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 INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2026, DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

During the six months ended 30 June 2026, the Group's multi-dimensional strategies as supported by the ongoing trend of digitalisation in the dental industry have resulted in the Group reporting record revenue during this period. This occurred in a period of challenging macro-economic environment with general softness in demand for dental procedures, trade war and geopolitical 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 six months ended 30 June 2026 was approximately HK$2,032,491,000 (six months ended 30 June 2025: HK$1,834,814,000), representing an increase of approximately HK$197,677,000 or 10.8% as compared with that of the six months ended 30 June 2025. The growth in revenue was primarily attributable to the continued organic growth of the Group—driven by the accelerating adoption of digitalization across the global dental industry, particularly in Europe and Australia—alongside the stabilization and operational turnaround of the Mainland China market. This expansion was partially offset by a revenue decline in North America, which was impacted by a softer macroeconomic environment affecting high-value discretionary procedures, as well as management's strategic decision to rationalize loss-making Dental Service Organization (DSO) accounts to optimize customer mix and protect margins.

- The Gross Profit Margin for the six months ended 30 June 2026 was approximately 58.1% (six months ended 30 June 2025: 54.8%). Gross profit for the six months ended 30 June 2026 was approximately HK$1,180,873,000 (six months ended 30 June 2025: HK$1,005,476,000), representing an increase of approximately HK$175,397,000 or 17.4% as compared with that of the six months ended 30 June 2025.

- The Group's EBITDA for the six months ended 30 June 2026 was approximately HK$560,744,000 (six months ended 30 June 2025: HK$456,711,000), representing an increase of approximately HK$104,033,000 or 22.8% as compared with that of six months ended 30 June 2025.

- The Group's Net Profit for the six months ended 30 June 2026 was approximately HK$377,570,000 (six months ended 30 June 2025: HK$288,650,000) representing an increase of approximately HK$88,920,000 or 30.8% as compared with that of six months ended 30 June 2025.

- Basic earnings per share for the six months ended 30 June 2026 amounted to HK40.07 cents (six months ended 30 June 2025: HK30.37 cents), representing an increase of approximately 31.9% as compared with that of six months ended 30 June 2025.

- The Board declared an interim dividend of HK14.0 cents (six months ended 30 June 2025: HK10.7 cents) per ordinary share for the six months ended 30 June 2026. The interim dividend will be payable on Friday, 9 October 2026 to shareholders of the Company (the "**Shareholders**") whose names appear on the Register of Members of the Company on Wednesday, 16 September 2026.

The following table sets forth summary of key financial results for the six months ended 30 June 2026, 31 December 2025 and 30 June 2025:

	Six months ended			**Changes**	
	30 June 2026 (unaudited)	31 December 2025 (unaudited)	30 June 2025 (unaudited)	30 June 2026 vs 31 December 2025	30 June 2026 vs 30 June 2025
	HK$'000	*HK$'000*	*HK$'000*	*%*	*%*
Revenue	**2,032,491**	1,901,705	1,834,814	6.9	10.8
Gross Profit	**1,180,873**	1,079,476	1,005,476	9.4	17.4
Gross Profit Margin (%)	**58.1%**	56.8%	54.8%	2.3	6.0
EBITDA	**560,744**	481,414	456,711	16.5	22.8
EBITDA Margin (%)	**27.6%**	25.3%	24.9%	9.1	10.8
Adjusted EBITDA	**566,067**	484,219	457,561	16.9	23.7
Adjusted EBITDA Margin (%)	**27.9%**	25.5%	24.9%	9.4	12.0
Profit from Core Operations	**387,352**	319,307	295,021	21.3	31.3
Profit from Core Operations Margin (%)	**19.1%**	16.8%	16.1%	13.7	18.6
Net Profit	**377,570**	312,599	288,650	20.8	30.8
Net Profit Margin (%)	**18.6%**	16.4%	15.7%	13.4	18.5

The following table sets forth a breakdown of the revenue generated from the aforesaid markets for the six months ended 30 June 2026 and 2025:

		Six months ended 30 June					
		2026		2025			
	Original currency	**Conversion rate****	**Revenue *(HK$'000)***	Conversion rate**	Revenue *(HK$'000)*	Change in currency *(%)*	Original currency growth rate *(%)*
Market							
Europe	**EUR**	**9.127**	**1,093,265**	8.519	920,255	+7.1	+10.9
North America	**US$**	**7.750**	**331,286**	7.750	365,680	—	-9.4^
Greater China	**RMB**	**1.137**	**299,972**	1.086	293,176	+4.7	#
Australia	**AUD**	**5.488**	**162,761**	4.941	137,858	+11.1	+6.3
Others			**145,207**		117,845	++	+23.2++
Total			**2,032,491**		1,834,814		

^ The increase in sales in original currency of the North America market (ex-MicroDental) was approximately 1.4% and the decrease in sales in original currency of MicroDental was approximately 12.7%.

The increase in sales in original currency of the Mainland China market was approximately 0.9% and the decrease in sales in original currency of the Hong Kong market was approximately 8.5%.

++ The percentage change in Others represented changes in value of Hong Kong Dollars as Others included revenue dominated in different currencies.

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

** 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.

Additional highlights:

- For the six months ended 30 June 2026, 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 627,773 cases reflecting an increase of 29.2% as compared with the same period in 2025 (approximately 485,833[#] cases) as a result of our clients' continued adoption of intra-oral scanners.

\# *Volume of digital cases in 2025 is adjusted to align with the methodologies applied in 2026.*

INTERIM RESULTS

The board of directors (the "**Board**" or the "**Directors**") of Modern Dental Group Limited (the "**Company**") is pleased to announce the unaudited interim condensed consolidated results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the six months ended 30 June 2026, together with the comparative figures for the corresponding period in 2025, as follows:

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Notes	**Six months ended 30 June** **2026** **(Unaudited)** ***HK$'000***	2025 (Unaudited) *HK$'000*
REVENUE	4	**2,032,491**	1,834,814
Cost of sales		**(851,618)**	(829,338)
Gross profit		**1,180,873**	1,005,476
Other income and gains	4	**13,141**	37,749
Selling and distribution expenses		**(252,771)**	(238,044)
Administrative expenses		**(434,627)**	(417,636)
Other operating expenses		**(18,744)**	(2,364)
Finance costs	6	**(11,574)**	(21,788)
Share of profits of associates		**34**	3
PROFIT BEFORE TAX	5	**476,332**	363,396
Income tax expense	7	**(98,762)**	(74,746)
PROFIT FOR THE PERIOD		**377,570**	288,650
ATTRIBUTABLE TO:			
Owners of the Company		**374,338**	285,247
Non-controlling interests		**3,232**	3,403
		377,570	288,650
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic	8	**HK40.07 cents**	HK30.37 cents
Diluted	8	**HK40.00 cents**	HK30.37 cents

