

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



(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3600)

PROFIT WARNING

This announcement is made by Modern Dental Group Limited (the “**Company**”, and together with its subsidiaries, collectively referred to as the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (the “**SFO**”) (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders and potential investors of the Company that, based on the preliminary assessment of the latest available unaudited consolidated management accounts of the Group (the “**Management Accounts**”) for the year ended 31 December 2018 (“**FY 2018**”), which have not been audited or reviewed by the auditor and/or the audit committee of the Group, the Group expects its profit attributable to the shareholders for FY 2018 would decrease by approximately 40% to 50% as compared to the profit attributable to the shareholders for the year ended 31 December 2017 (“**FY 2017**”) of approximately HK\$155 million.

The decrease in the Group’s profit was mainly due to (i) the turnaround of an unrealised net foreign exchange differences (which had no actual cash impact on the Group’s cash flow) arose from certain inter-company balances within the Group denominated in foreign currencies (FY 2018: an unrealised net foreign exchange loss; FY 2017: an unrealised net foreign exchange gain) as a result of the depreciation of the foreign currencies against Hong Kong Dollars as at 31 December 2018; (ii) the re-financing of bank loans of the Group in January 2018 that resulted in the one-off write-off of capitalised interest and fee and related exchange losses; (iii) the increase in administrative expense mainly arising from the research and development related expenditure of new product under development in FY 2018 and (iv) the increased labour costs.

The Company is currently finalising the consolidated financial results of the Group for FY 2018. The information contained in this announcement is only based on the information currently available to the Company and the preliminary assessment of the Board on the Management Accounts, which have not been audited or reviewed by the auditors and/or the audit committee of the Company. The final audited consolidated results of the Group for FY 2018 is expected to be announced by the end of March 2019, which may be different from the figures and information contained in this announcement.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 15th March 2019

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.