159.6 m ²
Term	:	A term of two years commencing from 1 January 2017 to 31 December 2018
Rent	:	RMB 12,738 (equivalent to approximately HK\$14,267) per calendar month (exclusive of management fees, maintenance fees, charges of water and electricity and other outgoings)

TENANCY AGREEMENT XV

Date	:	30 December 2016 (after trading hours)
Parties	:	(i) Landlord C (as landlord) (ii) MDLSZ (as tenant)
The Premises XV leased	:	1922, 1924 and 1925, Commercial and residential building No. 9, Northern District, Liu Xian Ju, Xinggao Road, Xili, Nanshan District, Shenzhen, the PRC (深圳市南山區西麗新高路留仙居北區9號商住樓 1922, 1924及 1925)
Usage	:	Residential use
Construction area	:	131.52 m ²
Term	:	A term of two years commencing from 1 January 2017 to 31 December 2018
Rent	:	RMB 9,553 (equivalent to approximately HK\$10,699) per calendar month (exclusive of management fees, maintenance fees, charges of water and electricity and other outgoings)

TENANCY AGREEMENT XVI

Date	:	30 December 2016 (after trading hours)
Parties	:	(i) Landlord A (as landlord) (ii) MDLSZ (as tenant)
The Premises XVI leased	:	1901, 1902, 1907, 1909, 1926, 1927, 1931, 1933 and 1934, Commercial and residential building No. 9, Northern District, Liu Xian Ju, Xinggao Road, Xili, Nanshan District, Shenzhen, the PRC (深圳市南山區西麗新高路留仙居北區9號商住樓 1901, 1902, 1907, 1909, 1926, 1927, 1931, 1933 及 1934)
Usage	:	Residential use
Construction area	:	367.08 m ²
Term	:	A term of two years commencing from 1 January 2017 to 31 December 2018
Rent	:	RMB 28,660 (equivalent to approximately HK\$32,099) per calendar month (exclusive of management fees, maintenance fees, charges of water and electricity and other outgoings)

AGGREGATE ANNUAL CAPS

The Aggregate Annual Caps are listed below:

	For the financial year ending 31 December 2016 (from 1 September 2016) <i>Approximate HK\$</i>	For the financial year ending 31 December 2017 <i>Approximate HK\$</i>	For the financial year ending 31 December 2018 <i>Approximate HK\$</i>
Tenancy Agreement I	855,400	2,566,200	1,710,800 ^(Note)
Tenancy Agreement II	—	276,434	276,434
Tenancy Agreement III	—	272,402	272,402
Tenancy Agreement IV	—	268,370	268,370
Tenancy Agreement V	—	264,338	264,338
Tenancy Agreement VI	—	271,676	271,676
Tenancy Agreement VII	—	264,956	264,956
Tenancy Agreement VIII	—	258,236	258,236
Tenancy Agreement IX	—	251,516	251,516
Tenancy Agreement X	—	244,796	244,796
Tenancy Agreement XI	—	238,076	238,076
Tenancy Agreement XII	—	231,356	231,356
Tenancy Agreement XIII	—	192,300	192,300
Tenancy Agreement XIV	—	171,199	171,199
Tenancy Agreement XV	—	128,392	128,392
Tenancy Agreement XVI	—	385,190	385,190
Total	<u>855,400</u>	<u>6,285,437</u>	<u>5,430,037</u>

Note: The amount represents the rents payable under the Tenancy Agreement I for the period commencing from 1 January 2018 to 31 August 2018.

The Aggregate Annual Caps were determined after taking into account: (i) the historical amounts of rents paid or payable by MDLCL to Most Wealth under the Previous Tenancy Agreement; (ii) the Rent; (iii) the prevailing market rents of the Premises of comparable size, location, facilities and use; and (iv) various conditions of the Premises, including but not limited to the size and location of the Premises.

The historical amounts of rents paid or payable by MDLCL to Most Wealth under the Previous Tenancy Agreement and the annual caps contemplated under the Previous Tenancy Agreement are listed below:

<i>Historical amounts</i>		<i>Previous annual caps</i>	
For the financial year ended 31 December 2015	For the financial year ending 31 December 2016	For the financial year ended 31 December 2015	For the financial year ending 31 December 2016
<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
2,052,960	2,224,040	2,052,960	2,224,040

The payment of the Rent will be funded by internal resources of the Group.