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
PROFIT FOR THE PERIOD	**377,570**	288,650
OTHER COMPREHENSIVE PROFIT/(LOSS)		
Other comprehensive profit/(loss) that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**9,022**	197,667
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:		
Change in fair value of equity investments at fair value through other comprehensive income	**—**	(2,057)
OTHER COMPREHENSIVE PROFIT/(LOSS) FOR THE PERIOD, NET OF TAX	**9,022**	195,610
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**386,592**	484,260
ATTRIBUTABLE TO:		
Owners of the Company	**386,396**	479,283
Non-controlling interests	**196**	4,977
	386,592	484,260

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2026

	Notes	**30 June 2026 (Unaudited)** ***HK$'000***	31 December 2025 (Audited) *HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment	10	**805,612**	804,938
Right-of-use assets		**188,313**	188,595
Goodwill	11	**1,294,016**	1,286,731
Intangible assets	12	**365,925**	362,850
Investment in associates		**3,007**	2,859
Equity investments designated at fair value through other comprehensive income		**4,890**	4,890
Deferred tax assets		**38,969**	42,313
Long term prepayments and deposits		**25,698**	34,219
Total non-current assets		**2,726,430**	2,727,395
CURRENT ASSETS			
Inventories		**200,329**	204,488
Trade receivables	13	**821,849**	698,592
Prepayments, deposits and other receivables		**96,949**	92,624
Due from an associate		**—**	7
Current tax assets		**122,806**	49,931
Pledged deposits		**206**	206
Cash and cash equivalents		**828,947**	767,035
Total current assets		**2,071,086**	1,812,883
CURRENT LIABILITIES			
Trade payables	14	**75,244**	85,330
Other payables and accruals	15	**277,660**	280,492
Due to an associate		**164**	284
Lease liabilities		**43,946**	47,362
Interest-bearing bank borrowings	16	**78,409**	70,882
Tax payable		**135,285**	75,600
Total current liabilities		**610,708**	559,950
NET CURRENT ASSETS		**1,460,378**	1,252,933
TOTAL ASSETS LESS CURRENT LIABILITIES		**4,186,808**	3,980,328

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 30 JUNE 2026

	Notes	**30 June 2026 (Unaudited) *HK$'000***	31 December 2025 (Audited) *HK$'000*
TOTAL ASSETS LESS CURRENT LIABILITIES		**4,186,808**	3,980,328
NON-CURRENT LIABILITIES			
Lease liabilities		**119,577**	128,501
Interest-bearing bank borrowings	16	**367,470**	407,363
Deferred tax liabilities		**52,749**	50,087
Other non-current liabilities	15	**106,830**	98,815
Total non-current liabilities		**646,626**	684,766
NET ASSETS		**3,540,182**	3,295,562
EQUITY			
Equity attributable to owners of the Company			
Share capital		**72,451**	72,451
Treasury shares		**(3,721)**	(39)
Reserves		**3,464,966**	3,216,379
		3,533,696	3,288,791
Non-controlling interests		**6,486**	6,771
TOTAL EQUITY		**3,540,182**	3,295,562

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE AND GROUP INFORMATION

Modern Dental Group Limited (the "**Company**") was incorporated as an exempted company with limited liability in the Cayman Islands on 5 July 2012 under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised). The Company's registered office address is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The Company and its subsidiaries (collectively referred to as the "**Group**") are principally engaged in the production and distribution of dental prosthetic devices and other dental appliances, including clear aligners.

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial statements for the six months ended 30 June 2026 have been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Main Board of The Stock Exchange of Hong Kong Limited ("**Listing Rules**"), including compliance with International Accounting Standard ("**IAS**") 34 *Interim Financial Reporting*.

The interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of Modern Dental Group Limited and its subsidiaries since the 2025 annual financial statements. The interim condensed consolidated financial statements and notes thereon do not include all of the information required for a full set of annual consolidated financial statements prepared in accordance with International Financial Reporting Standards ("**IFRSs**"), and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2025.

The interim condensed consolidated financial statements are unaudited, but have been reviewed by the Audit Committee of the Company.

2.2 CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of the following amended IFRS Accounting Standards for the first time for the current period's financial information.

Amendments to IFRS 9 and IFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*
Amendments to IFRS 9 and IFRS 7	*Contracts Referencing Nature-dependent Electricity*
Annual Improvements to IFRS *Accounting Standards – Volume 11*	Amendments to IFRS 1, IFRS 7, IFRS9, IFRS 10 and IAS7

The nature and the impact of the amended IFRS Accounting Standards are described below:

Amendments to IFRS 9 and IFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify that a financial asset is derecognised when the entity's rights to the contractual cash flows expire or are transferred, while a financial liability is derecognised on the settlement date. The amendments introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. Since the Group's accounting policy for the derecognition of financial assets and liabilities in prior years aligned with the amendments and the Group did not have the financial assets that were addressed by the amendments, the amendments did not have any impact on the interim condensed consolidated financial information. The Group will provide additional disclosures for its equity investments designated at fair value through other comprehensive income in the Group's consolidated financial statements for the year ending 31 December 2026.

Amendments to IFRS 9 and IFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. As the Group did not have any contracts that are in the scope of the amendments, the amendments did not have any impact on the interim condensed consolidated financial information.

Annual Improvements to IFRS Accounting Standards – Volume 11 set out narrow scope amendments to IFRS 1, IFRS 7 (and the accompanying *Guidance on implementing IFRS 7*), IFRS 9, IFRS 10 and IAS 7. The amendments include clarifications, simplifications, corrections or changes to improve consistency in the corresponding IFRS Accounting Standards. The amendments did not have any impact on the interim condensed consolidated financial information.

3. 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, bridges 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 aligners 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 resources 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.

	Six months ended 30 June					
	2026 (Unaudited)			2025 (Unaudited)		
	Revenue	**Cost of sales**	**Gross profit**	Revenue	Cost of sales	Gross profit
	HK$'000	***HK$'000***	***HK$'000***	*HK$'000*	*HK$'000*	*HK$'000*
Product category						
Fixed prosthetic devices	**1,184,693**	**462,765**	**721,928**	1,098,288	466,849	631,439
Removable prosthetic devices	**492,851**	**216,341**	**276,510**	447,394	204,735	242,659
Others	**354,947**	**172,512**	**182,435**	289,132	157,754	131,378
Total	**2,032,491**	**851,618**	**1,180,873**	1,834,814	829,338	1,005,476

Geographical information

(a) Revenue from external customers

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Europe	**1,093,265**	920,255
North America	**331,286**	365,680
Greater China	**299,972**	293,176
Australia	**162,761**	137,858
Others	**145,207**	117,845
	2,032,491	1,834,814

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

(b) Non-current assets

	30 June 2026 (Unaudited) *HK$'000*	31 December 2025 (Audited) *HK$'000*
Europe	**792,885**	816,586
Greater China	**568,971**	573,767
North America	**498,637**	473,880
Australia	**383,776**	377,024
Others	**443,192**	443,825
	2,687,461	2,685,082

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

4. 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:

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Revenue		
Sale of goods transferred at a point in time	**2,032,491**	1,834,814
Other income		
Bank interest income	**2,791**	2,879
Foreign exchange gains, net	**—**	23,895
Government subsidies*	**1,376**	2,727
Others	**8,930**	8,214
	13,097	37,715
Gains		
Gains on early termination of leases, net	**11**	34
Gains on disposal of items of property, plant and equipment, net	**33**	—
	44	34
Other income and gains	**13,141**	37,749

* Government subsidies represent subsidies received from government in subsidising the Group's certain operating costs and general operations. There are no unfulfilled conditions or contingencies relating to these subsidies.

