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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)

VOLUNTARY DISCLOSURE

ACQUISITION OF CDI DENTAL AB AND CDI SUPPLY AB

This is a voluntary announcement made by the Company.

The Company is pleased to announce the execution of a share sale and purchase agreement (the “**SPA**”) in connection with its strategic acquisitions of CDI Dental AB and CDI Supply AB (the “**Targets**” or “**CDI**”), which are dental laboratories and existing distributors of the Group (as defined below) in Sweden, from the seller (the “**Seller**”) by the Company’s wholly-owned subsidiary, Modern Dental Europe B.V. (the “**Purchaser**”), on 7 February 2017 (the “**Acquisition**”).

Subject to the terms and conditions of the SPA, the Seller has agreed to sell their shares (the “**Shares**”) to the Purchaser which relate to 100% of total share capital of the Targets. The sale and purchase of the Shares is made subject to the conditions precedent in the SPA.

The Purchaser and the Seller have agreed on the consideration payable for the Shares of approximately EUR4,000,000. Such consideration has been calculated on an EBITDA multiple basis in the mid-single digit area based on the EBITDA of the Targets for the full year ended 31 December 2016, which the Company believes is the fair market value for the Targets when considering the Targets’ future expected revenue and profit contributions. The completion date of the Acquisition is expected to be 7 February 2017.

CDI was founded in 2007 and within 10 years, has become a leading dental laboratory brand in Sweden setting a gold standard in the field of dental prosthetics. The combined revenue for the Targets for the full year ended 31 December 2016 amounted to approximately EUR4,300,000.

The Group’s existing market presence in Sweden is represented by Elysee Dental, a wholly owned subsidiary of the Group. From a logistic and administrative perspective, there are expected to be synergy efficiencies. The Group is expected to be one of the market leaders in Sweden as a direct result of the Acquisition.

One of the key business strategies of the Company and its subsidiaries (the “**Group**”) is to further penetrate the Group’s existing geographic markets. The Board of Directors is of the view that the Acquisition is able to accelerate the Group’s revenue and profit growth in the Swedish market, and provide a strategic platform for the Group to further expand its existing nationwide sales and distribution network in Europe and especially in Sweden. The Company has a proven track record in identifying and integrating acquisitions to capture further business opportunities, synergies and continues to expand the scale of its operations.

LISTING RULES IMPLICATION

As all the applicable percentage ratios of the Acquisition are lower than 5%, the Acquisition does not constitute notifiable transactions of the Company under Chapter 14 of the Listing Rules.

DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“Board”	the board of Directors;
“Company”	Modern Dental Group Limited (stock code: 3600), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Stock Exchange;
“Director(s)”	Director(s) of the Company; and
“Share(s)”	ordinary share(s) in the share capital of the Company.

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

Hong Kong, 13 February 2017

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.