REASONS FOR AND BENEFITS OF THE ENTERING INTO THE TENANCY AGREEMENTS

The Tenancy Agreements were entered into on an arm's length negotiations with reference to (i) the prevailing market rents of the Premises of comparable size, location, facilities and use; and (ii) various conditions of the Premises, including but not limited to the size and location of the Premises.

The Premises I is the principal place of business of the Company, the Tenancy Agreement I was therefore entered into to renew the Previous Tenancy Agreement. The Premises II, the Premises III, the Premises IV, the Premises V, the Premises VI, the Premises VII, the Premises VIII, the Premises IX, the Premises X, the Premises XI, the Premises XII, the Premises XIII, the Premises XIV, the Premises XV and the Premises XVI will serve as the hostels of the staff members of MDLSZ and are located in the vicinity of the production facilities and offices of the Company located in Xinwei Town, Xili, Nanshan District, Shenzhen, the PRC with easy transportation access.

The Directors (including the independent non-executive Directors) are of the view that (i) the amount of the Aggregate Annual Caps, the terms of the Tenancy Agreements and the transactions contemplated under the Tenancy Agreements are fair and reasonable; (ii) the transactions contemplated under the Tenancy Agreements are on normal commercial terms or better and in the ordinary and usual course of business of the Group, and (iii) in the interests of the Company and its Shareholders as a whole.

INFORMATION OF THE COMPANY

The Company is a company incorporated in the Cayman Islands and is an investment holding company. The Group is a leading global dental prosthetic device provider with a focus on providing custom-made prostheses to customers in the growing prosthetics industry. The Group is principally engaged in providing dental prosthetic devices, including fixed prosthetic devices, such as crowns and bridges, removable prosthetic devices, such as removable dentures, and other devices, such as orthodontic devices, sports guards and anti-snoring devices.

MDLSZ is a wholly-owned subsidiary of the Company and principally engaged in manufacturing of dental prosthetic devices for the Hong Kong and overseas markets.

MDLCL is a wholly-owned subsidiary of the Company principally engaged in trading of dental prosthetic devices in the Hong Kong market and sourcing for our own production facilities.

INFORMATION ON MOST WEALTH

Most Wealth a company incorporated in Hong Kong, is principally engaged in the business of property investments and is held as to 37.5%, 37.5% and 25% by Mr. Chan Kwun Fung, Mr. Chan Kwun Pan and Mr. Ngai Shing Kin, respectively.

LISTING RULES IMPLICATION

Given that Mr. Chan Kwun Fung and Mr. Chan Kwun Pan are the Directors and substantial shareholders of the Company, Most Wealth is an associate of Mr. Chan Kwun Fung and Mr. Chan Kwun Pan and are therefore a connected person of the Company under Rule 14A.07(4) and Rule 14A.12 of the Listing Rules. Further, Landlord A, Landlord B and Landlord C are associates of Mr. Chan Kwun Fung, Mr. Chan Kwun Pan and Mr. Ngai Shing Kin, respectively, and are therefore connected persons of the Company pursuant to Rule 14A.07(4) and Rule 14A.12 of the Listing Rules. The entering into of Tenancy Agreements and the transactions contemplated thereunder constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios for the largest of the total annual rents paid or payable under the Tenancy Agreement I for the financial year ending 31 December 2016, 2017 and 2018 under the Tenancy Agreement I are less than 5%, the entering into of the Tenancy Agreement I and the transaction contemplated thereunder do not constitute notifiable transactions under Chapter 14 of the Listing Rules and are not subject to the reporting, announcement and shareholders' approval requirements

under Chapter 14 of the Listing Rules. As the applicable percentage ratios for the largest of the total annual rents paid or payable under the Tenancy Agreement I for the financial year ending 31 December 2016, 2017 and 2018 under the Tenancy Agreement I are less than 5% and less than HK\$3,000,000, the entering into of the Tenancy Agreement I and the transaction contemplated thereunder are not subject to the reporting, announcement, annual review requirements, circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Given that (i) the Tenancy Agreements were all entered into or completed by the subsidiaries of the Group within a 12-month period; and (ii) the Tenancy Agreements were entered into by the subsidiaries of the Group with the same party or parties connected with one another, the transactions contemplated under the Tenancy Agreements are required to be aggregated pursuant to Rule 14A.81 and Rule 14A.82 of the Listing Rules.