5. PROFIT BEFORE TAX

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

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Cost of inventories sold#	**851,618**	829,338
Depreciation of right-of-use assets	**24,742**	24,949
Depreciation of property, plant and equipment	**46,428**	43,936
Amortisation of intangible assets	**4,459**	5,521
Lease payments not included in the measurement of lease liabilities	**9,581**	9,964
Research and development costs##	**18,357**	17,696
Auditors' remuneration	**7,288**	6,821
Employee benefit expense (including directors' and chief executive's remuneration):		
Wages and salaries*	**741,241**	718,323
Pension scheme contributions	**112,002**	106,305
Equity-settled share option expenses	**4,564**	—
	857,807	824,628
Bank interest income	**(2,791)**	(2,879)
(Gains)/losses on disposal of items of property, plant and equipment, net*	**(33)**	441
Write-off of property, plant and equipment*	**3,787**	1,672
Gains on early termination of leases, net*	**(11)**	(34)
Allowance for impairment of trade receivables, net	**3,741**	2,192
Foreign exchange losses/(gains), net*	**14,123**	(23,895)

\# Cost of inventories sold includes HK$506,022,000 (unaudited) (six months ended 30 June 2025: HK$493,349,000 (unaudited)) 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$15,876,000 (unaudited) (six months ended 30 June 2025: HK$14,544,000 (unaudited)) 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.

* 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 interim condensed consolidated statements of profit or loss. Losses on disposal of property, plant and equipment, net, write off of property, plant and equipment, and foreign exchange loss, net are included in "other operating expenses" in the interim condensed consolidated statements of profit or loss.

6. FINANCE COSTS

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Interest on bank loans, overdrafts and other loans	**7,589**	16,497
Interest on lease liabilities	**3,947**	4,910
Finance charges on bank loans	**38**	381
	11,574	21,788

7. INCOME TAX EXPENSE

The Group calculates the income tax expense for the period using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the interim condensed consolidated statement of profit or loss are:

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Current	**95,876**	73,136
Deferred	**2,886**	1,610
Total tax charge for the period	**98,762**	74,746

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 six months ended 30 June 2026 and 2025 attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares of 934,294,949 (six months ended 30 June 2025: 939,233,485) outstanding during the period, as adjusted to reflect the number of shares held as treasury shares.

The calculation of the diluted earnings per share amount is based on the profit for the six months ended 30 June 2026 and 2025 attributable to ordinary equity holders of the Company as adjusted to reflect the impact from any dilutive potential ordinary shares that would have been outstanding, as appropriate. The weighted average number of ordinary shares outstanding during the period, 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 potentially dilutive ordinary shares outstanding during the six months ended 30 June 2025.

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

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Earnings		
Profit attributable to ordinary equity holders of the Company, used in the basic and diluted earnings per share calculation	**374,338**	285,247

	Number of shares	
	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
Shares		
Weighted average number of ordinary shares outstanding during the period used in the basic and diluted earnings per share calculation	**934,294,949**	939,233,485
Effective of diluted - weighted average number of ordinary shares:		
Shape options	**1,475,324**	—
Total	**935,770,273**	939,233,485

9. DIVIDENDS

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Interim dividend	**130,790**	100,029

The Board declared an interim dividend of HK14.0 cents per share for the six months ended 30 June 2026 (six months ended 30 June 2025: HK10.7 cents). The interim dividend is not recognised as a liability as at 30 June 2026 because they have been declared after the end of the reporting period.

In 2026, the calculation of the interim dividend is based on 934,214,000 (six month ended 30 June 2025: 934,850,000) ordinary shares in issue.

10. PROPERTY, PLANT AND EQUIPMENT

	30 June 2026	31 December 2025
	(Unaudited)	(Audited)
	HK$'000	*HK$'000*
Carrying amount at 1 January	**804,938**	755,331
Additions	**33,126**	68,053
Acquisition of subsidiaries	**1,932**	50,017
Disposals	**(660)**	(5,450)
Write-off	**(3,787)**	(1,320)
Depreciation provided during the period/year	**(46,428)**	(88,831)
Exchange realignment	**16,491**	27,138
Carrying amount at 30 June/31 December	**805,612**	804,938

11. GOODWILL

	30 June 2026	31 December 2025
	(Unaudited)	(Audited)
	HK$'000	*HK$'000*
Carrying amount at 1 January	**1,286,731**	1,098,868
Acquisition of subsidiaries	**19,784**	87,276
Exchange realignment	**(12,499)**	100,587
Carrying amount at 30 June/31 December	**1,294,016**	1,286,731

12. INTANGIBLE ASSETS

	30 June 2026 (Unaudited) ***HK$'000***	31 December 2025 (Audited) *HK$'000*
Carrying amount at 1 January	**362,850**	200,431
Additions	**1,372**	3,928
Acquisition of subsidiaries	**10,948**	145,779
Amortisation provided for the period/year	**(4,459)**	(9,835)
Exchange realignment	**(4,786)**	22,547
Carrying amount at 30 June/31 December	**365,925**	362,850

13. TRADE RECEIVABLES

An ageing analysis of the trade receivables as at 30 June 2026 and 31 December 2025, based on the invoice date and net of loss allowance, is as follows:

	30 June 2026 (Unaudited) ***HK$'000***	31 December 2025 (Audited) *HK$'000*
Within 1 month	**398,844**	349,846
1 to 2 months	**96,912**	92,976
2 to 3 months	**69,665**	54,669
3 months to 1 year	**197,645**	152,820
Over 1 year	**58,783**	48,281
	821,849	698,592

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 material collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

14. TRADE PAYABLES

An ageing analysis of the trade payables as at 30 June 2026 and 31 December 2025, based on the invoice date, is as follows:

	30 June 2026	31 December 2025
	(Unaudited)	(Audited)
	HK$'000	*HK$'000*
Within 1 month	**55,199**	56,080
1 to 2 months	**8,996**	15,018
2 to 3 months	**4,060**	9,869
Over 3 months	**6,989**	4,363
	75,244	85,330

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.

15. OTHER PAYABLES AND ACCRUALS

	Notes	30 June 2026 (Unaudited) HK$'000	31 December 2025 (Audited) HK$'000
Current			
Accruals		**186,758**	196,777
Other payables		**47,754**	55,475
Contract liabilities		**26,648**	21,760
Deferred revenue		**7,963**	6,186
Consideration payables		**2,136**	294
Contingent considerations		**1,601**	—
Due to a non-controlling shareholder	(a)	**4,800**	—
		277,660	280,492
Other non-current liabilities			
Put option liabilities		**83,686**	82,099
Due to a non-controlling shareholder	(a)	**—**	4,800
Deferred revenue		**116**	91
Consideration payables		**5,119**	—
Contingent considerations		**5,830**	—
Defined benefit obligations		**10,707**	10,515
Other non-current liabilities		**1,372**	1,310
		106,830	98,815

Notes:

a. The balance is unsecured, non-interest bearing and repayable within 1 year (2025: 1 to 2 years).

