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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)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

During the year ended 31 December 2025, the Group's multi-dimensional strategies and continuous enhancement of operational efficiency and productivity as supported by the ongoing trend of digitalisation in the dental industry have resulted in the Group reporting record revenues, net profit and EBITDA numbers during this period. This occurred in a period of challenging macro-economic environment with general softness in demand for dental procedures and trade war uncertainties. The Group has been proactive in its approach to deal with the unprecedented international trade environment leveraging its international production facilities located in Thailand, Vietnam and Mainland China.

The global digitalization trend continues to drive consolidation within the dental prosthetics industry, enabling the Group to further expand its market share. Our ongoing digital transformation initiatives are enhancing both customer and patient experiences while improving operational efficiency, further differentiating the Group from competitors and positioning us to outperform industry peers.

The Group's underlying fundamentals remain solid, and we are well positioned to capitalise on emerging opportunities going forward.

RESULTS HIGHLIGHTS

- The Revenue for the year ended 31 December 2025 was approximately HK\$3,736,519,000 (2024: HK\$3,364,018,000), representing an increase of approximately 11.1%.
- The Gross Profit Margin for the year ended 31 December 2025 was approximately 55.8% (2024: 53.5%). Gross profit for the year ended 31 December 2025 was approximately HK\$2,084,952,000 (2024: HK\$1,798,871,000), representing an increase of approximately 15.9%.
- The Group's EBITDA for the year ended 31 December 2025 was approximately HK\$938,125,000 (2024: HK\$708,796,000), representing an increase of approximately 32.4%.
- The Group's Net Profit for the year ended 31 December 2025 were approximately HK\$601,249,000 (2024: HK\$406,943,000), representing an increase of approximately 47.7%.
- Basic earnings per share for the year ended 31 December 2025 amounted to HK63.7 cents (2024: HK43.2 cents), representing an increase of approximately 47.5%.
- The Board recommended a final dividend of HK15.0 cents per ordinary share, out of the share premium account, for the year ended 31 December 2025 (2024: HK9.2 cents). Subject to the approval of the Company's shareholders at the forthcoming annual general meeting, the final dividend will be payable on 30 June 2026 to shareholders of the Company whose names appear on the Register of Members of the Company on 10 June 2026.

Further highlights:

- For the year ended 31 December 2025, together with approximately 64,241 digital solution cases contributed from Hexa Ceram (2024: Nil), the Group's digital solution cases (overseas and domestic) that are produced from its Mainland China, Thailand and Vietnam production facilities (which, for the avoidance of doubt, does not include digital solution cases produced in the Group's non-Mainland China, non-Thailand and non-Vietnam production facilities or overseas/satellite dental laboratories) increased to approximately 1,039,188 cases reflecting an increase of 32.7% as compared with the same period in 2024 (approximately 783,100 cases[#]) as a result of our clients' increased adoption of intra-oral scanners.

[#] Volume of digital cases in 2024 is adjusted to align with the methodologies in 2025.

- The following table sets forth summary of key financial results for the six months ended 31 December 2025 and 2024:

	Six month ended		Changes
	31 December	31 December	31 December
	2025	2024	2025 vs
	(unaudited)	(unaudited)	31 December
	<i>HK\$'000</i>	<i>HK\$'000</i>	2024
			(%)
Revenue	1,901,705	1,662,187	14.4%
Gross Profit	1,079,476	884,880	22.0%
Gross Profit Margin (%)	56.8%	53.2%	3.6 points
EBITDA	481,414	333,225	44.5%
EBITDA Margin (%)	25.3%	20.0%	5.3 points
Adjusted EBITDA*	484,219	352,897	37.2%
Adjusted EBITDA Margin (%)*	25.5%	21.2%	4.3 points
Profit from Core Operations*	319,307	213,087	49.8%
Profit from Core Operations			
Margin (%)*	16.8%	12.8%	4.0 points
Net Profit	312,599	192,588	62.3%
Net Profit Margin (%)	16.4%	11.6%	4.8 points

* Non-IFRS measures.

- The following table sets forth a breakdown of the revenue generated from the aforesaid markets for the years ended 31 December 2025 and 2024:

Market	Year Ended						Original currency growth rate (%)
	2025			2024			
	Original currency	Conversion rate*	Revenue (HK\$'000)	Conversion rate*	Revenue (HK\$'000)	Change in currency change (%)	
Europe	EUR	8.808	1,886,755	8.443	1,618,436	+4.3	+11.8
North America	US\$	7.750	696,380	7.750	752,083	—	-7.4 [^]
Greater China	RMB	1.093	615,359	1.096	662,210	-0.3	#
Australia	AUD	5.026	289,132	5.148	264,752	-2.4	+11.8
Others			<u>248,893</u>		<u>66,537</u>	—	++
Total			<u><u>3,736,519</u></u>		<u><u>3,364,018</u></u>		

[^] The increase in sales in original currency of the North America market (ex-MicroDental) was approximately 1.8% and the decrease in sales in original currency of MicroDental was approximately 9.0%.

The decrease in sales in original currency of the Mainland China market was approximately 4.2% and the decrease in sales in original currency of the Hong Kong market was approximately 11.5%.

++ The increase in sales in Others was mainly due to the acquisition of Hexa Ceram, which contributed HK\$188.1 million to Others in 2025 (2024: Nil).

* The conversion rate shall not be taken as a representation that respective original currency could actually be converted into HK\$ at that rate, or at all.

The increase in revenue was largely attributable to the double-digit revenue growth in Europe and Australia and contribution from our acquisition of Hexa Ceram Company Limited (“**Hexa Ceram**”), Thailand’s largest dental laboratory, which was completed in January 2025. This was partially offset by the prolonged intense price competition in the Greater China region and softness in the North American market.

Notably, the positive sales growth was achieved in higher-margin regions such as Europe and Australia, whereas sales declined in the relatively lower-margin markets of the United States (-7.4%) and Greater China (-7.1%). This favourable geographical mix shift partly contributed to the improvement in the Group’s overall margin percentage.

FINANCIAL RESULTS

The board of directors (the “**Board**” or the “**Directors**”) of Modern Dental Group Limited (the “**Company**”) is pleased to announce the consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 December 2025, together with the comparative figures for the year ended 31 December 2024, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 DECEMBER 2025

	<i>Notes</i>	2025	2024
		<i>HK\$'000</i>	<i>HK\$'000</i>
REVENUE	3	3,736,519	3,364,018
Cost of sales		<u>(1,651,567)</u>	<u>(1,565,147)</u>
Gross profit		2,084,952	1,798,871
Other income and gains	3	53,721	29,985
Selling and distribution expenses		(482,457)	(456,191)
Administrative expenses		(852,815)	(762,143)
Other operating expenses		(9,530)	(30,573)
Finance costs	5	(34,402)	(51,651)
Share of profits/(losses) of associates		<u>33</u>	<u>(1,157)</u>
PROFIT BEFORE TAX	4	759,502	527,141
Income tax expense	6	<u>(158,253)</u>	<u>(120,198)</u>
PROFIT FOR THE YEAR		<u>601,249</u>	<u>406,943</u>
ATTRIBUTABLE TO:			
Owners of the Company		596,972	408,002
Non-controlling interests		<u>4,277</u>	<u>(1,059)</u>
		<u>601,249</u>	<u>406,943</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic	8	<u>HK63.7 cents</u>	<u>HK43.2 cents</u>
Diluted	8	<u>HK63.7 cents</u>	<u>HK43.2 cents</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
PROFIT FOR THE YEAR	<u>601,249</u>	<u>406,943</u>
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	<u>218,284</u>	<u>(127,106)</u>
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:		
Change in fair value of equity investments designated at fair value through other comprehensive income, net of tax	(2,645)	(11,651)
Actuarial loss on defined benefit obligations	<u>(676)</u>	<u>—</u>
Net other comprehensive loss that will not be reclassified to profit or loss in subsequent periods	<u>(3,321)</u>	<u>(11,651)</u>
Other comprehensive income/(loss) for the year, net of tax	<u>214,963</u>	<u>(138,757)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>816,212</u>	<u>268,186</u>
ATTRIBUTABLE TO:		
Owners of the Company	807,105	269,302
Non-controlling interests	<u>9,107</u>	<u>(1,116)</u>
	<u>816,212</u>	<u>268,186</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	<i>Notes</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment	9	804,938	755,331
Right-of-use assets		188,595	199,984
Goodwill	10	1,286,731	1,098,868
Intangible assets	11	362,850	200,431
Investments in associates		2,859	2,755
Equity investments designated at fair value through other comprehensive income		4,890	7,535
Deferred tax assets		42,313	40,459
Long term prepayments and deposits		34,219	20,911
Total non-current assets		<u>2,727,395</u>	<u>2,326,274</u>
CURRENT ASSETS			
Inventories		204,488	169,153
Trade receivables	12	698,592	613,579
Prepayments, deposits and other receivables		92,624	68,915
Due from an associate		7	—
Current tax assets		49,931	79,915
Pledged deposits		206	194
Cash and cash equivalents		767,035	816,825
Total current assets		<u>1,812,883</u>	<u>1,748,581</u>
CURRENT LIABILITIES			
Trade payables	13	85,330	65,517
Other payables and accruals	14	280,492	275,574
Due to an associate		284	154
Lease liabilities		47,362	50,915
Interest-bearing bank borrowings	15	70,882	115,910
Tax payable		75,600	70,189
Total current liabilities		<u>559,950</u>	<u>578,259</u>
NET CURRENT ASSETS		<u>1,252,933</u>	<u>1,170,322</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,980,328</u>	<u>3,496,596</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)*AS AT 31 DECEMBER 2025*

	<i>Notes</i>	2025	2024
		<i>HK\$'000</i>	<i>HK\$'000</i>
NON-CURRENT LIABILITIES			
Lease liabilities		128,501	136,151
Interest-bearing bank borrowings	15	407,363	621,241
Deferred tax liabilities		50,087	13,544
Other non-current liabilities	14	98,815	86
Total non-current liabilities		684,766	771,022
NET ASSETS		<u>3,295,562</u>	<u>2,725,574</u>
EQUITY			
Equity attributable to owners of the Company			
Share capital		72,451	73,166
Treasury shares		(39)	(7,879)
Reserves		3,216,379	2,650,581
		3,288,791	2,715,868
Non-controlling interests		6,771	9,706
TOTAL EQUITY		<u>3,295,562</u>	<u>2,725,574</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The financial statements have been prepared in accordance with IFRS Accounting Standards (which include all International Financial Reporting Standards, International Accounting Standards (“IASs”) and Interpretations) as issued by the International Accounting Standards Board (“IASB”) and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for equity investments which had been measured at fair value. The financial statements are presented in Hong Kong dollars (“HK\$”) and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2025. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

1.1 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted amendments to IAS 21 *Lack of Exchangeability* for the first time for the current year's financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted in and the functional currencies of overseas subsidiaries and associates for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the Group's financial statements.

2. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has three reportable operating segments as follows:

- (a) The fixed prosthetic devices segment is a supplier of restorative dental procedures, such as crowns, bridge and implants.
- (b) The removable prosthetic devices segment produces full dentures and partial dentures. Dentures can be further classified as dentures with metal frameworks and dentures without metal frameworks.
- (c) The “others” segment comprises, principally, orthodontic devices, sport guards and anti-snoring devices, raw materials, dental equipment (including intra-oral scanners), clear aligner and, the service of educational events and seminars rendered.

Management monitors the revenue and cost of the Group’s operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment gross profit.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

	2025			2024		
	Revenue	Cost of sales	Gross profit	Revenue	Cost of sales	Gross profit
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Fixed prosthetic devices	2,205,276	923,208	1,282,068	2,048,609	919,017	1,129,592
Removable prosthetic devices	916,025	420,339	495,686	799,010	360,685	438,325
Others	615,218	308,020	307,198	516,399	285,445	230,954
Total	3,736,519	1,651,567	2,084,952	3,364,018	1,565,147	1,798,871

Geographical information

(a) Revenue from external customers

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Europe	1,886,755	1,618,436
North America	696,380	752,083
Greater China	615,359	662,210
Australia	289,132	264,752
Others	248,893	66,537
	<hr/>	<hr/>
Total revenue	3,736,519	3,364,018
	<hr/> <hr/>	<hr/> <hr/>

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

As no revenue derived from sales to any single customer of the Group has accounted for 10% or more of the Group's total revenue during the year, no information about major customer is presented.

(b) Non-current assets

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Europe	816,586	729,078
Greater China	573,767	586,674
North America	473,880	494,257
Australia	377,024	326,415
Others	443,825	149,391
	<hr/>	<hr/>
Total non-current assets	2,685,082	2,285,815
	<hr/> <hr/>	<hr/> <hr/>

The non-current assets information above is based on the locations of the assets and excludes deferred tax assets.

3. REVENUE, OTHER INCOME AND GAINS

Revenue represents the net invoiced value of goods sold, after allowances for returns and trade discounts.

An analysis of revenue, other income and gains is as follows:

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
<u>Revenue</u>		
Sale of goods transferred at a point in time	<u>3,736,519</u>	<u>3,364,018</u>
<u>Other income</u>		
Bank interest income	4,915	9,168
Foreign exchange gains, net	23,544	—
Government subsidies*	7,365	7,584
Others	<u>17,324</u>	<u>12,943</u>
Total other income	<u>53,148</u>	<u>29,695</u>
<u>Gains</u>		
Gains on disposal of items of property, plant and equipment, net	—	128
Gains on early termination of leases, net	<u>573</u>	<u>162</u>
Total gains	<u>573</u>	<u>290</u>
Total other income and gains	<u>53,721</u>	<u>29,985</u>

* Government subsidies contain the stabilisation subsidy and special fund of self-independent innovation industry from the government. There are no unfulfilled conditions or contingencies relating to these subsidies.

- (a) The following table shows the amount of revenue recognised in the current reporting period that was included in the contract liabilities at the beginning of the reporting period:

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Sale of goods	<u>11,983</u>	<u>12,227</u>

(b) **Performance obligations**

Information about the Group's performance obligations is summarised below:

Sale of products

The performance obligation is satisfied upon delivery of the products, payment is generally due within 30 to 90 days from delivery for established customers and up to 180 days for major customers.

4. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	2025	2024
	HK\$'000	HK\$'000
Cost of inventories sold [#]	1,651,567	1,565,147
Depreciation of right-of-use assets	50,470	51,815
Depreciation of property, plant and equipment	88,831	79,934
Amortisation of intangible assets	9,835	7,423
Lease payments not included in the measurement of lease liabilities	17,341	15,202
Research and development costs ^{##}	38,952	43,564
Auditors' remuneration	13,908	11,427
Employee benefit expense (excluding directors' and chief executive's remuneration):		
Wages and salaries	1,413,189	1,331,724
Pension scheme contributions	214,289	200,524
Equity-settled share option expenses	98	—
Total	1,627,576	1,532,248
Bank interest income*	(4,915)	(9,168)
Losses/(gains) on disposal of items of property, plant and equipment, net*	699	(128)
Gains on early termination of leases, net*	(573)	(162)
Write-off of property, plant and equipment*	1,320	2,758
Allowance for impairment of trade receivables, net	8,150	3,111
Foreign exchange (gains)/losses, net*	(23,544)	26,217

[#] Cost of inventories sold includes HK\$978,403,000 (2024: HK\$949,892,000) relating to employee benefit expense, lease payments not included in the measurement of lease liabilities and depreciation, which are also included in the respective total amounts disclosed above for each of these types of expenses.

Research and development costs includes HK\$32,357,000 (2024: HK\$35,768,000) relating to employee benefit expense, lease payments not included in the measurement of lease liabilities and depreciation, which are also included in the respective total amounts disclosed above for each of these types of expenses.

* Bank interest income, gains on disposal of items of property, plant and equipment, net, gains on early termination of leases, net and foreign exchange gains, net are included in “other income and gains” in the consolidated statement of profit or loss. Losses on disposal of items of property, plant and equipment, net, write-off of property, plant and equipment, and foreign exchange losses, net are included in “other operating expenses” in the consolidated statement of profit or loss.

5. FINANCE COSTS

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interest on bank loans, overdrafts and other loans	25,090	42,107
Less: amount capitalised on qualifying assets	<u>—</u>	<u>(68)</u>
Sub-total	25,090	42,039
Interest on lease liabilities	8,875	9,277
Finance charges on bank loans	<u>437</u>	<u>335</u>
Total	<u>34,402</u>	<u>51,651</u>

6. INCOME TAX EXPENSE

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands and accordingly, is exempt from the payment of the Cayman Islands income tax.

Pursuant to the rules and regulations of the British Virgin Islands, the Group is not subject to any tax in the British Virgin Islands.

Hong Kong profits tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits arising in Hong Kong during the year except for one subsidiary of the Group which is qualifying entity under the two-tiered profits tax rates regime. The first HK\$2,000,000 (2024: HK\$2,000,000) of assessable profits of this subsidiary is taxed at 8.25% (2024: 8.25%) and the remaining assessable profits are taxed at 16.5% (2024: 16.5%).

Pursuant to the PRC Income Tax Law and the respective regulations, companies of the Group which operate in Mainland China are subject to Corporate Income Tax (“CIT”) at the rate of 25% on the taxable income for the years ended 31 December 2025 and 2024.

Certain companies of the Group which operates in Mainland China was subject to CIT at the rate of 15% as a qualified high and new technology enterprise and entitled to deduct qualifying research and development expense from taxable profit during the year ended 31 December 2025 (2024: 15%).

Pursuant to the rules and regulations of the United States, companies of the Group, except limited liability companies (“LLC”), which operate in the United States are subject to a flat rate of 21% (2024: flat rate of 21%) at the federal level, and are also subject to the statutory application state CIT. LLC are generally treated as flow-through entities, where income “flows through” to investors or owners, which are not subject to CIT.

Companies of the Group which operate in Europe are subject to income tax on their respective assessable profit at the prevailing rates in the jurisdictions in which they operate.

Pursuant to the rules and regulations of Australia, companies of the Group which operate in Australia are subject to income tax at the rate of 30% (2024: 30%) on their respective taxable income.

Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current	159,599	116,144
Deferred	(1,346)	4,054
Total tax charge for the year	<u>158,253</u>	<u>120,198</u>

7. DIVIDENDS

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interim — HK10.7 cents (2024: HK8.0 cents) per ordinary share	<u>100,029</u>	<u>75,752</u>
Proposed final — HK15.0 cents (2024: HK9.2 cents) per ordinary share	<u>140,228</u>	<u>86,855</u>

In 2025, the calculations of the interim dividend are based on 934,850,000 ordinary shares in issue. The calculation of proposed final dividend is based on 934,850,000 ordinary shares in issue.

In 2024, the calculations of the interim dividend are based on 946,898,000 ordinary shares in issue. The calculation of proposed final dividend is based on 944,077,000 ordinary shares in issue.

On 26 March 2026, the Board recommended a final dividend of HK15.0 cents per ordinary share for the year ended 31 December 2025. The proposed final dividend for the year ended 31 December 2025 is subject to the approval by the shareholders of the Company at the forthcoming annual general meeting.

8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares of 936,843,344 (2024: 945,134,378) outstanding during the year, as adjusted to reflect the number of shares of 498,045 (2024: 2,398,045) held as treasury shares.

The calculation of the diluted earnings per share amounts for the years ended 31 December 2025 is based on the profit for the year attributable to ordinary equity holders of the Company. The weighted average number of ordinary shares outstanding during the year, as used in the calculation, is the total of (i) the number of ordinary shares used in the basic earnings per share calculation, and (ii) the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

The Group had no potential dilutive ordinary shares outstanding during the year ended 31 December 2024.

The calculations of basic and diluted earnings per share are based on:

	2025	2024
	HK\$'000	HK\$'000
<u>Earnings</u>		
Profit attributable to ordinary equity holders of the Company, used in the basic and diluted earnings per share calculation	596,972	408,002
	<u> </u>	<u> </u>
	Number of shares	
	2025	2024
<u>Shares</u>		
Weighted average number of ordinary shares outstanding during the year used in the basic earnings per share calculation	936,843,344	945,134,378
Effect of dilution – weighted average number of ordinary shares:		
Share options	82,286	—
	<u> </u>	<u> </u>
Total	936,925,630	945,134,378
	<u> </u>	<u> </u>

9. PROPERTY, PLANT AND EQUIPMENT

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Carrying amount at 1 January	755,331	727,424
Additions	68,053	139,845
Acquisition of subsidiaries (note 16)	50,017	—
Disposals	(5,450)	(7,896)
Write-off	(1,320)	(2,758)
Depreciation provided during the year	(88,831)	(79,934)
Exchange realignment	27,138	(21,350)
	<u>804,938</u>	<u>755,331</u>
Carrying amount at 31 December	<u>804,938</u>	<u>755,331</u>

10. GOODWILL

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Carrying amount at 1 January	1,098,868	1,159,640
Acquisition of subsidiaries (note 16)	87,276	—
Exchange realignment	100,587	(60,772)
	<u>1,286,731</u>	<u>1,098,868</u>
Carrying amount at 31 December	<u>1,286,731</u>	<u>1,098,868</u>

11. INTANGIBLE ASSETS

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Carrying amount at 1 January	200,431	214,582
Addition	3,928	2,048
Acquisition of subsidiaries (note 16)	145,779	—
Amortisation provided during the year	(9,835)	(7,423)
Exchange realignment	22,547	(8,776)
	<u>362,850</u>	<u>200,431</u>

12. TRADE RECEIVABLES

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Within 1 month	349,846	266,117
1 to 2 months	92,976	100,536
2 to 3 months	54,669	53,100
3 months to 1 year	152,820	153,113
Over 1 year	48,281	40,713
	<u>698,592</u>	<u>613,579</u>

The Group normally allows credit terms of 30 to 90 days to established customers, and extends credit terms up to 180 days for major customers. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

13. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Within 1 month	56,080	35,443
1 to 2 months	15,018	21,736
2 to 3 months	9,869	3,653
Over 3 months	4,363	4,685
Total	<u>85,330</u>	<u>65,517</u>

The trade payables are unsecured, non-interest-bearing and are normally repayable within one to three months or on demand. The carrying amounts of trade payables approximate to their fair values due to their relatively short maturity terms.

