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Arrail Group Limited
瑞爾集團有限公司

*(Incorporated in the British Virgin Islands
with limited liability and continued
in the Cayman Islands)*
(Stock code: 6639)



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 JOINT ANNOUNCEMENT IN RELATION TO THE MEMORANDUM OF UNDERSTANDING ON STRATEGIC COOPERATION

This is a voluntary joint announcement made by Modern Dental Group Limited (“**Modern Dental**”, together with its subsidiaries, “**Modern Dental Group**”) and Arrail Group Limited (“**Arrail**”, together with its subsidiaries, “**Arrail Group**”).

The board of Modern Dental Group and Arrail Group are pleased to announce that on 10 May 2022, Modern Dental and Arrail entered into a memorandum of understanding on strategic cooperation (the “**MOU**”).

Pursuant to the MOU, Modern Dental and Arrail intend to collaborate with each other (the “**Collaboration**”) so as to bring mutual benefits to each other, and it is noted by the parties hereto that the Collaboration may be in the form of, including but not limited to:

- (i) establishment and promotion of strategic partnership between the parties, including but not limited to Modern Dental’s QJ Smile (青椒美牙) and TrioClear (透舒麗);
- (ii) QJ Smile, TrioClear and Arrail become official business partners in which QJ Smile would introduce consumers to the dental clinics and/or hospitals of Arrail while Arrail would provide the clinic services to support the businesses of QJ Smile and TrioClear;
- (iii) joint development of cooperative model(s) with a view to maximizing the returns of the parties;

- (iv) creation of integrated channels for the pooling of relevant resources of the parties; and
- (v) such other equity and operational investments in pursuit of mutual interests of the parties.

The MOU is non-legally binding (save for a provision on confidentiality) and only records the intention of the strategic cooperation between the parties. The terms and conditions of the MOU shall be subject to further negotiations and the entering of formal agreement(s) between Modern Dental Group and Arrail Group.

INFORMATION ON BOTH PARTIES

Modern Dental Group is principally engaged in the production and distribution of three product lines: fixed prosthetic devices, removable prosthetic devices and other devices, such as orthodontic devices (including clear aligners), sports guards and anti-snoring devices.

Arrail Group is principally engaged in the business of provision of dental services (including general dentistry, orthodontics and implantology) through operations of dental clinics and hospitals in the People Republic of China (“**PRC**”).

To the best knowledge, information and belief of the board of directors of Modern Dental, having made all reasonable enquiries, Arrail and its ultimate beneficial owners are independent and not connected with Modern Dental and its connected persons.

To the best knowledge, information and belief of the board of directors of Arrail, having made all reasonable enquiries, Modern Dental and its ultimate beneficial owners are independent and not connected with Arrail and its connected persons.

REASONS FOR AND BENEFITS OF THE MOU

The Board believes that as a result of the strategic cooperation, both parties will be able to share and synergize upon, amongst others: (i) their respective portfolios of world-class dental products, services and solutions, (ii) their respective indepth knowledge of the Mainland China dental market, (iii) their respective reputations and leading positions in the Mainland China, and (iv) their respective determination and commitment to bring the premium dental services and products to the general public in the Mainland China. With this cooperation in mind, both Modern Dental Group and Arrail Group would be well-positioned to leverage their respective expertise and to further expand businesses across the Mainland China.

GENERAL

The MOU only represents a memorandum of understanding between Modern Dental and Arrail. The implementation of the transactions contemplated under the MOU is subject to formal agreement(s) ultimately being entered into, and may or may not materialise as described in this joint announcement or at all. Should any formal agreement(s) in relation to the MOU be entered into, Modern Dental Group and Arrail Group will comply with the relevant requirements under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, where applicable.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares of Modern Dental and Arrail.

By order of the Board of
Arrail Group Limited
Zou Qifang
Chairman and Executive Director

By order of the Board of
Modern Dental Group Limited
Chan Ronald Yik Long
Chairman and Executive Director

Hong Kong, 10 May 2022

As at the date of this announcement, the board of directors of Arrail comprises Zou Qifang, Qin Jessie Xin, Zhang Jincai and Zou Jianlong as executive directors, and Liu Xiaomei Michelle, Sun Jian and Zhang Bang as independent non-executive directors.

As at the date of this announcement, the board of directors of Modern Dental comprises Chan Ronald Yik Long, Ngai Chi Ho Alwin, 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.