16. INTEREST-BEARING BANK BORROWINGS

	30 June 2026 (Unaudited)			31 December 2025 (Audited)		
	Effective/ contractual interest rate (%)	**Maturity**	***HK$'000***	Effective/ contractual interest rate (%)	Maturity	*HK$'000*
Current						
Current portion of long term bank loans – secured	**Hong Kong Interbank Offered Rate ("HIBOR") +0.56 to HIBOR+0.72**	**2026-2027**	**72,816**	HIBOR+0.65 to HIBOR+0.72	2026	62,815
	1.95% to 4.10%	**2026-2027**	**5,593**	2% to 4.75%	2026	8,067
			78,409			70,882
Non-current						
Long term bank loans - secured	**HIBOR+0.56 to HIBOR+0.72**	**2027-2030**	**366,555**	HIBOR+0.65 to HIBOR+0.72	2027-2030	402,962
	1.95% to 4.10%	**2027-2030**	**915**	2% to 4.75%	2027-2030	4,401
			367,470			407,363
			445,879			478,245

	30 June 2026 (Unaudited) ***HK$'000***	31 December 2025 (Audited) *HK$'000*
Analysed into:		
Bank loans repayable:		
Within one year or on demand	**78,409**	70,882
In the second year	**85,871**	80,871
In the third to fifth years, inclusive	**281,599**	326,492
	445,879	478,245

Notes:

(a) As at 30 June 2026 (unaudited) and 31 December 2025 (audited), certain of the Group's bank loans are secured by:

(a) 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$6,461,000 (31 December 2025: HK$7,003,000);

(b) mortgages over the Group's plant and machinery, which had a net carrying value at the end of the reporting period of approximately HK$6,217,000 (31 December 2025: HK$7,170,000); and

(c) 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.

(b) As at 30 June 2026 (unaudited), the Group's bank borrowings are denominated in HK$ and Thai Baht amounted to approximately HK$439,371,000 and HK$6,508,000 respectively. As at 31 December 2025 (audited), the Group's bank borrowings are denominated in HK$ and Thai Baht amounted to approximately HK$465,777,000 and HK$12,468,000, respectively.

17. BUSINESS COMBINATIONS

Acquisition of 1078359 Ontario Inc. ("Essex Dental")

On 4 June 2026, Quantum Dental Laboratory Inc. (the "**Purchaser**"), an indirect wholly owned subsidiary of the Company, entered into a share purchase agreement with independent third parties to acquire 100% equity interest of 1078359 Ontario Inc. ("**Essex Dental**") at an fixed initial purchase price of CAD4,050,000 (cash consideration of CAD2,785,000 paid upon completion and remaining consideration payables of CAD1,265,000 to be paid in 5 years) plus an earn-out consideration that may increase the total consideration up to CAD5,396,000 depending on the achievement of the target performance by Essex Dental. The acquisition was completed on 4 June 2026. The acquisition was made as part of the Group's strategy to expand its market share of prosthetic devices in North America region.

The provisional fair values of the identifiable assets and liabilities of Essex Dental as at the date of acquisition were as follows:

	Notes	Provisional fair value recognized on acquisition *HK$'000* (unaudited)
Property, plant and equipment	10	1,932
Right-of-use assets		1,722
Intangible assets	12	10,948
Inventory		245
Trade receivables		2,868
Prepayments, deposits and other receivables		434
Cash and cash equivalents		97
Other payables and accruals		(2,156)
Tax payables		(601)
Lease liabilities		(1,722)
Deferred tax liabilities		(2,901)
Total identifiable net assets at fair value		10,866
Goodwill on acquisition	11	19,784
		30,650
Satisfied by:		
Cash		15,822
Consideration payables		7,186
Contingent considerations		7,642
		30,650

The fair value of the trade receivables as at the date of acquisition amounted to HK$2,868,000. The gross contractual amounts of trade receivables were HK$2,868,000, none of which is expected to be uncollectible.

The Group incurred transaction costs of HK$704,000 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$19,784,000 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 Essex Dental is as follows:

	HK$'000
Cash consideration paid in the six months ended 30 June 2026	15,822
Cash and bank balances acquired	(97)
Net outflow of cash and cash equivalents included in cash flows from investing activities in six months ended 30 June 2026	15,725
Transaction costs of the acquisition included in cash flows from operating activities in six months ended 30 June 2026	(704)
Total net cash outflow	15,021

Essex Dental's revenue and profit attributable to equity holders for the period from 1 January 2026 to the acquisition date were HK$11,713,000 and HK$946,000, respectively. The business of Essex Dental has been integrated into the Group since its acquisition date. Accordingly, it is not practical to quantify the individual contribution of Essex Dental to the revenue and profit of the Group during six months ended 30 June 2026 on any reasonable basis.

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 Meekiatichaikun ("**Mr. Meekiatichaikun**") (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. Meekiatichaikun (as grantor) and the Company (as guarantor) have also entered into the option agreement, pursuant to which (i) Mr. Meekiatichaikun 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. Meekiatichaikun, being 54,600 shares as at 21 November 2024 (the "**Option Shares**"); and (ii) the Purchaser has granted the put option to Mr. Meekiatichaikun to require the Purchaser (and/or its designated person) to purchase some or all of the Option Shares held by Mr. Meekiatichaikun. At 31 December 2025, 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:

	Fair value recognized on acquisition *HK$'000* (audited)
Property, plant and equipment	49,833
Right-of-use assets	5,091
Intangible assets	126,597
Other non-current assets	2,786
Inventory	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	(9,001)
Total identifiable net assets at fair value	184,716
Non-controlling interests	(48,026)
Goodwill on acquisition	79,803
	216,493
Satisfied by:	
Cash	216,493

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:

	HK$'000
Cash consideration paid in the year ended 31 December 2025	(216,493)
Cash and bank balances acquired	20,404
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	(285)
Total net cash outflow	(208,941)

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. At 31 December 2025, 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:

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

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:

	HK$'000
Cash consideration paid in the year ended 31 December 2025	(15,391)
Cash and bank balances acquired	587
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	(565)
Total net cash outflow	(15,369)

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.

18. EVENT AFTER THE REPORTING PERIOD

On 12 August 2026, the Company cancelled a total of 636,000 shares in respect of shares repurchased from 3 June 2026 to 30 June 2026.

Save as disclosed above, the Group has no important events after the period under review up to the date of this Announcement.