14. OTHER PAYABLES AND ACCRUALS

		2025	2024
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Current			
Accruals		196,777	194,397
Other payables		55,475	55,483
Contract liabilities		21,760	11,983
Deferred revenue		6,186	5,617
Consideration payable		294	294
Due to a non-controlling shareholder	(a)	—	4,800
Due to a related party		—	3,000
		<u>280,492</u>	<u>275,574</u>
Other non-current liabilities			
Put option liabilities	16	82,099	—
Due to a non-controlling shareholder	(a)	4,800	—
Deferred revenue		91	86
Defined benefit obligations		10,515	—
Others		1,310	—
		<u>98,815</u>	<u>86</u>

Notes:

- a. The balance is unsecured, non-interest bearing and repayable in 1 to 2 years (2024: within 1 year).

15. INTEREST-BEARING BANK BORROWINGS

	Effective/ contractual interest rate (%)	2025		Effective/ contractual interest rate (%)	2024	
		Maturity	HK\$'000		Maturity	HK\$'000
Current						
Current portion of long term bank loans – secured	Hong Kong Interbank Offered Rate ("HIBOR") +0.65 to HIBOR+0.72 2% to 4.75%			HIBOR +0.725 to HIBOR+0.80		
		2026	62,815		2025	115,910
		2026	8,067			—
Total current			<u>70,882</u>			<u>115,910</u>
Non-current						
Long term bank loans – secured	HIBOR +0.65 to HIBOR+0.72 2% to 4.75%			HIBOR +0.725 to HIBOR+0.80		
		2027-2030	402,962		2026-2029	621,241
		2027-2030	4,401			—
Total non-current			<u>407,363</u>			<u>621,241</u>
Total			<u><u>478,245</u></u>			<u><u>737,151</u></u>

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Analysed into:		
Within one year or on demand	70,882	115,910
In the second year	80,871	198,938
In the third to fifth years, inclusive	326,492	422,303
Total	<u>478,245</u>	<u>737,151</u>

Notes:

- (a) As at 31 December 2025, certain of the Group's bank loans are secured by:
- i) mortgages over the Group's Land and building situated in Thailand, which had an aggregate net carrying value at the end of the reporting period of approximately HK\$7,003,000;
 - ii) mortgages over the Group's plant and machinery, which had a net carrying value at the end of the reporting period of approximately HK\$7,170,000; and
 - iii) guarantee by Thai Credit Guarantee Corporation and a director of the Group's subsidiary.

Saved as disclosed above, all other bank borrowings are secured by the corporate guarantees of the Company and certain of its subsidiaries.

As at 31 December 2024, all bank borrowings are secured by the corporate guarantees of the Company and certain of its subsidiaries.

- (b) As at 31 December 2025, the Group's bank borrowings are denominated in HK\$ and Thai Baht amounted to approximately HK\$465,777,000 and HK\$12,468,000, respectively.

As at 31 December 2024, all the Group's bank borrowings are denominated in HK\$.

16. BUSINESS COMBINATIONS

ACQUISITION OF HEXA CERAM COMPANY LIMITED (“HEXA CERAM”)

On 21 November 2024, Modern Dental Asia Pacific Limited (the “**Purchaser**”) (an indirect wholly-owned subsidiary of the Company), Acheval Holdings Limited (“**Vendor A**”) (the legal and beneficial owner of 52,500 shares in Hexa Ceram as at 21 November 2024), Mr. Anucha Meekiatchaikun (“**Mr. Meekiatchaikun**”) (as warrantor) and the Company (as guarantor) entered into the sale and purchase agreement A, pursuant to which, amongst others, the Purchaser has conditionally agreed to purchase, and Vendor A has conditionally agreed to sell 52,500 shares in Hexa Ceram, representing 25% of the registered capital of Hexa Ceram, at a total consideration of 326,216,000 Thai Baht (THB).

On 21 November 2024, the Purchaser, Hexa Europe B.V. (“**Vendor B**”) (the legal and beneficial owner of 102,900 shares in the Hexa Ceram as at 21 November 2024) and the Company (as guarantor) entered into the sale and purchase agreement B, pursuant to which, amongst others, the Purchaser has conditionally agreed to purchase, and Vendor B has conditionally agreed to sell 102,900 shares in Hexa Ceram, representing 49% of the registered capital of Hexa Ceram, at a total consideration of THB612,743,000. The acquisition was completed in January 2025.

In connection with the acquisitions of shares, concurrent with the signing of the sale and purchase agreements on 21 November 2024, the Purchaser (as option holder), Mr. Meekiatchaikun (as grantor) and the Company (as guarantor) have also entered into the option agreement, pursuant to which (i) Mr. Meekiatchaikun has granted the call option to the Purchaser for it (and/or its designated person) to purchase some or all of the shares in Hexa Ceram held by Mr. Meekiatchaikun, being 54,600 shares as at 21 November 2024 (the “**Option Shares**”); and (ii) the Purchaser has granted the put option to Mr. Meekiatchaikun to require the Purchaser (and/or its designated person) to purchase some or all of the Option Shares held by Mr. Meekiatchaikun. The present value of a put option liability of approximately HK\$71,442,000 has been recognised in the consolidated statement of financial position within other payables and accruals. For further information of the option agreement, please refer to the announcements of the Company dated 21 November 2024.

The Acquisitions will enable the Group to integrate an established sales and distribution network in Thailand, providing it with access to the Target Company’s extensive customer base, which would enable the Group to further expand and complement its product-offering, distribution and sales networks.

The Group has elected to measure the non-controlling interest in Hexa Ceram at the non-controlling interest’s proportionate share of Hexa Ceram’s identifiable net assets.

The fair values of the identifiable assets and liabilities of Hexa Ceram as at the date of acquisition were as follows:

	Notes	Fair value recognized on acquisition <i>HK\$'000</i>
Property, plant and equipment	9	49,833
Right-of-use assets		5,091
Intangible assets	11	126,597
Other non-current assets		2,786
Inventories		19,039
Trade receivables		40,594
Prepayments, deposits and other receivables		963
Cash and cash equivalents		20,404
Trade payables		(4,815)
Other payables and accruals		(18,410)
Tax payables		(127)
Lease liabilities		(5,074)
Interest-bearing bank borrowings		(12,938)
Deferred tax liabilities		(30,226)
Other non-current liabilities		<u>(9,001)</u>
Total identifiable net assets at fair value		184,716
Non-controlling interests		(48,026)
Goodwill on acquisition	10	<u>79,803</u>
		<u>216,493</u>
Satisfied by:		
Cash		<u><u>216,493</u></u>

The fair value of the trade receivables as at the date of acquisition amounted to HK\$40,594,000. The gross contractual amounts of trade receivables were HK\$42,156,000, of which trade receivables of HK\$1,562,000 is expected to be uncollectible.

The Group incurred transaction costs of HK\$12,852,000 for this acquisition. These transaction costs had been expensed and were included in administrative expenses in the consolidated statement of profit or loss.

The Group measured the acquired lease liabilities using the present value of the remaining lease payments at the date of acquisition. The right-of-use assets were measured at an amount equal to the lease liabilities and adjusted to reflect the favourable terms of the leases relative to market terms.

Included in the goodwill of HK\$79,803,000 recognised above are mainly distribution channel, assembled workforce, know-how, etc., which are not recognised separately. They are not separable and therefore they do not meet the criteria for recognition as intangible assets under IAS 38 *Intangible Assets*. None of the goodwill recognised is expected to be deductible for income tax purposes.

An analysis of the cash flows in respect of the acquisition of Hexa Ceram is as follows:

	<i>HK\$'000</i>
Cash consideration paid in the year ended 31 December 2025	(216,493)
Cash and bank balances acquired	<u>20,404</u>
Net outflow of cash and cash equivalents included in cash flows from investing activities in 31 December 2025	(196,089)
Transaction costs of the acquisition included in cash flows from operating activities in 31 December 2024	(12,567)
Transaction costs of the acquisition included in cash flows from operating activities in 31 December 2025	<u>(285)</u>
Total net cash outflows	<u><u>(208,941)</u></u>

Since the acquisition, Hexa Ceram contributed HK\$215,808,000 to the Group's turnover and profit of HK\$24,783,000, including amortization of intangible assets recognized in the business combination of HK\$2,997,000, to the consolidated profit for the year ended 31 December 2025.

Had the combination taken place at the beginning of the year ended 31 December 2025, the revenue and the profit of the Group for the year ended 31 December 2025 would have been HK\$3,736,519,000 and HK\$601,249,000, respectively.

ACQUISITION OF DIGITAL SLEEP DESIGN PTY LIMITED (“DIGITAL SLEEP”)

On 28 February 2025, MDP Pty Limited, an indirect wholly owned subsidiary of the Company, entered into a sale and purchase agreement with independent third parties (“**Sellers**”) to acquire 55% equity interest of Digital Sleep Design Pty Limited (“**Digital Sleep**”) at cash consideration of AUD\$3,154,000. The acquisition was completed on 28 February 2025. The acquisition will provide the Group with advance technology in anti-snoring devices to further expand the Group's product offering and services to its existing clients.

In connection with the acquisitions of shares, concurrent with the signing of the sale and purchase agreements on 28 February 2025, MDP Pty Limited and the Sellers have also entered into a shareholder agreement, pursuant to which (i) Sellers have granted the call option to MDP Pty Limited for it to purchase some or all of the shares in Digital Sleep held by Sellers, and (ii) MDP Pty Limited has granted the put option to Sellers to require MDP Pty Limited to purchase some or all of the Option Shares held by the Sellers. The present value of a put option liability of approximately HK\$10,657,000 has been recognised in the consolidated statement of financial position with other payables and accruals.

The Group has elected to measure the non-controlling interest in Digital Sleep at the non-controlling interest's proportionate share of Digital Sleep's identifiable net assets.

