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(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 3600)

VOLUNTARY DISCLOSURE

2024 FIRST QUARTER UPDATE

The Board is pleased to provide a voluntary disclosure and update on selected unaudited operational data of the Group for the three months ended 31 March 2024.

AN UPDATE ON THE GROUP

During the three months ended 31 March 2024, although the macro-economic environment continues to be challenging, the Group's multi-dimensional strategies and comprehensive products portfolio, encompassing higher-priced and cost-effective dental treatments, enabled the Group to capitalise on market opportunities by capturing new customers and increase its sales volume, displaying the Group's ability to outperform its competitors throughout the economic cycle.

The global digitalisation trend 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 and Dongguan Phase 2 production facility - the Group has further improved its market positioning.

The Group's continued sales increase represents 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 three months ended 31 March 2024, the total revenue of the Group increased by approximately 6.2% (approx. HK\$837.0 million) compared with the three months ended 31 March 2023 (approx. HK\$788.2 million) and the total revenue of the Group (ex-MicroDental) increased by 9.4% (approx. HK\$690.3 million) compared with the three months ended 31 March 2023 (approx. HK\$630.9 million).

	Three months ended 31 March 2024	Three months ended 31 March 2023	Three months ended 2024 vs 2023	
	<i>HK\$'m</i>	<i>HK\$'m</i>	<i>Change in Currency</i>	<i>Original currency growth rate</i>
Europe	409.4	347.6	+1.0%	+16.6%
North America	187.4	195.2	—	-4.0%^
Greater China	164.1	173.7	-3.6%	#
Australia	61.9	61.3	-4.1%	+5.3%
Others	<u>14.2</u>	<u>10.4</u>	<u>—</u>	<u>+36.5%</u>
	<u><u>837.0</u></u>	<u><u>788.2</u></u>		

^ The increase in sales in original currency of the North America market (ex-MicroDental) was approximately 7.1% and the decrease in sales in original currency of MicroDental was approximately 6.7%.

The increase in sales in original currency of the Mainland China market was approximately 7.0% and the decrease in sales in original currency of the Hong Kong market was approximately 16.6%.

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

The double-digit increase in revenue in Europe clearly represents our outperformance in gaining market share, driven by the digitalization trend in the dental industry. During the period, the Group also experienced growth in North America (ex-Microdental) (+7.1%), Mainland China (+7.0%), Australia (+5.3%) and the Others (+36.5%) markets, reflecting our Group's competitiveness during a challenging macro-economic environment.

The decrease in sales in MicroDental, our North America domestic labs business, was affected by the weakness in demand of implant dental treatments (a discretionary option for patients) and the softness in the US economy. However, this was offset by the increase in sales of Modern Dental USA, our offshore-made products business supplied by China and Vietnam, as a result of the enhancement of competitiveness of offshore-made products following the adoption of digitalization practices.

As a result of the increase in sales volume in the Mainland China market following the full implementation of the volume-based procurement policy in the Mainland China market gradually since 2nd half 2023, our Mainland China business reported a sales growth of 7.0% in the first quarter of 2024 compared to the first quarter of 2023. This also led to aggressive promotions for dental implant treatments by Mainland China dental clinics in Hong Kong (which experienced a notable decrease in patient visits).

The increase in revenue from Australia 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.

Sales volumes (number of cases)

For the three months ended 31 March 2024, the total sales volumes of the Group increased by approximately 6.0% to approximately 531,000 cases (three months ended 31 March 2023: approximately 501,000 cases[#]) and the total sales volumes of the Group (ex-MicroDental) increased by approximately 7.8% to approximately 469,000 cases (three months ended 31 March 2023: approximately 435,000 cases).

[#] *Volume in 2023 is adjusted to align with the methodologies applied in 2024.*

For the three months ended 31 March 2024, 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 281,000 cases reflecting an increase of 63.4% for the same period in 2023 (approximately 172,000 cases) as a result of our clients' increased adoption of intra-oral scanners.

Average selling price

For the three months ended 31 March 2024, the average selling price of the Group's dental prosthetic products across its markets was HK\$1,451 per case (three months ended 31 March 2023: HK\$1,470), representing a decrease of approximately 1.3%, and the average selling price of the Group's (ex-MicroDental) dental prosthetic products across its markets was HK\$1,332 per case, remained at the same level as the same period in 2023 (three months ended 31 March 2023: HK\$1,332).

The decrease in average selling price was mainly due to the depreciation of Renminbi and Australia Dollars against Hong Kong Dollars and the decrease in price of certain dental prosthetic teeth products associated with the volume-based procurement for dental implant treatment in the Mainland China offset by the increment in price of our products and the change in product mix.

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 May 2024

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.