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)

PROFIT WARNING AND INSIDE INFORMATION

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 2022 ("**FY 2022**"), which have not been audited or reviewed by the auditor and/or the audit committee of the Group, the Group expects the following:

(i) the revenue for FY 2022 is expected to be within the range of HK$2,750.0 million to HK$2,850.0 million, representing a decrease within the range of approximately 3.6% to 6.9%, compared to the revenue for the year ended 31 December 2021 ("**FY 2021**") of approximately HK$2,955.2 million;

(ii) the earnings before interest, taxes, depreciation and amortisation ("**EBITDA**") for FY 2022 is expected to be within the range of HK$450.0 million to HK$470.0 million, representing a decrease within the range of approximately 25.0% to 28.2%, compared to the EBITDA for FY 2021 of approximately HK$626.4 million; and

(iii) the net profit for FY 2022 to be expected within the range of HK$210.0 million to HK$230.0 million, representing a decrease within the range of approximately 36.2% to 41.7%, compared with a net profit for FY 2021 of approximately HK$360.4 million.

The decrease in the revenue, EBITDA and the net profit was predominately due to:

(i) the depreciation of Euro and Australian Dollars against Hong Kong Dollars since second half of 2021; and

(ii) the COVID-19 lockdowns in Mainland China and the government's related control and measures which in turn, resulted in a temporary suspension of the operations of our major production facilities in Shenzhen and Dongguan in the first quarter of 2022 and the resurgence of COVID-19 pandemic in certain cities of Mainland China throughout 2022 (in particular, December 2022) which affected our Mainland China-based clients.

Although the ongoing geopolitical tensions in Europe and the increasingly challenging global economic and business environment may, in each case, affect the Group's financial results going forward, the Group is well-positioned to capture further opportunities overseas and domestic as the industry continues to consolidate at an accelerated pace driven by digitalisation and the re-opening of the Mainland China market, which has improved sentiment among the Group's international clients and demand for the Group's products.

The Company is currently finalising the consolidated financial results of the Group for FY 2022. 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 prepared in accordance with the International Financial Reporting Standards applicable for FY 2022, which have not been audited or reviewed by the auditors and/or the audit committee of the Company. The final consolidated results of the Group for FY 2022 is expected to be announced by the end of March 2023, 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 Ronald Yik Long
Chairman and Executive Director

Hong Kong, 15 March 2023

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