The fair values of the identifiable assets and liabilities of Digital Sleep as at the date of acquisition were as follows:

	Notes	Fair value recognized on acquisition <i>HK\$'000</i>
Property, plant and equipment	9	184
Intangible assets	11	19,182
Trade receivables		2,461
Cash and cash equivalents		587
Trade payables		(1,439)
Other payables and accruals		(824)
Deferred tax liabilities		<u>(5,755)</u>
Total identifiable net assets at fair value		14,396
Non-controlling interest		(6,478)
Goodwill on acquisition	10	<u>7,473</u>
		<u>15,391</u>
Satisfied by:		
Cash		<u><u>15,391</u></u>

The fair value of the trade receivables as at the date of acquisition amounted to HK\$2,461,000. The gross contractual amounts of trade receivables were HK\$2,461,000, none of which is expected to be uncollectible.

The Group incurred transaction costs of HK\$565,000 for this acquisition. These transaction costs had been expensed and were included in administrative expenses in the consolidated statement of profit or loss.

Included in the goodwill of HK\$7,473,000 recognised above are mainly distribution channel, assembled workforce, know-how, etc., which are not recognised separately. They are not separable and therefore they do not meet the criteria for recognition as intangible assets under IAS 38 *Intangible Assets*. None of the goodwill recognised is expected to be deductible for income tax purposes.

An analysis of the cash flows in respect of the acquisition of Digital Sleep is as follows:

	<i>HK\$'000</i>
Cash consideration paid in the year ended 31 December 2025	(15,391)
Cash and bank balances acquired	<u>587</u>
Net outflow of cash and cash equivalents included in cash flows from investing activities in 31 December 2025	(14,804)
Transaction costs of the acquisition included in cash flows from operating activities in 31 December 2025	<u>(565)</u>
Total net cash outflows	<u><u>(15,369)</u></u>

Since the acquisition, Digital Sleep contributed HK\$21,237,000 to the Group's turnover and profit of HK\$3,311,000, including amortization of intangible assets recognized in the business combination of HK\$524,000, to the consolidated profit for the year ended 31 December 2025.

Had the combination taken place at the beginning of the year ended 31 December 2025, the revenue and the profit of the Group for the year ended 31 December 2025 would have been HK\$3,740,196,000 and HK\$601,931,000, respectively.

17. EVENTS AFTER THE REPORTING PERIOD

The Group does not have other significant event as at the date of this Announcement.

MANAGEMENT DISCUSSION AND ANALYSIS

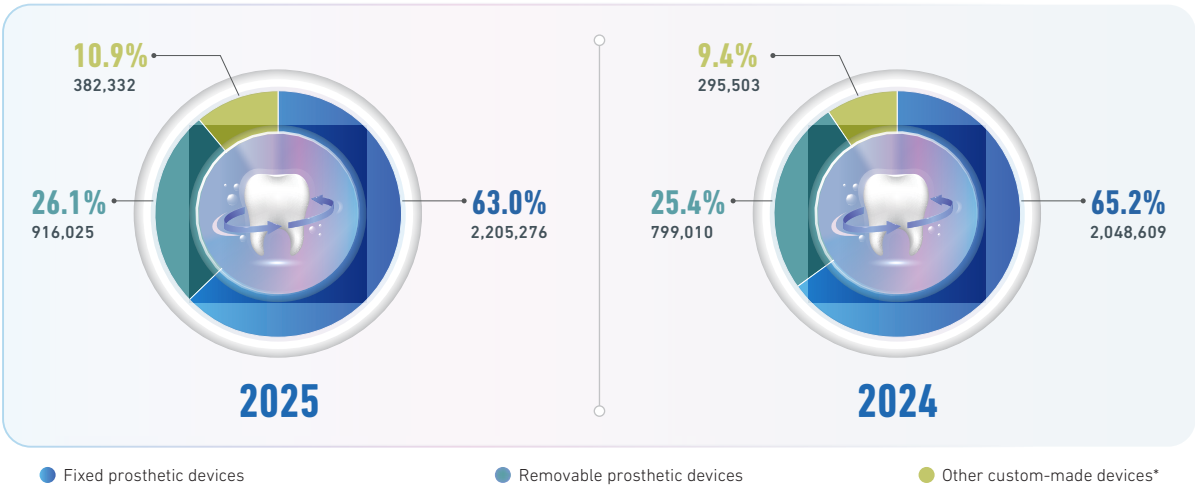
BUSINESS REVIEW

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. Our product portfolio is broadly categorised into three product lines: (i) fixed prosthetic devices such as crowns and bridges; (ii) removable prosthetic devices such as removable dentures; and (iii) others such as orthodontic devices, sports guards and anti-snoring devices, raw materials, dental equipment (including intra-oral scanners), clear aligners and the services of educational events and seminars rendered. Included in “others” segment, the sales of TrioClear (our own clear aligner) is approximately HK\$59,733,000 (2024: HK\$47,587,000).

Product Category

The figures below set forth the breakdown of revenue of custom-made products (in thousand Hong Kong dollars and percentage) by product category for the years ended 31 December 2025 and 2024 respectively:

**Breakdown of revenue of custom-made products
(HK\$'000 and %)**



* Raw materials revenue, dental equipment revenue, clear aligner revenue and the service revenue are subtracted from the Group’s revenue.

Fixed Prosthetic Devices

Our fixed prosthetic devices, including crowns and bridges, are used for restorative dental procedures. Crowns are fixed replacements for a single tooth while bridge treatments permanently replace several adjacent teeth.

During the year ended 31 December 2025, fixed prosthetic devices business segment recorded a revenue of approximately HK\$2,205,276,000, representing an increase of approximately HK\$156,667,000 as compared with the year ended 31 December 2024. This business segment accounted for approximately 63.0% of the Group's revenue of custom-made products as compared with approximately 65.2% in the year ended 31 December 2024.

Removable Prosthetic Devices

Our removable prosthetic devices primarily comprise dentures. As prostheses are used to replace natural teeth, they must provide functional biting and chewing surfaces and must also appear and feel natural.

During the year ended 31 December 2025, removable prosthetic devices business segment recorded a revenue of approximately HK\$916,025,000, representing an increase of approximately HK\$117,015,000 as compared with the year ended 31 December 2024. This business segment accounted for approximately 26.1% of the Group's revenue of custom-made products as compared with approximately 25.4% in the year ended 31 December 2024.

Other custom-made Devices

Other custom-made devices include orthodontic devices, anti-snoring devices, and sports guards.

During the year ended 31 December 2025, other custom-made devices business segment recorded a revenue of approximately HK\$382,332,000, representing an increase of approximately HK\$86,829,000 as compared with the year ended 31 December 2024. This business segment accounted for approximately 10.9% of the Group's revenue of custom-made products as compared with approximately 9.4% in the year ended 31 December 2024.

Others

Others include raw materials, dental equipment (including intra-oral scanners), clear aligners and the services of educational events and seminars rendered.

During the year ended 31 December 2025, others recorded a revenue of approximately HK\$232,886,000, representing an increase of approximately HK\$11,990,000 as compared with the year ended 31 December 2024.

Product Category

The following table sets forth the breakdown of sales volume, revenue, and average selling price (“ASP”) by product category for the years ended 31 December 2025 and 2024 respectively:

	Year ended 31 December					
	2025			2024		
	Sales			Sales		
	Volume	Revenue	ASP	Volume	Revenue	ASP
	<i>(number</i>		<i>(HK\$</i>	<i>(number</i>		<i>(HK\$</i>
	<i>of cases)</i>	<i>(HK\$'000)</i>	<i>per case)</i>	<i>of cases)</i>	<i>(HK\$'000)</i>	<i>per case)</i>
Product category						
Fixed prosthetic devices	1,309,530	2,205,276	1,684	1,147,326	2,048,609	1,786
Removable prosthetic devices	844,068	916,025	1,085	581,376	799,010	1,374
Other custom-made devices	697,485	382,332	548	449,871	295,503	657
Subtotal	2,851,083	3,503,633	1,229	2,178,573	3,143,122	1,443
Others*	N/A	232,886	N/A	N/A	220,896	N/A
Total		3,736,519			3,364,018	

* Others include revenue from raw materials, dental equipment (including intra-oral scanners), clear aligners and the service of educational events and services rendered.

Sales volume and average selling price

For the year ended 31 December 2025, the sales volume and ASP of the Group's products across its markets were 2,851,083 cases (2024: 2,178,573 cases) and HK\$1,229 per case (2024: HK\$1,443 per case), representing an increase of 30.9% and a decrease of 14.8%, respectively, due to the acquisition of Hexa Ceram with lower ASP in Thailand market.

Excluding the contribution by Hexa Ceram, the sales volume and ASP of the Group's products across its markets were 2,231,934 cases (2024: 2,178,573 cases) and HK\$1,479 per case (2024: HK\$1,443 per case), representing an increase of 2.4% and 2.5%, respectively.

The slight increase in ASP (Ex-Hexa Ceram) in HK\$ was mainly due to the annual raise in product price in overseas countries and the change in product mix offset by the decrease in price for certain products related to the dental implant treatment in Mainland China market as a result of the implementation of the volume-based procurement policies for dental implant treatment.

The increase in volume was mainly due to increase in sales volume and market share, as accelerated by the digitalisation trend in dental industry.

For the year ended 31 December 2025, together with approximately 64,241 digital solution cases contributed from Hexa Ceram (2024: Nil), the Group's digital solution cases (overseas and domestic) that are produced from its Mainland China, Thailand and Vietnam production facilities (which, for the avoidance of doubt, does not include digital solution cases produced in the Group's non-Mainland China, non-Thailand and non-Vietnam production facilities or overseas/satellite dental laboratories) increased to approximately 1,039,188 cases, reflecting an increase of 32.7% as compared with the same period in 2024 (approximately 783,100 cases[#]) as a result of our clients' increased adoption of intra-oral scanners.

[#] Volume of digital cases in 2024 is adjusted to align with the methodologies in 2025.

Geographic Market

By leveraging on our sales and distribution network, we achieved a leading position in the dental prosthetics industry across Europe, North America, Greater China, Australia, and other countries. The following table sets forth a breakdown of the revenue generated from the aforesaid markets for the years ended 31 December 2025 and 2024 respectively:

Market	Year ended 31 December						
	2025			2024			Original currency growth rate (%)
	Original currency	Conversion rate *	Revenue (HK\$'000)	Conversion rate *	Revenue (HK\$'000)	Change in currency (%)	
		(Original currency per HK\$)					(Original currency per HK\$)
Europe	EUR	8.808	1,886,755	8.443	1,618,436	+4.3	11.8
North America	US\$	7.750	696,380	7.750	752,083	—	-7.4 [^]
Greater China	RMB	1.093	615,359	1.096	662,210	-0.3	#
Australia	AUD	5.026	289,132	5.148	264,752	-2.4	11.8
Others			248,893		66,537		++
Total			<u>3,736,519</u>		<u>3,364,018</u>		

[^] The increase in sales in original currency of the North America market (ex-MicroDental) was approximately 1.8% and the decrease in sales in original currency of MicroDental was approximately 9.0%.

