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MODERN DENTAL GROUP LIMITED

現代牙科集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 3600)

POSITIVE PROFIT ALERT

This announcement is made by Modern Dental Group Limited (the “**Company**”, and together with its subsidiaries, collectively referred to as the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (the “**SFO**”) (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders and potential investors of the Company that, based on the preliminary assessment of the latest available unaudited consolidated management accounts of the Group (the “**Management Accounts**”) for the year ended 31 December 2019 (“**FY 2019**”), which have not been audited or reviewed by the auditor and/or the audit committee of the Group, the Group expects its profit attributable to the shareholders for FY 2019 to be within the range of HK\$155 million to HK\$165 million, which represents an increase within the range of approximately 87% to 99%, and its EBITDA for FY 2019 to be within the range of HK\$380 million to HK\$400 million, respectively, which represents an increase within the range of approximately 43% to 51%, when compared to the profit attributable to the shareholders and the EBITDA for the year ended 31 December 2018 (“**FY 2018**”) of approximately HK\$83 million and HK\$265 million, respectively.

The significant increase in the Group’s profit was mainly due to (i) the turnaround of MicroDental Group as a direct result of the Group’s continued integration of, and implementation of, strategies to focus in promotions of high value products and phasing out of lower value items; (ii) an overall improvement in the Group’s gross profit margin in FY 2019; and (iii) no one-off write-off of capitalised interest and fee and related exchange losses incurred during FY 2019 following the completion of the re-financing of bank loans of the Group in January 2018.

The Company is currently finalising the consolidated financial results of the Group for FY 2019. The information contained in this announcement is only based on the information currently available to the Company and the preliminary assessment of the Board on the Management Accounts prepared in accordance with the International Financial Reporting Standards applicable for the year ended 31 December 2019, which have not been audited or reviewed by the auditors and/or the audit committee of the Company. The final audited consolidated results of the Group for FY 2019 is expected to be announced by the end of March 2020, which may be different from the figures and information contained in this announcement.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By order of the Board
Modern Dental Group Limited
Chan Kwun Fung
Chairman and Executive Director

Hong Kong, 13th March 2020

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