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## **PROFIT WARNING AND INSIDE INFORMATION**

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 six months ended 30 June 2022 (“**1H 2022**”), which have not been audited or reviewed by the auditor and/or the audit committee of the Group, the Group expects the following:

- (i) the revenue for 1H 2022 is to be within the range of HK\$1,350.0 million to HK\$1,450.0 million, representing a decrease within the range of approximately 2.1% to 8.9%, compared to the revenue for the six months ended 30 June 2021 (“**1H 2021**”) of approximately HK\$1,481.2 million;
- (ii) the earnings before interest, taxes, depreciation and amortisation (“**EBITDA**”) for 1H 2022 to be within the range of HK\$200.0 million to HK\$230.0 million, representing a decrease within the range of approximately 38.7% to 46.7%, compared to the EBITDA for 1H 2021 of approximately HK\$375.2 million; and
- (iii) the net profit for 1H 2022 to be within the range of HK\$90.0 million to HK\$110.0 million, representing a decrease within the range of approximately 54.2% to 62.5%, compared with a net profit for 1H 2021 of approximately HK\$240.0 million.

The decrease in the revenue, EBITDA and the net profit was predominately due to:

- (i) the resurgence of the COVID-19 pandemic in Mainland China and the government's related control and measures which in turn, resulted in a temporary suspension of the operations of our major production facilities in Shenzhen and Dongguan in the first quarter of 2022. The resumption of operations of our major production facilities in Shenzhen and Dongguan in the second quarter of 2022 mitigated the effects of the first quarter;
- (ii) the resurgence of COVID-19 pandemic in certain cities of Mainland China affecting the operations of clinics and hospitals, and demand for our products;
- (iii) the continued investment in strategic projects, including the establishment of our Vietnam production facilities and our clear aligners business; and
- (iv) the deprecation of Euro and Australian Dollars against Hong Kong Dollars since second half of 2021.

The ongoing geopolitical tensions in Europe, the increasingly challenging global economic and business environment as well as potentially further COVID-19 related lockdowns imposed by the Government in specific cities in Mainland China may, in each case, affect the Group's financial results going forward.

The Company is currently finalising the consolidated financial results of the Group for 1H 2022. 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 1H 2022, which have not been audited or reviewed by the auditors and/or the audit committee of the Company. The final unaudited consolidated results of the Group for 1H 2022 is expected to be announced by the end of August 2022, 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 Ronald Yik Long**  
*Chairman and Executive Director*

Hong Kong, 16 August 2022

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