The decrease in sales in original currency of the Mainland China market was approximately 4.2% and the decrease in sales in original currency of the Hong Kong market was approximately 11.5%.

++ The increase in sales in Others was mainly due to the acquisition of Hexa Ceram, which contributed HK\$188.1 million to Others for the year ended 31 December 2025 (2024: Nil).

* The conversion rate shall not be taken as a representation that respective original currency could actually be converted into HK\$ at that rate, or at all.

Europe

The revenue generated from sales in the European markets, including France, Germany, the Netherlands, Belgium, Denmark, Sweden, Norway, Spain, the United Kingdom and other European countries, accounted for the largest portion of our revenue for the year ended 31 December 2025.

The Group has been the frontrunner to provide comprehensive digital solutions offerings, ranging from numerous minimal invasive and aesthetic prosthetic solutions to intra-oral scanners and clear aligners, and is well positioned to capture the opportunities arising from the accelerated digitalisation trend of the dental industry. The Group continues to aggressively gain market share from international and domestic competitors through our established dental ecosystem solutions with a focus on education and digitalisation, which are available within close proximity to our clients; effectively meeting our clients' high expectations through our various onshore and offshore resources. The Group is committed and will continue to equip ourselves to provide the state-of-the-art digital solutions offering to the dental community in the market.

During the year ended 31 December 2025, the European market recorded a revenue of approximately HK\$1,886,775,000, representing an increase of approximately HK\$268,319,000 as compared with the year ended 31 December 2024. This geographic market accounted for 50.5% of the Group's total revenue as compared with approximately 48.1% for the year ended 31 December 2024. The increase of revenue from the European market was attributable to the increase in sales order volume driven by the launch of new products, such as digital dentures, and our state-of-the-art digital workflows.

North America

The revenue generated from sales in the North American market, including the United States and Canada, represented the second largest portion of our revenue for the year ended 31 December 2025.

During the year ended 31 December 2025, the North American market recorded a revenue of approximately HK\$696,380,000, representing a decrease of approximately HK\$55,703,000 as compared with the year ended 31 December 2024. This geographic market accounted for approximately 18.6% of the Group's total revenue as compared with approximately 22.3% in the year ended 31 December 2024.

A significant portion of our business in the North America region comprises higher-end products manufactured domestically by MicroDental Laboratories, Inc. and its subsidiaries (“**MicroDental Group**”). While demand for discretionary cosmetic treatments remained soft throughout 2025, our centralized digital workflows and network-wide production oversight enabled us to deliver enhanced service quality and operational efficiencies to our North American customers.

Our diversified supply bases in the US, China, Vietnam and Thailand continue to provide greater flexibility to navigate US tariff uncertainties — an advantage that sets us apart from competitors. Although digitalisation of imported product lines drove growth in mass market cases, implementation of the US tariff in April 2025 introduced new uncertainties and contributed to a slow growth in sales for our import-focused business unit.

Greater China

Our Greater China market comprises Mainland China, Hong Kong and Macau. The revenue generated from sales in the Greater China market accounted for the third largest portion of our revenue for the year ended 31 December 2025.

The Group is optimistic in its mid/long-term outlook for this market in particular where the latest procurement-related government measures are expected to (i) standardise the pricing of dental prosthetics and develop price transparency, which would level the playing field; (ii) allow the Group's leading brand name and reputation to be a key consideration for its client and customer; and (iii) have the Group benefit from its large production team and its ability to allocate resources efficiently according to the customer or client.

Hong Kong is a market that continues to be dominated by us, as we seek to further reinforce our position by operating an in-house laboratory in Hong Kong's only dental postgraduate training facility under The University of Hong Kong. The Group is committed to support the development of the dental community in the region for long-term by (i) increasing promotions of our latest state-of-the-art innovative solutions and products offering; (ii) continuing to expand the depth and width of our products portfolios offering, such as adding mid-end products; and (iii) increasing the level of support and cooperation with the dental school of The University of Hong Kong.

For the year ended 31 December 2025, the Greater China market recorded a revenue of approximately HK\$615,359,000, representing a decrease of approximately HK\$46,851,000 as compared with the year ended 31 December 2024. This geographic market accounted for approximately 16.5% of the Group's total revenue as compared with approximately 19.7% in the year ended 31 December 2024. The Mainland China market faced headwinds from the volume-based procurement policies and a prolonged period of intense price competition and the situation started to stabilize in the 2nd half of 2025. 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 in Hong Kong). The Group's has deliberately pivoted away from low-margin segments and stay focused on serving mid- and high-value customers, ensuring long-term sustainable profitability of the Group's business.

Australia

The Australian market includes both Australia and New Zealand. Through our various brands, which offer onshore-and offshore-made products, at multiple price points ranging from economy and standard to premium/boutique, the Group is able to effectively penetrate the entire Australian market. We have invested in local production capacity to provide faster service to our customers, and to provide choices around where the products are made. The Group is one of the largest players in the Australian market and is a preferred supplier to the major corporate dental groups in the market.

For the year ended 31 December 2025, the Australian market recorded a revenue of approximately HK\$289,132,000, representing an increase of approximately HK\$24,380,000 as compared with the year ended 31 December 2024. This geographic market accounted for approximately 7.7% of the Group's total revenue as compared with approximately 7.9% in the year ended 31 December 2024. The increase in revenue from Australia reflected a strong uptake of new digital products driven by the digitalisation trend in dental industry and the revenue contribution from the acquisition of Digital Sleep which is partially offset by the depreciation of AUD against HK\$ by 2.4% compared with the year ended 31 December 2024.

Others

Other markets primarily include Thailand, Indian Ocean countries, Malaysia, Taiwan and Singapore. For the year ended 31 December 2025, these markets recorded a revenue of approximately HK\$248,893,000, representing an increase of approximately HK\$182,356,000 as compared with the year ended 31 December 2024. This geographic market accounted for approximately 6.7% of the Group's total revenue as compared with approximately 2.0% last year. The increase in revenue from Other markets was primarily driven by the revenue contribution from the newly acquired Hexa Ceram.

FUTURE PROSPECTS AND STRATEGIES

The global macroeconomic environment remains uncertain, with geopolitical tensions and potential tariff changes continuing to create headwinds. However, the Group's geographically diversified production footprint and global distribution network position us strongly to navigate these challenges. Unlike many competitors reliant on single-country manufacturing, our operations across China, Vietnam and Thailand (including the newly acquired Hexa Ceram) provide superior resilience and flexibility. This strategy, combined with our ability to adapt quickly to local market conditions, enables the Group to mitigate risks and capitalise on opportunities across regions.

The dental industry has continued to demonstrate remarkable resilience, underpinned by irreversible demographic trends, including aging populations and increasing awareness of oral health, which drive consistent long-term demand. Building on our record 2025 performance, the Group is well placed to sustain momentum and further strengthen its market leadership.

Digitalisation remains an irreversible industry trend that is accelerating consolidation of the dental prosthetics industry. We are at the forefront of this transformation, with digital solution cases now representing approximately 35–40% of total volume. Our centralized digital workflows, intra-oral scanner partnerships, proprietary solutions and global education centers have enhanced operational efficiency, reduced turnaround times and delivers superior customer experiences. These initiatives create high entry barriers and will continue to drive margin expansion and market share gains in the coming years.

Following the successful integration of Hexa Ceram (Thailand's largest dental laboratory, acquired in January 2025) and Digital Sleep Design (Proprietary nylon oral appliance to treat obstructive sleep apnea), our Southeast Asian presence and specialised capabilities have been significantly strengthened. This expansion, coupled with our diversified supply bases in the US, China, Vietnam, and Thailand, provides enhanced flexibility to address potential trade and geopolitical risks while supporting faster regional delivery.

Looking ahead, the Group remains committed to reinforcing its worldwide leading position through a multi-dimensional approach. We will continue to pursue selective acquisitions, joint ventures and partnerships to expand and complement our product offerings, particularly in our high-growth clear aligner, Trioclear, while strengthening our distribution and sales networks. Ongoing investments in mass-scale production facilities, AI, automation, research and development, and digital innovation will drive efficiency gains and secure our position at the forefront of the industry.

With the Board's extensive experience and prudent governance, the Group is well positioned to seize new business opportunities while remaining strict financial discipline to safeguard Shareholders' interests.

The Board expresses its sincere gratitude to our dedicated employees, loyal customers, suppliers, and business partners for their unwavering commitment. Their collective efforts have been instrumental in delivering another year of record results and will continue to support the Group's long-term success.

FINANCIAL REVIEW

Revenue

For the year ended 31 December 2025, the revenue of the Group amounted to approximately HK\$3,736,519,000, representing an increase of approximately 11.1% as compared with approximately HK\$3,364,018,000 for the year ended 31 December 2024. The increase was largely attributable to the continued organic growth of the Group (mainly in Europe and Australia regions) and accelerated by our acquisition of Hexa Ceram Company Limited (“**Hexa Ceram**”), Thailand’s largest dental laboratory, which was completed in January 2025. This was partially offset by the prolonged intense price competition in the Greater China region and softness in North American demand amid the US tariff pressures.

Gross Profit and Gross Profit Margin

The gross profit for the year ended 31 December 2025 was approximately HK\$2,084,952,000, which was approximately 15.9% higher than that of last year. The increase in the gross profit margin of approximately 2.3 percentage points compared with the year ended 31 December 2024 was mainly attributable to (i) continuous enhancement of operational efficiency and productivity — supported by the accelerating digitalisation trend in the dental industry and China’s low inflation environment; (ii) favourable foreign currency movements (mainly the appreciation of Euro against RMB since April 2025); and (iii) a favourable geographical sales mix shift. The Group recorded strong revenue growth of 15.5% in the higher-margin regions of Europe and Australia, while sales declined in the relatively lower-margin markets of the United States (-7.4%) and Greater China (-7.1%). This was partially offset by the lower gross profit margin of sales contribution from newly acquired Hexa Ceram since January 2025.

The gross profit margins of Fixed Prosthetic Devices business segment, Removable Prosthetic Devices business segment and Others business segment were approximately 58.1%, 54.1% and 49.9% respectively. The following table sets forth the breakdown of our gross profit and gross margin by product category.

<u>Product category</u>	Year ended 31 December			
	2025		2024	
	Gross profit <i>HK\$'000</i>	Gross margin <i>(%)</i>	Gross profit <i>HK\$'000</i>	Gross margin <i>(%)</i>
Fixed prosthetic devices	1,282,068	58.1	1,129,592	55.1
Removable prosthetic devices	495,686	54.1	438,325	54.9
Others	307,198	49.9	230,954	44.7
Total	<u>2,084,952</u>		<u>1,798,871</u>	

Selling and Distribution Expenses

The selling and distribution expenses increased by approximately 5.8% from approximately HK\$456,191,000 for the year ended 31 December 2024 to approximately HK\$482,457,000 for the year ended 31 December 2025, accounting for approximately 12.9% of the Group's revenue, as compared with approximately 13.6% for last year. The increase in the selling and distribution expenses was mainly due to the increase in selling and distribution expenses following the acquisition of Hexa Ceram.