MANAGEMENT DISCUSSION AND ANALYSIS

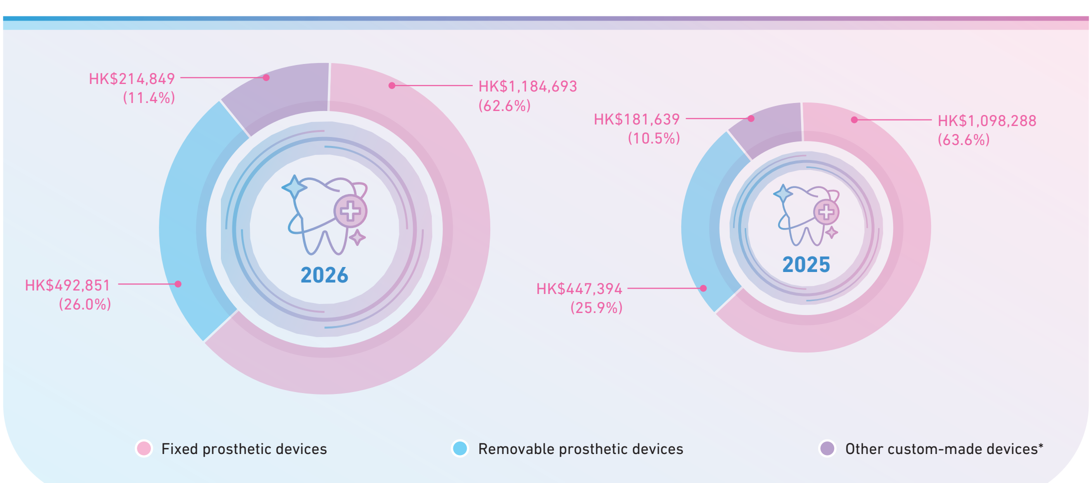
BUSINESS REVIEW

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. Including in "others" segment, the sales of TrioClear (our own clear aligner) is approximately HK$32,765,000 (six months ended 30 June 2025: HK$27,259,000), represented an increase of 20.2%.

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 six months ended 30 June 2026 and 2025 respectively:

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



* Raw materials revenue, dental equipment revenue, clear aligner revenue and 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 period under review, the fixed prosthetic devices business segment recorded a revenue of approximately HK$1,184,693,000, representing an increase of approximately HK$86,405,000 as compared with the six months ended 30 June 2025. This business segment accounted for approximately 62.6% of the Group's revenue of custom-made products as compared with approximately 63.6% in the six months ended 30 June 2025.

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 period under review, the removable prosthetic devices business segment recorded a revenue of approximately HK$492,851,000, representing an increase of approximately HK$45,457,000 as compared with the six months ended 30 June 2025. This business segment accounted for approximately 26.0% of the Group's revenue of custom-made products as compared with approximately 25.9% in the six months ended 30 June 2025.

Other Custom-made Devices

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

During the period under review, the other custom-made devices business segment recorded a revenue of approximately HK$214,849,000, representing an increase of approximately HK$33,210,000 as compared with the six months ended 30 June 2025. This business segment accounting for approximately 11.4% of the Group's revenue of custom-made products as compared with approximately 10.5% in the six months ended 30 June 2025.

Others

Others include raw materials, dental equipment (including intra-oral scanners), clear aligners and the services of educational events and seminars rendered. During the six months ended 30 June 2026, others recorded a revenue of approximately HK$140,098,000, representing an increase of approximately HK$32,605,000 as compared with the six months ended 30 June 2025. The increase was mainly attributed to the increase in sales of dental equipment.

Product Category

The following table sets forth the breakdown of sales volume, revenue, and average selling price ("**ASP**") by product category for the six months ended 30 June 2026 and 2025 respectively:

	Six months ended 30 June					
	2026			2025		
	Sales Volume *(number of cases)*	**Revenue *(HK$'000)***	**ASP *(HK$ per case)***	Sales Volume *(number of cases)*	Revenue *(HK$'000)*	ASP *(HK$ per case)*
Product category						
Fixed prosthetic devices	**686,251**	**1,184,693**	**1,726**	657,143	1,098,288	1,671
Removable prosthetic devices	**430,080**	**492,851**	**1,146**	412,404	447,394	1,085
Other custom-made devices	**361,320**	**214,849**	**595**	334,355	181,639	543
Subtotal	**1,477,651**	**1,892,393**	**1,281**	1,403,902	1,727,321	1,230
Others*	**N/A**	**140,098**	**N/A**	N/A	107,493	N/A
Total		**2,032,491**			1,834,814	

* 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 six months ended 30 June 2026, the sales volume and ASP of the Group's products across its markets were 1,477,651 cases (six months ended 30 June 2025: 1,403,902 cases) and HK$1,281 per case (six months ended 30 June 2025: HK$1,230 per case), representing an increase of 5.3% and 4.1%, respectively.

The increase in volume was mainly due to increase in market share driven by the digitalisation trend in dental industry.

For the six months ended 30 June 2026, 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 627,773 cases reflecting an increase of 29.2% as compared with the same period in 2025 (approximately 485,833[#] cases) as a result of our clients' increased adoption of intra-oral scanners.

[#] *Volume of digital cases in 2025 is adjusted to align with the methodologies applied in 2026.*

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 six months ended 30 June 2026 and 2025, respectively:

		Six months ended 30 June					
		2026		2025			
	Original currency	**Conversion rate****	**Revenue**	Conversion rate**	Revenue	Change in currency	Original currency growth rate
		(HK$ per original currency)	*(HK$'000)*	*(HK$ per original currency)*	*(HK$'000)*	*(%)*	*(%)*
Market							
Europe	**EUR**	**9.127**	**1,093,265**	8.519	920,255	+7.1	+10.9
North America	**US$**	**7.750**	**331,286**	7.750	365,680	—	-9.4^
Greater China	**RMB**	**1.137**	**299,972**	1.086	293,176	+4.7	#
Australia	**AUD**	**5.488**	**162,761**	4.941	137,858	+11.1	+6.3
Others			**145,207**		117,845	++	+23.2++
Total			**2,032,491**		1,834,814		

^ The increase in sales in original currency of the North America market (ex-MicroDental) was approximately 1.4% and the decrease in sales in original currency of MicroDental was approximately 12.7%.

The increase in sales in original currency of the Mainland China market was approximately 0.9% and the decrease in sales in original currency of the Hong Kong market was approximately 8.5%.

++ The percentage change in Others represented changes in value of Hong Kong Dollars as Others included revenue dominated in different currencies.

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

** 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 period under review.

The Group has been the frontrunner providing 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 is 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 period under review, the European market recorded a revenue of approximately HK$1,093,265,000, representing an increase of approximately HK$173,010,000 as compared with the six months ended 30 June 2025. This geographic market accounted for approximately 53.8% of the Group's total revenue as compared with approximately 50.2% for the six months ended 30 June 2025. 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 in the period under review.

During the period under review, the North American market recorded a revenue of approximately HK$331,286,000, representing a decrease of approximately HK$34,394,000 as compared with the six months ended 30 June 2025. This geographic market accounted for approximately 16.3% of the Group's total revenue as compared with approximately 19.9% in the six months ended 30 June 2025.

The top-line contraction in North America was primarily driven by a softer macroeconomic environment, which temporarily weighed on consumer sentiment and demand for high-value discretionary cosmetic procedures. In response, management proactively initiated a strategic rationalization of loss-making Dental Service Organization (DSO) accounts aimed at optimizing the customer mix, protecting gross margins, and focusing resources on higher-margin accounts.

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 1st half of 2026, our centralised digital workflows and network-wide production oversight enabled us to deliver enhanced service quality and operational efficiencies to our North American customers.