As the applicable percentage ratios for the largest Aggregate Annual Caps are less than 5%, the entering into of the Tenancy Agreements and the transactions contemplated thereunder do not constitute notifiable transactions under Chapter 14 of the Listing Rules and are not subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules. However, as one or more of the applicable percentage ratios for the largest Aggregate Annual Caps are exceed 1% but less than 5%, the entering into of the Tenancy Agreements and the transactions contemplated thereunder are subject to the reporting, announcement and annual review requirements but are exempted from the circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

As Mr. Chan Kwun Fung, Mr. Chan Kwun Pan and Mr. Ngai Shing Kin have material interests in the entering into of the Tenancy Agreements and the transactions contemplated thereunder, Mr. Chan Kwun Fung, Mr. Chan Kwun Pan and Mr. Ngai Shing Kin had abstained from voting on the board resolutions approving the entering into of the Tenancy Agreements, the transactions contemplated thereunder and the Aggregate Annual Caps.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“Aggregate Annual Caps”	the aggregate amount of the proposed annual caps for transactions contemplated under the Tenancy Agreements;
“associate(s)”, “connected person(s)” and “controlling shareholder(s)”	has the meaning ascribed to this term under the Listing Rules;
“Board”	the board of Directors;
“Company”	Modern Dental Group Limited (stock code: 3600), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Stock Exchange;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Landlord A”	associate of Mr. Chan Kwun Fung;
“Landlord B”	associate of Mr. Chan Kwun Pan;
“Landlord C”	associate of Mr. Ngai Shing Kin;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“MDLCL”	Modern Dental Laboratory Company Limited (現代牙科器材有限公司), a company incorporated in Hong Kong and the wholly-owned subsidiary of the Company;

“MDLSZ”	Modern Dental Laboratory (Shenzhen) Company Limited (現代牙科器材(深圳)有限公司), a company established in the PRC and the wholly-owned subsidiary of the Company;
“Most Wealth”	Most Wealth International Limited, a company incorporated in Hong Kong and held as to 37.5%, 37.5% and 25% by Mr. Chan Kwun Fung, Mr. Chan Kwun Pan and Mr. Ngai Shing Kin, respectively;
“Mr. Chan Kwun Fung”	Mr. Chan Kwun Fung, an executive Director, the chairman and the controlling shareholder of the Company;
“Mr. Chan Kwun Pan”	Mr. Chan Kwun Pan, an executive Director and the controlling shareholder of the Company;
“Mr. Ngai Shing Kin”	Mr. Ngai Shing King, an executive Director and the chief executive officer;
“m ² ”	square meters;
“PRC”	the People’s Republic of China but for the purpose of this announcement shall exclude Hong Kong, Macau Special Administrative Region of the PRC, and Taiwan;
“Premises”	the Premises I, the Premises II, the Premises III, the Premises IV, the Premises V, the Premises VI, the Premises VII, the Premises VIII, the Premises IX, the Premises X, the Premises XI, the Premises XII, the Premises XIII, the Premises XIV, the Premises XV and the Premises XVI ;
“Premises I”	Units 1701 – 1702, 1708 – 1712 and 1715 – 1716, 17/F., CEO Tower, 77 Wing Hong Street, Cheung Sha Wan, Kowloon, Hong Kong;
“Premises II”	101 - 109, Dongfangjun hostel building, No. 12, Wengyuan Street, Xili, Nanshan District, Shenzhen, the PRC (深圳市南山區西麗文苑街12號東方駿宿舍樓101-109);