Administrative Expenses

The administrative expenses increased by approximately 11.9% to approximately HK\$852,815,000 for the year ended 31 December 2025 from approximately HK\$762,143,000 for the year ended 31 December 2024, accounting for approximately 22.8% of the Group's revenue, as compared with approximately 22.7% for last year. The increase in the administrative expenses was primarily attributable to (i) the increase in labour costs due to increase in number of headcount and (ii) the acquisition of Hexa Ceram.

Other Operating Expenses

The other operating expenses decreased by approximately 68.8% from approximately HK\$30,573,000 for the year ended 31 December 2024 to approximately HK\$9,530,000 for the year ended 31 December 2025, accounting for 0.3% of the Group's revenue, as compared with 0.9% for the year ended 31 December 2024. Other operating expenses mainly represented (i) write-off of property, plant and equipment of approximately HK\$1,320,000 (2024: HK\$2,758,000); and (ii) exchange losses, net, incurred of approximately Nil (2024: HK\$26,217,000).

Finance Costs

The finance costs decreased by approximately 33.4% from approximately HK\$51,651,000 for the year ended 31 December 2024 to approximately HK\$34,402,000 for the year ended 31 December 2025, accounting for approximately 0.9% of the Group's revenue, as compared with approximately 1.5% for the corresponding period in 2024. The decrease in finance costs were mainly due to the decrease in the interest rate (i.e. HIBOR) and the bank loans balance when compared with the year ended 31 December 2024.

Income Tax Expense

Income tax expense increased by approximately 31.7% from approximately HK\$120,198,000 for the year ended 31 December 2024 to approximately HK\$158,253,000 for the year ended 31 December 2025.

Profit for the Year and Profit Attributable to Owners of the Company

Profit for the year increased by approximately 47.7% from approximately HK\$406,943,000 for the year ended 31 December 2024 to approximately HK\$601,249,000 for the year ended 31 December 2025.

Profit attributable to owners of the Company for the year ended 31 December 2025 amounted to approximately HK\$596,972,000, representing an increase of approximately HK\$188,970,000, or approximately 46.3%, as compared with approximately HK\$408,002,000 for the year ended 31 December 2024.

The increase in profit and profit attributable to owners of the Company was predominately due to (i) the continuous enhancement of operational efficiency and productivity — supported by the accelerating digitalisation trend in the dental industry and China's low inflation environment; (ii) favourable foreign currency movements (mainly the appreciation of Euro against RMB since April 2025); (iii) a favourable geographical sales mix shift, with strong revenue growth of 15.5% in the higher-margin regions of Europe and Australia while sales declined in the relatively lower-margin markets of the United States (-7.4%) and Greater China (-7.1%); and (iv) the profit contributions from acquisitions of Hexa Ceram and Digital Sleep.

Non-IFRS Measures

To supplement our consolidated financial statements, which are presented in accordance with the International Financial Reporting Standards (the “**IFRS**”), the Company also assesses the operating performance based on a measure of adjusted earnings before interest, tax, depreciation and amortisation (the “**EBITDA**”) as additional financial measures. By means of these financial measures, the management of the Group is able to evaluate their financial performance regardless of the items they do not consider indicative of the operating performance of their business.

EBITDA, Adjusted EBITDA and Profit from Core Operations

During the years ended 31 December 2025 and 2024, the Group incurred some one-off expenses, which are not indicative of the operating performance of the business of the period. Therefore, the Group arrived at an adjusted EBITDA (the “**Adjusted EBITDA**”) and profit from core operations by eliminating the effects of certain non-cash or non-recurring items, including one-off transaction costs in connection with acquisitions, relocations and implementation of ERP system, equity-settled share option expenses and amortisation of intangible assets.

The table below indicates the profit for the years, reconciling the Adjusted EBITDA for the years presented to the most comparable financial measures calculated in accordance with the IFRSs:

	For the year ended	
	31 December	
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
EBITDA and Adjusted EBITDA		
Net profit	601,249	406,943
Tax	158,253	120,198
Finance costs	34,402	51,651
Depreciation of right-of-use assets	50,470	51,815
Depreciation of property, plant and equipment	88,831	79,934
Amortisation of intangible assets	9,835	7,423
Less:		
Bank interest income	(4,915)	(9,168)
EBITDA	938,125	708,796
One-off cost in connection with acquisitions	850	15,521
One-off cost in connection with relocations	—	14,242
One-off cost in connection with implementation of ERP system	1,580	2,922
Equity-settled share option expenses	1,225	—
Adjusted EBITDA	941,780	741,481
Adjusted EBITDA Margin	25.2%	22.0%

The table below indicates the profit for the years, reconciling the profit from core operations for the years presented to the most comparable financial measures calculated in accordance with the IFRSs:

	For the year ended	
	31 December	
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit from core operations		
Net profit	601,249	406,943
Add:		
One-off cost in connection with acquisitions	850	15,521
One-off cost in connection with relocations	—	14,242
One-off cost in connection with implementation of ERP system	1,580	2,922
Equity-settled share option expenses	1,225	—
Amortisation of intangible assets	9,835	7,423
Less:		
Tax credit related to one-off cost acquisition, relocations and implementation of ERP system	(411)	(4,646)
Profit from core operations	<u>614,328</u>	<u>442,405</u>
Profit from core operations Margin	<u>16.4%</u>	<u>13.2%</u>

LIQUIDITY AND FINANCIAL RESOURCES

Cash Flows

The table below summarises the Group's cash flows for the years ended 31 December 2025 and 31 December 2024 respectively:

	For the year ended	
	31 December	
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Net cash flows from operating activities	763,102	521,190
Net cash flows used in investing activities	(278,135)	(145,473)
Net cash flows used in financing activities	(575,656)	(227,704)

The Group derives its working capital mainly from cash on hand and net cash generated from operating activities. The Board expects that the Group will rely on the internally generated funds and the available banking facilities in the absence of unforeseen circumstances. There were no material changes in the funding and financial policies of the Group.

The Group's balance of cash and cash equivalents was approximately HK\$767,035,000 as of 31 December 2025 (2024: HK\$816,825,000), which was mainly denominated in HK\$, RMB, US\$, EUR, AUD and Thai Baht (“**THB**”).

Operating Activities

Cash inflow from operating activities was mainly generated from cash receipt from revenue generated from sales of our products. Cash outflow from operating activities was mainly due to purchase of raw materials, wages of technicians and employees and tax paid. For the year ended 31 December 2025, the net cash flows from operating activities has increased to approximately HK\$763,102,000 (2024: HK\$521,190,000). The increase in net cash flows from operating activities was primarily attributable to increase in net profit when compared with the year ended 31 December 2024.

Investing Activities

The net cash flows used in investing activities for the year ended 31 December 2025 was approximately HK\$278,135,000 (2024: HK\$145,473,000). The outflow was mainly attributable to (i) net cash outflows for the acquisition of Hexa Ceram of approximately HK\$196,089,000; (ii) net cash outflows for the acquisition of Digital Sleep approximately of HK\$14,804,000; and (iii) approximately HK\$71,981,000 was used primarily for expansion of our production facilities, such as construction costs of a factory building in Vietnam and upgrade of our computer-aided/manufacturing equipment.

Financing Activities

The Group recorded a net cash outflow used in financing activities of approximately HK\$575,656,000 for the year ended 31 December 2025. The outflow was mainly attributable to (i) payment for dividend of approximately HK\$189,318,000 (2024: HK\$160,659,000); (ii) repurchase of the Company's ordinary shares of approximately HK\$30,537,000 (2024: HK\$25,054,000); (iii) payment for lease liabilities of approximately HK\$57,197,000 (2024: HK\$60,508,000); and (iv) payment for interest expenses of approximately HK\$25,090,000 (2024: HK\$42,107,000); offset by repayment of bank borrowings, net of approximately HK\$273,514,000 (2024: advancement of bank borrowings, net of HK\$60,624,000).

Capital Expenditure and Research and Development expenses

During the year ended 31 December 2025, the Group's capital expenditure amounted to approximately HK\$71,981,000 which was mainly used for construction and renovation of factory premises and improvement on our production equipment. All of the capital expenditure was financed by internal resources and bank borrowings. The management is committed to invest in research and development activities and keep abreast of the latest development of the technologies in the dental prosthetic market. In 2025, the Group has invested in acquisition of the latest state-of-the-art machineries of approximately HK\$27,281,000 (2024: HK\$59,207,000) and incurred research and development costs of approximately HK\$38,952,000 (2024: HK\$43,564,000). The aggregate amounts collectively represented approximately 1.8% of the revenue of the Group (2024: 3.1%).

CAPITAL STRUCTURE

Funding and treasury policies

The management of the Group is dedicated to controlling the treasury activities of the Group by seeking opportunities to realise the Group's business strategies with an aim to obtain a higher return for the Shareholders at an appropriate risk exposure

Bank borrowings

Bank borrowings of the Group as of 31 December 2025 amounted to approximately HK\$478,245,000 as compared to approximately HK\$737,151,000 as of 31 December 2024. As of 31 December 2025, all bank borrowings were denominated in HK\$ and Thai Baht amounted to approximately HK\$465,777,000 and HK\$12,468,000, respectively. As of 31 December 2025, all bank borrowings were at floating interest rates.

Cash and cash equivalents

The amount in which cash and cash equivalents were held are set out in the paragraph headed "Liquidity and Financial Resources" in this Announcement.

Gearing ratio

The Group monitors capital using a gearing ratio, which is net debt divided by the adjusted capital (equity attributable to owners of the Company) plus net debt. Net debt includes interest-bearing bank borrowings, trade payables, other payables and accruals, amount due to an associate, lease liabilities, other non-current liabilities, less cash and cash equivalents and pledged deposits. As of 31 December 2025, the gearing ratio of the Group was approximately 10% (2024: 14%), reflecting that the Group's financial position was at a sound level.

Debt securities

As of 31 December 2025, the Group did not have any debt securities.

Contingent liabilities

As of 31 December 2025, the Group did not have any material contingent liabilities.

CHARGE OF GROUP ASSETS

During the year ended 31 December 2025, Modern Dental Laboratory Company Limited, a subsidiary of the Company, entered into certain bank loans facility agreements (the “**Facility Agreements**”) for certain term loans and a revolving credit, secured by corporate guarantees of the Company and certain of its subsidiaries. Pursuant to the Facility Agreements, if the aggregate shareholding of Mr. Chan Kwun Fung, Mr. Chan Kwun Pan, Dr. Chan Ronald Yik Long and Ms. Chan Yik Yu, directly or indirectly, in the Company's share capital ceases to be at least 50%, the commitment under the Facility Agreements will be cancelled and all the outstanding amounts under the Facility Agreements will become immediately due and payable.