Concurrently, the Group's diversified production footprint across the US, China, Vietnam, and Thailand continues to afford significant supply chain agility to navigate trade and tariff complexities—a key differentiator in the market. Demonstrating the resilience of this strategy, our US import business unit delivered a 1.4% period-on-period sales growth in the first half of 2026. This performance underscores how the accelerating trend toward clinical digitalization and the cost-competitiveness of our imported product lines have effectively mitigated and offset the impact of US tariffs.

Greater China

Our Greater China market comprises of 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 in the period under review.

During the period under review, the Greater China market recorded a revenue of approximately HK$299,972,000, representing an increase of approximately HK$6,796,000 as compared with six months ended 30 June 2025. This geographic market accounted for approximately 14.8% of the Group's total revenue as compared with approximately 16.0% in the six months ended 30 June 2025.

Regional performance reflected diverging market dynamics across territories. In local currency terms, sales in Mainland China increased by approximately 0.9% year-on-year, signalling that the market has largely bottomed out from the initial impact of Volume-Based Procurement (VBP) policies and prolonged price competition. To protect sustainable profitability, the Group deliberately pivoted away from low-margin segments to focus on serving mid- to high-value customers. Conversely, sales in the Hong Kong market decreased by approximately 8.5% in local currency year-on-year. This contraction was primarily driven by a temporary reduction in local patient visits, as cross-border dental consumption increased due to aggressive promotions for dental treatments offered by Mainland China clinics targeting Hong Kong residents.

Despite these near-term shifts, the Group remains optimistic about the mid- to long-term outlook for the Greater China region. Government procurement measures in Mainland China are expected to standardize prosthetic pricing and enhance market transparency, creating a more level playing field where the Group's leading brand reputation, production scale, and operational efficiency serve as distinct competitive advantages. To capture evolving market demand, the Group is actively expanding its product portfolio, particularly in mid-end offerings and products.

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.

During the period under review, the Australian market recorded a revenue of approximately HK$162,761,000, representing an increase of approximately HK$24,903,000 as compared with the six months ended 30 June 2025. This geographic market accounted for approximately 8.0% of the Group's total revenue as compared with approximately 7.5% in the six months ended 30 June 2025. The increase in revenue from Australia was primarily driven by strong adoption of digital dental products and anti-snoring devices, and wins in dental service organization (DSO) customers.

Others

Other markets primarily include Indian Ocean countries, Malaysia, Taiwan, Singapore and Thailand. For the six months ended 30 June 2026, these markets recorded a revenue of approximately HK$145,207,000, representing an increase of approximately HK$27,362,000 as compared with the six months ended 30 June 2025. This geographic market accounted for approximately 7.1% of the Group's total revenue as compared with approximately 6.4% for the corresponding period in 2025. The increase in revenue from Other markets was primarily driven by the strong revenue contributions from Thailand, Singapore and Malaysia. The scaled manufacturing hubs in Thailand and Vietnam have enhanced regional supply efficiency, broadened product availability, and strengthened the Group's competitive footprint in the region.

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 well 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 35–43% 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

During the period under review, the revenue of the Group amounted to approximately HK$2,032,491,000 representing an increase of approximately 10.8% as compared with approximately HK$1,834,814,000 in the six months ended 30 June 2025. The growth in revenue was primarily attributable to the continued organic growth of the Group—driven by the accelerating adoption of digitalization across the global dental industry, particularly in Europe and Australia—alongside the stabilization and operational turnaround of the Mainland China market. This expansion was partially offset by a revenue decline in North America, which was impacted by a softer macroeconomic environment affecting high-value discretionary procedures, as well as management's strategic decision to rationalize loss-making Dental Service Organization (DSO) accounts to optimize customer mix and protect margins.

Gross Profit and Gross Profit Margin

The gross profit for the six months ended 30 June 2026 was approximately HK$1,180,873,000, which was approximately 17.4% higher than that of the six months ended 30 June 2025. The increase in the gross profit margin of approximately 3.3 percentage points compared with the corresponding period in 2025 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; and (ii) favourable geographical mix shift to higher-margin regions such as Europe and Australia.

The gross profit margins of Fixed Prosthetic Devices business segment, Removable Prosthetic Devices business segment and Others business segment were approximately 61.0%, 56.1% and 51.4% respectively. The following table sets forth the breakdown of our gross profit and gross profit margin by product category.

	Six months ended 30 June			
	2026		2025	
	Gross profit *(HK$'000)*	**Gross profit margin *(%)***	Gross profit *(HK$'000)*	Gross profit margin *(%)*
Product category				
Fixed prosthetic devices	**721,928**	**61.0**	631,439	57.5
Removable prosthetic devices	**276,510**	**56.1**	242,659	54.2
Others	**182,435**	**51.4**	131,378	45.4
Total	**1,180,873**	**58.1**	1,005,476	54.8

Selling and Distribution Expenses

During the period under review, the selling and distribution expenses increased by approximately 6.2% from approximately HK$238,044,000 for the six months ended 30 June 2025 to approximately HK$252,771,000 for the six months ended 30 June 2026, accounting for approximately 12.4% of the Group's revenue, as compared with approximately 13.0% for corresponding period in 2025. The increase in selling and distribution expenses was primarily aligned with business growth, targeted workforce expansion, and strategic brand-building initiatives during the period. To capture accelerating industry demand for digital dentistry, the Group intensified its global marketing efforts. This included hosted industry events—such as our flagship 'THINK DIGITAL' education symposia—as well as targeted commercial campaigns to drive the roll-out of proprietary digital workflows, intra-oral scanners, and next-generation products like digital dentures, clear aligners and anti-snoring devices.

Administrative Expenses

During the period under review, the administrative expenses increased by approximately 4.1% to approximately HK$434,627,000 for the six months ended 30 June 2026 from approximately HK$417,636,000 for the six months ended 30 June 2025, accounting for approximately 21.4% of the Group's revenue, as compared with approximately 22.8% for corresponding period in 2025. The increase in administrative expenses was primarily attributable to higher labor costs arising from regular wage adjustments and targeted workforce expansion to support the Group's growing scale. Despite the absolute increase, administrative expenses as a percentage of revenue decreased from 22.8% for the six months ended 30 June 2025 to 21.4% for the six months ended 30 June 2026, reflecting continuous optimization of operating efficiency.

Other Operating Expenses

During the period under review, the other operating expenses increased by approximately 692.9% from approximately HK$2,364,000 for the six months ended 30 June 2025 to approximately HK$18,744,000 for the six months ended 30 June 2026, accounting for approximately 0.9% of the Group's revenue, as compared with approximately 0.1% for the corresponding period in 2025. Other operating expenses mainly represented (i) exchange losses, net, incurred of HK$14,123,000 (six months ended 30 June 2025: Nil); and (ii) write-off of property, plant and equipment, net, of approximately HK$3,787,000 (six months ended 30 June 2025: HK$1,672,000).