- “Premises III” 201 - 209, Dongfangjun hostel building, No. 12, Wengyuan Street, Xili, Nanshan District, Shenzhen, the PRC (深圳市南山區西麗文苑街12號東方駿宿舍樓201-209);
- “Premises IV” 301 - 309, Dongfangjun hostel building, No. 12, Wengyuan Street, Xili, Nanshan District, Shenzhen, the PRC (深圳市南山區西麗文苑街12號東方駿宿舍樓301-309);
- “Premises V” 401 - 409, Dongfangjun hostel building, No. 12, Wengyuan Street, Xili, Nanshan District, Shenzhen, the PRC (深圳市南山區西麗文苑街12號東方駿宿舍樓401-409);
- “Premises VI” B201 – 213 and 215, Block B, Tower 7, Shiling Industrial Zone, Xinwei Village, Xili, Nanshan District, Shenzhen, the PRC (深圳市南山區西麗新圍村石嶺工業區7棟B座B201 – 213及215);
- “Premises VII” B301 – 313 and 315, Block B, Tower 7, Shiling Industrial Zone, Xinwei Village, Xili, Nanshan District, Shenzhen, the PRC (深圳市南山區西麗新圍村石嶺工業區7棟B座B301 – 313及315);
- “Premises VIII” B401 – 413 and 415, Block B, Tower 7, Shiling Industrial Zone, Xinwei Village, Xili, Nanshan District, Shenzhen, the PRC (深圳市南山區西麗新圍村石嶺工業區7棟B座B401 – 413及415);
- “Premises IX” B501 – 513 and 515, Block B, Tower 7, Shiling Industrial Zone, Xinwei Village, Xili, Nanshan District, Shenzhen, the PRC (深圳市南山區西麗新圍村石嶺工業區7棟B座B501 – 513及515);
- “Premises X” B601 – 613 and 615, Block B, Tower 7, Shiling Industrial Zone, Xinwei Village, Xili, Nanshan District, Shenzhen, the PRC (深圳市南山區西麗新圍村石嶺工業區7棟B座B601 – 613及615);
- “Premises XI” B701 – 713 and 715, Block B, Tower 7, Shiling Industrial Zone, Xinwei Village, Xili, Nanshan District, Shenzhen, the PRC (深圳市南山區西麗新圍村石嶺工業區7棟B座B701 – 713及715);

“Premises XII”	B801 – 813 and 815, Block B, Tower 7, Shiling Industrial Zone, Xinwei Village, Xili, Nanshan District, Shenzhen, the PRC (深圳市南山區西麗新圍村石嶺工業區7棟B座B801 – 813及815);
“Premises XIII”	C201, C203, C205, C207, C209, C210, C211, C213, C214 and C301, Block B, Tower 7, Shiling Industrial Zone, Xinwei Village, Xili, Nanshan District, Shenzhen, the PRC (深圳市南山區西麗新圍村石嶺工業區7棟B座C201, C203, C205, C207, C209, C210, C211, C213, C214及C301);
“Premises XIV”	1821, 1916, 1921 and 1932, Commercial and residential building No. 9, Northern District, Liu Xian Ju, Xinggao Road, Xili, Nanshan District, Shenzhen, the PRC (深圳市南山區西麗新高路留仙居北區9號商住樓1821, 1916, 1921及 1932);
“Premises XV”	1922, 1924 and 1925, Commercial and residential building No. 9, Northern District, Liu Xian Ju, Xinggao Road, Xili, Nanshan District, Shenzhen, the PRC (深圳市南山區西麗新高路留仙居北區9號商住樓1922, 1924及 1925);
“Premises XVI”	1901, 1902, 1907, 1909, 1926, 1927, 1931, 1933 and 1934, Commercial and residential building No. 9, Northern District, Liu Xian Ju, Xinggao Road, Xili, Nanshan District, Shenzhen, the PRC (深圳市南山區西麗新高路留仙居北區9號商住樓1901, 1902, 1907, 1909, 1926, 1927, 1931, 1933 及 1934);
“Previous Tenancy Agreement”	the tenancy agreement dated 7 January 2015 entered into between Most Wealth (as landlord) and MDLCL (as tenant) in respect of the Premises I;
“Prospectus”	the prospectus of the Company dated 3 December 2015;
“Rent”	the rents paid or payable under the Tenancy Agreements;
“RMB”	Renminbi yuan, the lawful currency of the PRC;
“Share(s)”	ordinary share(s) of US\$0.1 each in the share capital of the Company;