Pledged bank deposits of the Group as of 31 December 2025 amounted to approximately HK\$206,000 as compared to approximately HK\$194,000 as of 31 December 2024.

Commitments

The Group had no other significant capital commitments as of 31 December 2025.

SIGNIFICANT INVESTMENTS HELD, DETAILS OF MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

On 21 November 2024, Modern Dental Asia Pacific Limited (the “**Purchaser**”) (an indirect wholly-owned subsidiary of the Company), Acheval Holdings Limited (“**Vendor A**”) (the legal and beneficial owner of 52,500 shares in Hexa Ceram Company Limited (the “**Target Company**”) as at 21 November 2024), Mr. Anucha Meekiatchaikun (“**Mr. Meekiatchaikun**”) (as warrantor) and the Company (as guarantor) entered into the sale and purchase agreement A, pursuant to which, amongst others, the Purchaser has conditionally agreed to purchase, and Vendor A has conditionally agreed to sell 52,500 shares in the Target Company, representing 25% of the registered capital of the Target Company, at a total consideration of 326,216,000 Thai Baht (THB).

On 21 November 2024, the Purchaser, Hexa Europe B.V. (“**Vendor B**”) (the legal and beneficial owner of 102,900 shares in the Target Company as at 21 November 2024) and the Company (as guarantor) entered into the sale and purchase agreement B, pursuant to which, amongst others, the Purchaser has conditionally agreed to purchase, and Vendor B has conditionally agreed to sell 102,900 shares in the Target Company, representing 49% of the registered capital of the Target Company, at a total consideration of THB612,743,000. The acquisition was completed in January 2025.

In connection with the acquisitions of shares, concurrent with the signing of the sale and purchase agreements on 21 November 2024, the Purchaser (as option holder), Mr. Meekiatchaikun (as grantor) and the Company (as guarantor) have also entered into the option agreement, pursuant to which (i) Mr. Meekiatchaikun has granted the call option to the Purchaser for it (and/or its designated person) to purchase some or all of the shares in the Target Company held by Mr. Meekiatchaikun, being 54,600 shares as at 21 November 2024 (the “**Option Shares**”); and (ii) the Purchaser has granted the put option to Mr. Meekiatchaikun to require the Purchaser (and/or its designated person) to purchase some or all of the Option Shares held by Mr. Meekiatchaikun.

The Acquisitions will enable the Group to integrate an established sales and distribution network in Thailand, providing it with access to the Target Company’s extensive customer base, which would enable the Group to further expand and complement its product-offering, distribution and sales networks.

For further details of the acquisition of Hexa Ceram, please refer to the announcements of the Company dated 21 November 2024, 25 November 2024 and 9 January 2025.

Saved as disclosed above, and in this Announcement, the Group had no significant investments held, material acquisitions and disposals of subsidiaries, associates and joint ventures for the year ended 31 December 2025 and there is no plan for material investments or capital assets as at the date of this Announcement.

OFF-BALANCE SHEET TRANSACTIONS

During the year ended 31 December 2025, the Group did not enter into any material off-balance sheet transactions.

IMPORTANT EVENTS AFTER THE REPORTING PERIOD

The Group has no important events after the year ended 31 December 2025 and up to the date of this Announcement.

QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

The Group's business, financial condition and results of operations are subject to various business risks and uncertainties. The factors set out below are those that the Group believes could result in the Group's financial condition or results of operations differing materially from expected or historical results. There may be other risks in addition to those set out below which are not known to the Group or which may not be material now but could turn out to be material in the future.

Global Economy and Cross Countries Operations

As a global business, the Group is exposed to the development of the global economy and continued changes in government policies, political, social, legal and regulatory requirements as well as the industries and geographical markets in which it operates. As a result, the Group's financial condition and results of operations may be influenced by the general state of the economy and operating environment of markets in which it operates. Any significant decrease in the level of economic growth in the global or regional or a specific economy could adversely affect the Group's financial condition or results of operations. On the other hand, the Group's global business covering different regions and countries also mitigates the Group's reliance on any single region or country.

In general, credit and financial markets have experienced significant fluctuations both in the United States and worldwide, adding to the prevailing uncertainty. Furthermore, geopolitical risks and political turbulence have added to the complexity of the global economic outlook. Changes in government policies, regulations, or political environments in different countries can impact our operations, supply chains, or market access. Trade competition between nations has escalated, resulting in trade disputes and protectionist measures that disrupt international commerce and supply chains.

Mergers and Acquisitions Risk

Goodwill and intangible assets arising from mergers and acquisitions accounted for significant portion in the Group's total assets. If there is any impairment on the goodwill and intangible assets, it will affect the profit of the Group.

The Group mitigates such risk by engagement of legal and financial advisers to carry out due diligence for material acquisitions. The Group has also annually engaged external valuer, Brilliant Appraisal Limited, to assess the impairment of material goodwill and intangible assets and no material changes in key assumptions have been made in the current year. The key assumptions, such as the pre-tax discount rates (2025: ranged between 14% and 20%; 2024: ranged between 15% and 21%); the budgeted sales growth rates (2025: ranged between 0% and 10%; 2024: ranged between 0% and 10%); and budgeted EBITDA margins (2025: ranged between 8% and 38%; 2024: ranged between 7% and 36%), are determined with reference to historical performance of the Group; market research of the prosthetic devices industry and the specific business plans of the Group.

Centralisation of Production Facilities

The production of the Group relied heavily on its existing production facilities in Dongguan, Mainland China. If there are disruptions to the production sites in Dongguan, the Group may suffer from interruptions to its business. The management has started a new production facility in Vietnam and the Group has acquired Hexa Ceram which operates a large scale production facilities in Thailand in January 2025 to further mitigate the risk. A key exception is North America, where MicroDental - an onshore manufacturing operation - already represents over 75% of regional revenue in the North America region. Apart from this, the Group has already had various smaller scale production sites in different parts of the world, such as the United States, Europe and Australia, etc, and will continue to explore opportunities around the world.

Interest Rate Risk

Our exposure to the interest rate risk relates primarily to our long-term debt obligations with floating interest rates. We manage our interest rate exposure with a focus on reducing our overall cost of debt and exposure to changes in interest rate. Our management continues to monitor the cash flows of our operation and the debt markets, where we would expect to refinance these borrowings with a lower cost of debt when desirable. For the year ended 31 December 2025, the interest rate on floating-rate bank loans were ranged approximately from HIBOR+0.65% to HIBOR+0.80% per annum (2024: ranged approximately from HIBOR+0.725% to HIBOR+1.60%) for term loans dominated in Hong Kong Dollars and 2% to 4.75% per annum (2024: Nil) for term loans dominated in Thai Baht. The Group had not entered into any type of interest rate agreements or derivative transactions to hedge against the fluctuations in interest rates.

Foreign Currency Risk

In light of the nature of our business, we are exposed to various foreign currencies, among which, RMB, EUR, AUD, US\$ and THB are mostly used apart from HK\$. To minimise the impact of foreign currency rate volatility, we monitor foreign currency risk at operational level closely on an ongoing basis to ensure that the net exposure is at an acceptable level.

Credit Risk

The credit risk of other financial assets, which comprise trade receivables, financial assets included in prepayments, deposits and other receivables, amount due from related parties, amount due from an associate, pledged deposits and cash and cash equivalents, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

Since we trade only with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed by customer/counterparty, by geographical region and by industry sector. There are no significant concentrations of credit risk within our Group as the customer bases of our trade receivables are widely dispersed.

Liquidity Risk

Our policy is to maintain sufficient cash and cash equivalents and to have available funding through bank borrowings. Details of the liquidity risk are set out in the paragraph headed “Liquidity and Financial Resources” in this Announcement.

EMPLOYEE AND REMUNERATION POLICY

The Group had a total of 8,538 (2024: 7,106) dedicated full-time employees at our production facilities, service centers, points of sales and other sites as of 31 December 2025, mainly including 5,918 (2024: 4,861) production staff members, 880 (2024: 757) general management staff members and 551 (2024: 475) customer service staff members.

Total staff costs of the Group (excluding the Directors’ and chief executive’s remuneration) for the year ended 31 December 2025 was approximately HK\$1,627,576,000 (2024: HK\$1,532,248,000). The Group’s remuneration policies were in line with relevant legislation, market conditions and the performance of our employees.

In line with the performance of the Group and individual employees, a competitive remuneration package is offered to retain employees, including salaries, discretionary bonuses and contributions to benefit plans (including pensions). Employees of the Group are the eligible participants of the Share Option Scheme (as defined below). During the year, the relationship between the Group and our employees have been stable. We had not experienced any strikes or other labor disputes which materially affected our business activities.

SHARE OPTION SCHEME

A share option scheme (the “**Share Option Scheme**”) was adopted pursuant to the written resolutions of the shareholders of the Company (the “**Shareholders**”) passed on 15 December 2015 had expired on 14 December 2025.

The purpose of the Share Option Scheme is to enable the Company to grant options to the eligible participants including any employee, Director, supplier, customer, shareholder, research, development or other technological support personnel and advisor of the Group and invested entity of the Group and any other group or classes of participants (the “**Eligible Participants**”) who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of the Group as the Directors determine, as incentives or rewards for their contribution to the Group.

The total number of ordinary shares of the Company (the “**Shares**”) which may be issued in respect of all options to be granted under the Share Option Scheme (the “**Options**”) must not in aggregate exceed 10% of the shares of the Company in issue at the time dealings in the Shares first commence on the Stock Exchange (i.e. 100,000,000 Shares) (the “**Scheme Mandate**”). As at 1 January 2025, the number of Shares available for grant under the Scheme Mandate was 100,000,000. During the year, 23,250,000 shares were granted to Directors and employees (the “**Grantees**”). As at 31 December 2025, the Share Option Scheme has expired. Therefore, there was no Shares available for grant under the Share Option Scheme. As at the date of this announcement, the total number of shares of the Company which may be issued under the Share Option Scheme is 23,250,000 shares, representing approximately 2.49% of the total number of shares of the Company.

The total number of Shares that may be issued in respect of options and awards granted under all share schemes of the Company during the year divided by the weighted average number of Shares in issue for the year was 2.48%.

The total number of Shares allotted and issued and which may fall to be allotted and issued upon exercise of the option and the options granted under any other share option scheme of the Group (including both exercised or outstanding options) to such Grantee in any 12-month period shall not exceed 1% of the issued share capital of the Company for the time being.

Unless otherwise determined by the Directors and stated in the offer to a Grantee, a Grantee is not required to hold an Option for any minimum period nor achieve any performance targets before the exercise of an Option granted to him. The Directors may determine vesting period that a Grantee must hold an Option before such Option becomes exercisable.