Finance Costs

During the period under review, the finance costs decreased by approximately 46.9% from approximately HK$21,788,000 for the six months ended 30 June 2025 to approximately HK$11,574,000 for the six months ended 30 June 2026, accounting for approximately 0.6% of the Group's revenue, as compared with approximately 1.2% for the corresponding period in 2025. The decrease in finance costs was mainly due to the decrease in the interest-bearing bank borrowings balance and the decrease in interest rate in Hong Kong (i.e. HIBOR) when compared with six months ended 30 June 2025.

Income Tax Expense

During the period under review, the income tax expense increased by approximately 32.1% from approximately HK$74,746,000 for the six months ended 30 June 2025 to approximately HK$98,762,000 for the six months ended 30 June 2026.

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

Profit for the period increased by approximately 30.8% from approximately HK$288,650,000 for the six months ended 30 June 2025 to approximately HK$377,570,000 for the six months ended 30 June 2026.

Profit attributable to owners of the Company amounted to approximately HK$374,338,000, representing an increase of approximately HK$89,091,000, or approximately 31.2%, as compared with corresponding period in 2025.

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; and (ii) favourable geographical mix shift to higher-margin regions such as Europe and Australia.

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 period under review, 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 and implementation of ERP system, equity-settled share option expenses and amortisation of intangible assets.

The table below indicates the profit for the six months ended 30 June 2026 and 2025, reconciling the Adjusted EBITDA for the periods presented to the most comparable financial measures calculated in accordance with the IFRS:

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
EBITDA and Adjusted EBITDA		
Net profit	**377,570**	288,650
Add:		
Tax	**98,762**	74,746
Finance costs	**11,574**	21,788
Depreciation of right-of-use assets	**24,742**	24,949
Depreciation of property, plant and equipment	**46,428**	43,936
Amortisation of intangible assets	**4,459**	5,521
Less:		
Bank interest income	**(2,791)**	(2,879)
EBITDA	**560,744**	456,711
Add:		
One-off cost in connection with acquisitions	**704**	850
One-off cost in connection with implementation of ERP system	**55**	—
Equity-settled share option expenses	**4,564**	—
Adjusted EBITDA	**566,067**	457,561
Adjusted EBITDA Margin	**27.9%**	24.9%

The table below indicates the profit for the six months ended 30 June 2026 and 2025, reconciling the profit from core operations for the periods presented to the most comparable financial measures calculated in accordance with the IFRS:

	six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Profit from Core Operations		
Net Profit	**377,570**	288,650
Add:		
One-off cost in connection with acquisitions	**704**	850
One-off cost in connection with implementation of ERP system	**55**	—
Equity-settled share option expenses	**4,564**	—
Amortisation of intangible assets	**4,459**	5,521
Profit from Core Operations	**387,352**	295,021
Profit from Core Operations Margin	**19.0%**	16.1%

LIQUIDITY AND FINANCIAL RESOURCES

Cash Flows

The table below summarises the Group's cash flows for the six months ended 30 June 2026 and 2025:

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Net cash flows from operating activities	**330,227**	289,742
Net cash flows used in investing activities	**(61,933)**	(246,137)
Net cash flows used in financing activities	**(212,072)**	(326,777)

The Group derives its working capital mainly from cash on hand, net cash generated from operating activities and financing activities. The Board expects that the Group will rely on the internally generated funds and the available bank 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$828,947,000 as of 30 June 2026 (31 December 2025: HK$767,035,000), which was mainly denominated in HK$, RMB, US$, EUR, AUD and Thai Baht ("**THB**").

Operating Activities

Net cash flows from operating activities was approximately HK$330,227,000 for the six months ended 30 June 2026 (six months ended 30 June 2025: HK$289,742,000). The increase in net cash flows from operating activities was primarily attributable to increase in net profit when compared with six months ended 30 June 2025.

Investing Activities

The Group recorded a net cash outflow used in investing activities of approximately HK$61,933,000 for the six months ended 30 June 2026 (six months ended 30 June 2025: HK$246,137,000). The outflow was mainly attributable to (i) net cash outflows for the acquisition of Essex Dental of approximately HK$15,725,000; and (ii) approximately HK$34,498,000 used primarily for expansion of our production facilities and upgrade of our digitalisation equipment.

Financing Activities

The Group recorded a net cash outflow used in financing activities of approximately HK$212,072,000 for the six months ended 30 June 2026 (six months ended 30 June 2025: HK$326,777,000). The outflow was mainly attributable to (i) net repayment of interest bearing bank borrowings of approximately HK$32,009,000; (ii) payment for dividend of approximately HK$140,228,000; (iii) repurchase of the Company's ordinary shares of approximately HK$3,682,000; (iv) payment for lease liabilities of approximately HK$23,580,000; and (v) payment for interest expenses of approximately HK$11,536,000.

Capital Expenditure and Research and Development Expenses

During the period under review, the Group's capital expenditure amounted to approximately HK$34,498,000 was primarily used for 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 six months ended 30 June 2026, the Group has invested in acquisition of the latest state-of-the-art machineries of approximately HK$13,166,000 (six months ended 30 June 2025: HK$13,855,000) and incurred research and development cost of approximately HK$18,357,000 (six months ended 30 June 2025: HK$17,696,000). The aggregate amounts collectively represented approximately 1.6% of the revenue of the Group (six months ended 30 June 2025: 1.7%).

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 30 June 2026 amounted to approximately HK$445,879,000 as compared to approximately HK$478,245,000 as of 31 December 2025. As of 30 June 2026, bank borrowings were denominated in HK$ and Thai Baht amounted to approximately HK$439,371,000 and HK$6,508,000 respectively. As of 30 June 2026, 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 30 June 2026, the gearing ratio of the Group was approximately 6% (31 December 2025: 10%), reflecting that the Group's financial position was at a sound level.

Debt securities

As of 30 June 2026 and 31 December 2025, the Group did not have any debt securities.

Contingent liabilities

As of 30 June 2026 and 31 December 2025, the Group did not have any material contingent liabilities or guarantees.

Charge of group assets

During the period under review, 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 30 June 2026 amounted to approximately HK$206,000 as compared to approximately HK$206,000 as of 31 December 2025.

As at 30 June 2026, the net book value of land and buildings and plant and machinery pledged as security for banking facilities granted to a subsidiary of the Group amounted to approximately HK$6,461,000 (31 December 2025: HK$7,003,000) and HK$6,217,000 (31 December 2025: HK$7,710,000), respectively.

Commitments

The Group had no other significant capital commitments as of 30 June 2026 and 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 4 June 2026, Quantum Dental Laboratory Inc. (the "**Purchaser**"), an indirect wholly owned subsidiary of the Company, entered into a share purchase agreement with independent third parties to acquire 100% equity interest of 1078359 Ontario Inc. ("**Essex Dental**") at an fixed initial purchase price of CAD4,050,000 (cash consideration of CAD2,785,000 paid upon completion and remaining consideration payables of CAD1,265,000 to be paid in 5 years) plus an earn-out consideration that may increase the total consideration up to CAD5,396,000 depending on the achievement of the target performance by Essex Dental. The acquisition was completed on 4 June 2026. The acquisition was made as part of the Group's strategy to expand its market share of prosthetic devices in North America region.

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 six months ended 30 June 2026 and there is no plan for material investments or capital assets as at the date of this Announcement.

