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*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 3600)**

## **VOLUNTARY DISCLOSURE**

### **2023 THIRD QUARTER UPDATE**

The Board is pleased to provide a voluntary disclosure and update on selected unaudited operational data of the Group for the nine months ended 30 September 2023.

#### **AN UPDATE ON THE GROUP**

Notwithstanding the summer months (which is typically the low season within the dental industry) within the third quarter, the Group continued to experience a steady and continued increase in demand for its products from our existing, returning and new customers. This increase in demand has been primarily driven by the global digitalization trend which continues to accelerate the consolidation of the dental prosthetics industry, allowing the Group to further increase its market share in the industry and our continued digital transformation is expected to improve our customers' and patients' experiences, further allowing the Group to differentiate itself from its competitors and outperform the industry peers. The consolidation trend of the dental prosthetics industry is clearly continuing, and with the addition of our Vietnam production facility — the Group has the optionality to further improve its market positioning and protect its margins.

In addition, with our comprehensive products portfolio, encompassing higher-priced dental treatments (such as implant related prosthetic products) and lower-priced dental treatments (such as removable dentures), the Group is well-positioned to navigate any potential weakness in demand due to any challenging macro-economic environment that may affect our patients and clients.

One key growth driver is the Group's ability to claim new customers that have been affected by the closure of competing dental laboratories, and as long as economic conditions continue to soften in the short term, the Group is well-positioned to capitalise on creating new client relationships and winning new orders which builds on our market share.

The Group's results represent a solid execution across each of the Group's markets operationally and financially, illustrating the Group's ability to deliver strong financial results in a relatively stable operating environment characterized by consistent order volume growth, competitiveness in the industry, and close relationship with its clients and customers. The Group's underlying fundamentals continue to be solid and we are well-positioned to capture further opportunities going forward.

### ***GLOBAL REVENUE***

For the nine months ended 30 September 2023, the total revenue of the Group increased by approximately 12.7% (approx. HK\$2,363.2 million) compared with the nine months ended 30 September 2022 (approx. HK\$2,096.4 million).

	<b>Nine months ended 30 September 2023</b>	<b>Nine months ended 30 September 2022</b>	<b>Nine months ended 2023 vs 2022</b>	
	<i>HK\$'m</i>	<i>HK\$'m</i>	<i>Change in Currency</i>	<i>Original currency growth rate</i>
Europe	1,028.2	859.6	+1.7%	+17.6%
North America	574.9	534.2	—	+7.6%
Greater China	534.1	501.6	-5.6%	+12.8%
Australia	189.5	174.3	-5.4%	+15.0%
Others	<u>36.5</u>	<u>26.7</u>	<u>—</u>	<u>+36.7%</u>
	<u><u>2,363.2</u></u>	<u><u>2,096.4</u></u>		

\* *The revenue information above is based on the locations of the customers.*

The increase in revenue was predominately due to the increase in sales volume as a result of the increase in market share driven by the digitalization trend in dental industry offset by the depreciation of foreign currencies against Hong Kong dollars and the development of the volume-based procurement for dental implant treatment in the Mainland China.

For the nine months ended 30 September 2023, the Group's digital solution cases (overseas and domestic) that are produced from its Mainland China production facilities (which, for the avoidance of doubt, does not include digital solution cases produced in the Group's non-Mainland China production facilities or overseas/satellite dental laboratories) increased to approximately 596,000 cases reflecting an increase of 49.4% for the same period in 2022 (approximately 399,000 cases) as a result of our clients' increased adoption of intra-oral scanners.

### **Sales volumes (number of cases)**

For the nine months ended 30 September 2023, the total sales volumes of the Group increased by approximately 13.7% to approximately 1,544,062 cases (nine months ended 30 September 2022: approximately 1,358,363 cases<sup>#</sup>).

<sup>#</sup> *Volume in 2022 is adjusted to align with the methodologies applied in 2023.*

### **Average selling price**

For the nine months ended 30 September 2023, the average selling price of the Group's dental prosthetic products across its markets was HK\$1,440 per case (nine months ended 30 September 2022: HK\$1,432), representing an increase of approximately 0.6%. The increase in average selling price was mainly due to the increment in price of our products and the change in product mix offset by the depreciation of Renminbi and Australian Dollars against Hong Kong Dollars and the development of the volume-based procurement for dental implant treatment in the Mainland China.

Information in this announcement was based on the preliminary assessment of the Group's management accounts which had not been reviewed or audited by the auditors of the Company. The unaudited key operational data in this announcement should be read in conjunction with the Group's latest annual report and interim report. Shareholders and potential investors are advised to exercise caution when dealing in the Shares of the Company.

## DEFINITIONS

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

“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)”	Director(s) of the Company;
“Group”	the Company and its subsidiaries; and
“Share(s)”	ordinary share(s) in the share capital of the Company.

By order of the Board  
**Modern Dental Group Limited**  
**Chan Ronald Yik Long**  
*Chairman and Executive Director*

Hong Kong, 30 November 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.*