Upon accepting an offer, an Eligible Participant shall remit in favour of the Company HK\$1.00 by way of consideration for the grant within such time as may be specified in the offer (which shall not be later than 21 days from the offer date).

In respect of any particular Option, the Directors may determine and notify to the Grantee a period (which may not expire later than 10 years from the offer date of that Option, and in the absence of such determination, from the offer date to the earlier of (i) the date on which such Option lapses under the provisions of the Share Option Scheme; and (ii) 10 years from the offer date of that option) that the Option shall be exercisable.

The subscription price of Shares in respect of any Option shall be at the discretion of the Directors, provided that it shall not be less than the highest of (i) the closing price do the Shares as stated in the Stock Exchange's daily quotation sheet for trade in one or more board lots of the Shares on the offer date; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the offer date; and (iii) the nominal value of the Share.

The Share Option Scheme shall be valid and effective for a period of 10 years after the date on which the Share Option Scheme is adopted upon fulfilment of the conditions, after which period no further Options may be issued but the provision of the Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any Options granted or exercised prior thereto. The Share Option Scheme had expired on 14 December 2025.

Details of the share options movements during the year ended 31 December 2025 under the Share Option Scheme are as follows:

Name of Grantees/ Category of Grantees	Date of grant (the "Date of Grant")	Exercise period	Exercise price (HK\$)	Number of share options						Balance as at 31 December 2025
				Balance at 1 January 2025	Granted during the year	Vested during the year	Exercised during the year	Cancelled during the year	Lapsed during the year	
Directors of the Company (or their associates)										
Dr. Chan Ronald Yik Long	28 November 2025	28 November 2025 - 27 November 2035 (Note 2)	\$5.11	—	9,300,000	—	—	—	—	9,300,000
Ms. Chan Yik Yu	28 November 2025	28 November 2025 - 27 November 2035 (Note 2)	\$5.11	—	9,300,000	—	—	—	—	9,300,000
Mr. Chan Kwun Pan	28 November 2025	28 November 2025 - 27 November 2035 (Note 2)	\$5.11	—	930,000	—	—	—	—	930,000
Mr. Chan Chi Yuen	28 November 2025	28 November 2025 - 27 November 2035 (Note 2)	\$5.11	—	930,000	—	—	—	—	930,000
Mr. Chan Kwun Fung	28 November 2025	28 November 2025 - 27 November 2035 (Note 2)	\$5.11	—	930,000	—	—	—	—	930,000
Mr. Kwan Chi Hang Thomas	28 November 2025	28 November 2025 - 27 November 2035 (Note 2)	\$5.11	—	930,000	—	—	—	—	930,000
Other employee (1 employee)	28 November 2025	28 November 2025 - 27 November 2035 (Note 2)	\$5.11	—	930,000	—	—	—	—	930,000
Total				—	23,250,000	—	—	—	—	23,250,000

Note 1: The Options shall be vested to the Grantee in nine (9) tranches whereby (i) 10% of the Options shall be vested on each of the first eight (8) anniversary dates after the Date of Grant and (ii) 20% of the Options shall be vested on the ninth (9th) anniversary date after the Date of Grant.

Note 2: The Options vested are exercisable for a period of 10 years commencing from the Date of Grant.

Note 3: Mr. Kwan Chi Hang Thomas is the spouse of Ms. Chan Yik Yu, executive director of the Company.

Note 4: No grantees were granted and are to be granted Options in excess of the 1% individual limit.

Note 5: No Options were granted or are to be granted to related entity participants or service providers.

Note 6: Save as disclosed above, no Options were granted and to be granted to other Eligible Participants.

Note 7: Fair value of Options granted during the year was HK\$45,533,000.

Note 8: The grant of the Options to each Grantee was considered and approved by the Remuneration Committee of the Company having taken into account the Grantees' individual historical performance and their internal appraisal results for the relevant financial period(s). Accordingly, there is no performance target stipulated as a condition to vesting of the Options granted.

Note 9: The closing price immediately before the Date of Grant of the Options, i.e. 27 November 2025, was HK\$5.21 per Share.

For further details regarding the grant of share options, please refer to the Company's announcement dated 28 November 2025.

PRE-IPO RESTRICTED SHARE UNIT SCHEME

A restricted share unit scheme (the “**Pre-IPO RSU Scheme**”) was adopted pursuant to the written resolutions of the Shareholders passed on 19 June 2015 had expired on 18 June 2025.

The purpose of the Pre-IPO RSU Scheme is to give incentives thereto in order to retain key employees for the continual operation and development of the Group and to attract suitable personnel for further development of the Group.

The Pre-IPO RSU Scheme shall be valid and effective for a period of 10 years after the date on which the Pre-IPO RSU Scheme is adopted upon fulfillment of conditions, after which period no further restricted share units may be granted but the provision of Pre-IPO RSU Scheme shall remain in force to the extent necessary to give effect to exercise of any restricted share units granted or vested prior thereto.

The Pre-IPO RSU Scheme had expired on 18 June 2025.

DIVIDENDS

The Board declared an interim dividend of HK10.7 cents (six months ended 30 June 2024: HK8.0 cents) per ordinary share for the six months ended 30 June 2025.

The Board recommended a final dividend of HK15.0 cents (2024: HK9.2 cents) per ordinary share, out of the share premium account, for the year ended 31 December 2025 (the “**Proposed Final Dividend**”). Subject to the approval by the Shareholders in the forthcoming annual general meeting of the Company (the “**AGM**”) to be held on 28 May 2026, the Proposed Final Dividend will be paid on 30 June 2026 to Shareholders whose names appear on the Register of Members of the Company as at the close of business on 10 June 2026.

CLOSURE OF REGISTER OF MEMBERS

To determine the entitlement to attend and vote at the AGM to be held on 28 May 2026, the Register of Members of the Company will be closed from Friday, 22 May 2026 to Thursday, 28 May 2026, both dates inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify to attend and vote at the AGM, unregistered holders of shares of the Company shall ensure that, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Thursday, 21 May 2026, for the purpose of effecting the share transfers.

To determine the entitlement to the Proposed Final Dividend (subject to approval by the Shareholders at the AGM), the Register of Members of the Company will be closed from Friday, 5 June 2026 to Wednesday, 10 June 2026, both dates inclusive, during which period no transfer of shares will be registered. In order to qualify for the Proposed Final Dividend, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Thursday, 4 June 2026.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year ended 31 December 2025, the Company repurchased 7,327,000 of its ordinary shares (the “Shares”) on the Stock Exchange at an aggregate consideration of approximately HK\$30,537,000 (before expenses), details of the repurchase are summarised as follows:

Month	Number of Shares repurchased	Price per Share		Aggregate consideration paid (before expenses) HK\$'000
		Highest HK\$	Lowest HK\$	
January 2025	1,700,000	4.18	3.95	6,959
April 2025	1,527,000	4.28	3.73	6,264
May 2025	100,000	4.05	3.97	402
June 2025	2,100,000	4.28	4.08	8,815
July 2025	1,900,000	4.37	4.14	8,097
	<u>7,327,000</u>			<u>30,537</u>

Of 7,327,000 repurchased Shares, all 7,327,000 Shares of approximately HK\$30,537,000 (before expenses) were cancelled during the year ended 31 December 2025, while no Shares were pending cancellation as at 31 December 2025.

The repurchase of the Shares were effected by the directors, pursuant to the mandate from Shareholders received at the annual general meetings on 30 May 2024 and 29 May 2025, with a view to benefiting Shareholders as a whole by enhancing the net assets value per share and earnings per share of the Group.

Save as disclosed above, during the year ended 31 December 2025, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE

During the year ended 31 December 2025, the Company has complied with the applicable code provisions of the Corporate Governance Code (“**CG Code**”) contained in Appendix C1 to the Listing Rules.

The Board is committed to maintaining high corporate governance standards. The Board believes that good corporate governance standards are essential in providing a framework for the Group to formulate its business strategies and policies, and to enhance its transparency and accountability. During the year ended 31 December 2025, the Company has applied the principles as set out in the CG Code which are applicable to the Company.

In the opinion of the Directors, during the year ended 31 December 2025, the Company has complied with all applicable code provisions as set out in the CG Code, save and except for code provision C.2.1. Code provision C.2.1 of the CG Code states that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Dr. Chan Ronald Yik Long (“**Dr. Chan**”) is both our Chairman and Chief Executive Officer, and is responsible for the overall management of our Group and directing the strategic development and business plans of our Group. We believe Dr. Chan is instrumental to our growth and business expansion. Our Board considers that the roles of chairman and chief executive officer being vested in the same person is beneficial to the business prospects, management and overall strategic direction of our Group by ensuring consistent leadership within our Group and facilitating more effective and efficient overall strategic planning and decision-making for our Group. In addition, the Board meets regularly to consider major matters affecting the operations of the Group and all Directors are properly and promptly briefed on such matters with adequate, complete and reliable information. In addition, under the supervision of the Board which is comprised of three executive Directors, one non-executive Director and three independent non-executive Directors as at the date of this announcement, the Board is appropriately structured with balance of power to provide sufficient checks to protect the interests of the Company and its Shareholders.

After considering all the corporate governance measures that have been taken, the Board considers that the balance of power and authority will not be impaired by the present arrangement and the current structure will enable the Company to make and implement decisions more promptly and effectively. Thus, the Company does not segregate the roles of Chairman and Chief Executive Officer.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF THE COMPANY

The Company has adopted the Securities Dealing Code containing the provisions set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules, and after having made specific enquiry with regard to securities transactions by the Directors, all Directors have confirmed their compliance with the required standards set out in the Model Code regarding Directors’ securities transactions throughout the year.

AUDIT COMMITTEE

The audit committee consists of three independent non-executive Directors, namely Dr. Cheung Wai Bun Charles J.P., Dr. Chan Yue Kwong Michael and Dr. Yau Ka Po. Dr. Cheung Wai Bun Charles J.P. is the Chairman of the Audit Committee. The Group’s final results for the year ended 31 December 2025, including the accounting principles and practices adopted by the Group have been reviewed by all the members of the audit committee.

SCOPE OF WORK OF THE COMPANY’S AUDITOR

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in the preliminary announcement have been agreed by the Company’s auditor to the amounts set out in the Group’s draft consolidated financial statements for the year. The work performed by the Company’s auditor in this respect did not constitute an assurance engagement and consequently no opinion or assurance has been expressed by the Company’s auditor on the preliminary announcement.

PUBLICATION OF FINAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

The final results announcement is available for viewing on the website of Hong Kong Exchanges and Clearing Limited (<https://www.hkexnews.hk>) and on the website of the Company (<https://www.moderndentalgp.com>). The annual report of the Company for the year ended 31 December 2025 will be despatched to shareholders of the Company and will be published on the same websites in due course.

By order of the Board

Modern Dental Group Limited

Chan Ronald Yik Long

Chairman, Chief Executive Officer and Executive Director

Hong Kong, 26 March 2026

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