OFF-BALANCE SHEET TRANSACTIONS

As of 30 June 2026, the Group did not enter into any material off-balance sheet transactions.

IMPORTANT EVENTS AFTER THE PERIOD UNDER REVIEW

On 12 August 2026, the Company cancelled a total of 636,000 shares in respect of shares repurchased from 3 June 2026 to 30 June 2026.

Save as disclosed above, the Group has no important events after the period under review 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 period. The key assumptions for 31 December 2025, such as the pre-tax discount rates (ranged between 14% and 20%); the budgeted sales growth rates (ranged between 0% and 10%); and budgeted EBITDA margins (ranged between 8% and 38%), 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 and Diversification of Production Facilities

Historically, the Group's manufacturing capabilities were heavily concentrated at its main production facilities in Dongguan, Mainland China. To mitigate operational risks associated with geographic concentration, potential trade tensions, and localized disruptions, the Group has successfully executed its global production diversification strategy. As of the six months ended 30 June 2026, the Group benefits from contributions from its mass-scale production facilities in both Thailand (via Hexa Ceram, acquired in January 2025) and Vietnam. Today, the Group's primary manufacturing base is supported by a global production workforce of approximately 5,900 technicians—comprising roughly 3,700 technicians in Mainland China, 1,300 in Thailand, and 180 in Vietnam. This multi-site network is further augmented by onshore local dental laboratories across North America (where MicroDental's local manufacturing accounts for over 70% of regional revenue), Western Europe, and Australia. This flexible, multi-regional footprint enhances the Group's supply chain agility and operational resilience, allowing management to optimize tariff structures and navigate changing geopolitical dynamics while continuing to explore strategic global opportunities.

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 six months ended 30 June 2026, the interest rate on floating-rate bank loans was approximately HIBOR+0.56% to HIBOR+0.72% per annum for term loans dominated in Hong Kong Dollars and 1.95% to 4.1% per annum 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 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.

EMPLOYEE AND REMUNERATION POLICY

The Group had a total of 8,575 (31 December 2025: 8,538) dedicated full-time employees at our production facilities, service centers, points of sales and other sites as of 30 June 2026, mainly including 5,910 (31 December 2025: 5,918) production staff members, 901 (31 December 2025: 880) general management staff members and 570 (31 December 2025: 551) customer service staff members.

Total staff costs of the Group (including the Directors' and chief executive's remuneration) for the six months ended 30 June 2026 was approximately HK$857,807,000 (six months ended 30 June 2025: approximately HK$824,628,000). 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 schemes and share award scheme (as defined below). During the period under review, the relationship between the Group and our employees had been stable. We had not experienced any strikes or other labor disputes which materially affected our business activities.

SHARE OPTION SCHEMES AND SHARE AWARD SCHEME

The 2015 Share Option Scheme

A share option scheme (the "**2015 Share Option Scheme**") was conditionally adopted pursuant to the written resolutions of the shareholders of the Company (the "**Shareholders**") passed on 25 November 2015, and became unconditional on 15 December 2015.

The 2015 Share Option Scheme had expired on 14 December 2025, after which no further option can be granted thereunder but in all other respects, the provisions of this scheme shall remain in force and all options granted prior to such expiry shall continue to be valid and exercisable in accordance therewith.

Details of the share options movements during the six months ended 30 June 2026 under the 2015 Share Option Scheme are as follows:

				Number of share options						
Name of Grantees/ Category of Grantees	Date of grant (the "Date of Grant")	Exercise period	Exercise price (HK$)	Balance at 1 January 2026	Granted during the period	Vested during the period	Exercised during the period	Cancelled during the period	Lapsed during the period	Balance as at 30 June 2026
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: 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 8: The closing price immediately before the Date of Grant of the Options, i.e. 27 November 2025, was HK$5.21 per Share.

The 2026 Share Option Scheme

The share option scheme was adopted by the resolution of the Shareholders at the annual general meeting on 28 May 2026 (the "**2026 Share Option Scheme**").

No options had been granted or agreed to be granted by the Company under the 2026 Share Option Scheme during the six months ended 30 June 2026 and up to the date of this Announcement.

As at 1 January 2026 and 30 June 2026, the number of options available for grant under the 2026 Share Option Scheme were nil and 93,485,000 respectively.

2026 Share Award Scheme

The Company adopted a share award scheme on 26 March 2026 (the "**2026 Share Award Scheme**").

As at 1 January 2026 and 30 June 2026, the number of awarded shares available for grant under the 2026 Share Award Scheme were nil and 93,895,000 respectively.

No share awards had been granted or agreed to be granted by the Company under the 2026 Share Award Scheme during the six months ended 30 June 2026 and up to the date of this Announcement.

During the six months ended 30 June 2026, no share options or share awards were granted under any share schemes of the Company, and the total number of Shares that may be issued in respect of options and awards granted under the new share schemes of the Company during the six months ended 30 June 2026 divided by the weighted average number of Shares in issue (excluding treasury shares) is nil.

As at 30 June 2026, a total of 23,250,000 share options granted under the 2015 Share Option Scheme remained outstanding and unexercised, further details of which are disclosed in the share option movement in this Announcement.

DIVIDENDS

The Board declared an interim dividend of HK14.0 cents (six months ended 30 June 2025: HK10.7 cents) per ordinary share for the six months ended 30 June 2026. The interim dividend will be payable on Friday, 9 October 2026 to Shareholders whose names appear on the Register of Members of the Company on Wednesday, 16 September 2026.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Friday, 11 September 2026 to Wednesday, 16 September 2026, both dates inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for entitlement to the interim dividend for the six months ended 30 June 2026, 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, 10 September 2026, for the purpose of effecting the share transfers.

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

During the six months ended 30 June 2026, the Company repurchased 636,000 of its ordinary shares (the "**Shares**") on the Stock Exchange at an aggregate consideration of approximately HK$3,682,000 (before expenses), details of the repurchase are summarised as follows:

Month	Number of Shares repurchased	Price per Share Highest HK$	Price per Share Lowest HK$	Aggregate consideration paid (before expenses) HK$'000
June 2026	636,000	5.79	5.79	3,682
	636,000			3,682

All the 636,000 Shares of approximately HK$3,682,000 (before expenses) were pending cancellation as at 30 June 2026.

The repurchase of the Shares were effected by the Directors, pursuant to the mandate from Shareholders received at the annual general meeting on 28 May 2026, 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 six months ended 30 June 2026, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE

During the six months ended 30 June 2026, 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 six months ended 30 June 2026, 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 six months ended 30 June 2026, 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 four 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 during the six months ended 30 June 2026.

REVIEW OF INTERIM RESULTS

The Audit Committee consists of Dr. Cheung Wai Bun Charles, J.P., Dr. Chan Yue Kwong Michael and Dr. Yau Ka Po, who are independent non-executive Directors. The Group's interim results for the six months ended 30 June 2026, including the accounting principles and practices adopted by the Group, have been reviewed by the Audit Committee.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

The interim results announcement is available for viewing on the website of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and on the website of the Company (www.moderndentalgp.com). The interim report of the Company for the six months ended 30 June 2026 will be despatched to the Shareholders 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, 27 August 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.