“Shareholders”	the holders of the Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Tenancy Agreement I”	the tenancy agreement dated 26 August 2016, entered into between Most Wealth (as landlord) and MDLCL (as tenant) in respect of the Premises I, to renew the tenancy under the Previous Tenancy Agreement;
“Tenancy Agreement II”	the tenancy agreement dated 30 December 2016 entered into among Mr. Chan Kwun Fung and Mr. Chan Kwun Pan (as landlords) and MDLSZ (as tenant) in respect of the Premises II;
“Tenancy Agreement III”	the tenancy agreement dated 30 December 2016 entered into among Mr. Chan Kwun Fung and Mr. Chan Kwun Pan (as landlords) and MDLSZ (as tenant) in respect of the Premises III;
“Tenancy Agreement IV”	the tenancy agreement dated 30 December 2016 entered into among Mr. Chan Kwun Fung and Mr. Chan Kwun Pan (as landlords) and MDLSZ (as tenant) in respect of the Premises IV;
“Tenancy Agreement V”	the tenancy agreement dated 30 December 2016 entered into among Mr. Chan Kwun Fung and Mr. Chan Kwun Pan (as landlords) and MDLSZ (as tenant) in respect of the Premises V;
“Tenancy Agreement VI”	the tenancy agreement dated 30 December 2016 entered into among Mr. Chan Kwun Fung, Mr. Chan Kwun Pan and Landlord C (as landlords) and MDLSZ (as tenant) in respect of the Premises VI;
“Tenancy Agreement VII”	the tenancy agreement dated 30 December 2016 entered into among Mr. Chan Kwun Fung, Mr. Chan Kwun Pan and Landlord C (as landlords) and MDLSZ (as tenant) in respect of the Premises VII;
“Tenancy Agreement VIII”	the tenancy agreement dated 30 December 2016 entered into among Mr. Chan Kwun Fung, Mr. Chan Kwun Pan and Landlord C (as landlords) and MDLSZ (as tenant) in respect of the Premises VIII;

“Tenancy Agreement IX”	the tenancy agreement dated 30 December 2016 entered into among Mr. Chan Kwun Fung, Mr. Chan Kwun Pan and Landlord C (as landlords) and MDLSZ (as tenant) in respect of the Premises IX;
“Tenancy Agreement X”	the tenancy agreement dated 30 December 2016 entered into among Mr. Chan Kwun Fung, Mr. Chan Kwun Pan and Landlord C (as landlords) and MDLSZ (as tenant) in respect of the Premises X;
“Tenancy Agreement XI”	the tenancy agreement dated 30 December 2016 entered into among Mr. Chan Kwun Fung, Mr. Chan Kwun Pan and Landlord C (as landlords) and MDLSZ (as tenant) in respect of the Premises XI;
“Tenancy Agreement XII”	the tenancy agreement dated 30 December 2016 entered into among Mr. Chan Kwun Fung, Mr. Chan Kwun Pan and Landlord C (as landlords) and MDLSZ (as tenant) in respect of the Premises XII;
“Tenancy Agreement XIII”	the tenancy agreement dated 30 December 2016 entered into among Mr. Chan Kwun Fung, Mr. Chan Kwun Pan and Landlord C (as landlords) and MDLSZ (as tenant) in respect of the Premises XIII;
“Tenancy Agreement XIV”	the tenancy agreement dated 30 December 2016 entered into among Landlord B (as landlord) and MDLSZ (as tenant) in respect of the Premises XIV;
“Tenancy Agreement XV”	the tenancy agreement dated 30 December 2016 entered into among Landlord C (as landlord) and MDLSZ (as tenant) in respect of the Premises XV;
“Tenancy Agreement XVI”	the tenancy agreement dated 30 December 2016 entered into among Landlord A (as landlord) and MDLSZ (as tenant) in respect of the Premises XVI;

“Tenancy Agreements”	the Tenancy Agreement I, the Tenancy Agreement II, the Tenancy Agreement III, the Tenancy Agreement IV, the Tenancy Agreement V, the Tenancy Agreement VI, the Tenancy Agreement VII, the Tenancy Agreement VIII, the Tenancy Agreement IX, the Tenancy Agreement X, the Tenancy Agreement XI, the Tenancy Agreement XII, the Tenancy Agreement XIII, the Tenancy Agreement XIV, the Tenancy Agreement XV and the Tenancy Agreement XVI;
“US\$”	United States dollars, the lawful currency of the United States; and
“%”	per cent.

This announcement contains conversion between RMB and HK\$ at RMB1.12 to HK\$1.00. The conversion shall not be taken as a representation that RMB could actually be converted into HK\$ at that rate, or at all.

By order of the Board
Modern Dental Group Limited
Chan Kwun Fung
Chairman and Executive Director

Hong Kong, 30 December 2016

As at the date of this announcement, the board of directors of the Company comprises Chan Kwun Fung, Chan Kwun Pan, Ngai Shing Kin, Ngai Chi Ho Alwin, Chan Chi Yuen, Chan Ronald Yik Long and Chan Yik Yu as executive Directors, and Cheung Wai Bun Charles J.P., Chan Yue Kwong Michael, Wong Ho Ching and Cheung Wai Man William as independent non-executive Directors.