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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)**

**DISCLOSEABLE TRANSACTIONS**  
**(1) ACQUISITION OF 74% OF SHARES**  
**IN THE TARGET COMPANY**  
**AND**  
**(2) CALL OPTION AND PUT OPTION**

**SALE AND PURCHASE AGREEMENTS**

**Sale and Purchase Agreement A**

On 21 November 2024 (after the trading hours), the Purchaser, Vendor A, Mr. Meekiatchaikun (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 the Sale Shares A, representing 25% of the registered capital of the Target Company, at a total consideration of THB326,216,000 (equivalent to approximately HK\$74,384,000) (assuming there will be no change to the Completion Date A); and

**Sale and Purchase Agreement B**

On 21 November 2024 (after the trading hours), the Purchaser, Vendor B 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 the Sale Shares B, representing 49% of the registered capital of the Target Company, at a total consideration of THB612,743,000 (equivalent to approximately HK\$139,718,000) (assuming there will be no change to the Completion Date B).

## **SHAREHOLDERS AGREEMENT**

In connection with the Acquisitions, the Purchaser, the Company, Mr. Meekiatchaikun and the Target Company entered into the Shareholders Agreement on 21 November 2024 (after trading hours) to define and regulate the respective rights and obligations of the shareholders of the Target Company upon the Completion A and Completion B (which shall take place simultaneously).

## **OPTION AGREEMENT**

In connection with the Acquisitions, concurrent with the signing of the Sale and Purchase Agreements on 21 November 2024 (after trading hours), the Purchaser (as option holder), Mr. Meekiatchaikun (as grantor) and the Company (as guarantor) have also entered into the Option Agreement, pursuant to which (i) Mr. Meekiatchaikun has granted the Call Option to the Purchaser for it (and/or its designated person) to purchase some or all of the Option Shares held by Mr. Meekiatchaikun; and (ii) the Purchaser has granted the Put Option to Mr. Meekiatchaikun to require the Purchaser (and/or its designated person) to purchase some or all of the Option Shares held by Mr. Meekiatchaikun.

## **LISTING RULES IMPLICATIONS**

Pursuant to Rule 14.74(1) of the Listing Rules, as the exercise of each of the Put Option and the Default Put Option is not at the Group's discretion, the Put Option and the Default Put Option will be classified as if they had been exercised (with reference to the highest possible monetary value, i.e. the maximum Default Put Option Price, being 120% of the Maximum Option Price) upon their granting under the Option Agreement and the Shareholders Agreement.

As the Acquisitions, the Put Option and the Default Put Option are all expected to be completed within a 12-month period or are otherwise related, they are required to be aggregated in accordance with Rule 14.22 of the Listing Rules.

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the transactions contemplated under the Sale and Purchase Agreements, the Shareholders Agreement and the Option Agreement (which include the Acquisitions, the Put Option and the Default Put Option), on an aggregate basis, exceed 5% but all are less than 25%, the Acquisitions, the Put Option and the Default Put Option constitute discloseable transactions of the Company and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Pursuant to Rule 14.75(1) of the Listing Rules, as the exercise of each of the Call Option and the Default Call Option is at the discretion of the Group, on the grant of the Call Option and the Default Call Option, only the premium will be taken into consideration for purpose of classification of notifiable transaction. As the Purchaser did not and will not pay any premium for the Call Option and the Default Call Option, the Call Option and the Default Call Option are exempt from the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules. The Company will comply with all applicable requirements under Chapter 14 of the Listing Rules upon the exercise of the Call Option and/or the Default Call Option by the Group.

## **SALE AND PURCHASE AGREEMENTS**

On 21 November 2024 (after the trading hours):

- (i) the Purchaser, Vendor A, Mr. Meekiatchaikun (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 the Sale Shares A, representing 25% of the registered capital of the Target Company, at a total consideration of THB326,216,000 (equivalent to approximately HK\$74,384,000) (assuming there will be no change to the Completion Date A); and
- (ii) the Purchaser, Vendor B 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 the Sale Shares B, representing 49% of the registered capital of the Target Company, at a total consideration of THB612,743,000 (equivalent to approximately HK\$139,718,000) (assuming there will be no change to the Completion Date B).

### **The Sale and Purchase Agreement A**

The principal terms of the Sale and Purchase Agreement A are summarized as follows:

#### ***Date***

21 November 2024

#### ***Parties***

- (i) Modern Dental Asia Pacific Limited, as the Purchaser
- (ii) Acheval Holdings Limited, as Vendor A

(iii) Mr. Anucha Meekiatchaikun, as warrantor

(iv) the Company, as guarantor

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, as at the date of this announcement, Vendor A, Mr. Meekiatchaikun and their respective ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons.

### ***Asset to be acquired***

The asset to be acquired is the Sale Shares A, which represent 25% of the total registered capital of the Target Company as at the date of this announcement.

### ***Consideration***

The consideration payable by the Purchaser for the Acquisition A under the Sale and Purchase Agreement A is:

- (a) THB284,403,135 (equivalent to approximately HK\$64,850,000); plus
- (b) an amount equal to THB87,500 (equivalent to approximately HK\$20,000) per day from and including 1 January 2024 up to and including the Completion Date A; plus
- (c) THB9,000,000 (equivalent to approximately HK\$2,052,000).

The consideration (subject to adjustment) payable by the Purchaser for the Acquisition A under the Sale and Purchase Agreement A was arrived at after arm's length negotiation based on 8.25 times EBITDA as at 31 December 2023, adjusted upwards by the pro-rated net profit of the Target Company calculated by multiplying the actual number of days elapsed from 1 January 2024 to the Completion Date A by the average daily net profit of the Target Company for the year ended 31 December 2023 based on a year of 365 days, with reference to, *inter alia*:

- (i) the financial performance of the Target Company, in particular the historical performance of the Target Company in the past two years. The revenue of the Target Company has increased from approximately THB569 million in 2022 to approximately THB730 million in 2023, representing a year-on-year increase of approximately 28%. The Target Company recorded profit of approximately THB128 million for 2023, representing an increase of approximately 25% compared to the profit of approximately THB102 million for 2022;
- (ii) the reputation, market position and history of the Target Company. The Target Company is Thailand's largest dental laboratory, with a substantial market share of 28% during the year ended 31 December 2022. The Target Company has a history of more than 28 years in the industry and has a team of over 900 qualified dental technicians;

- (iii) the business prospects and projection of growth and profitability of the Target Company, with reference to, including with limitation, (a) the net sales growth of the Target Company, with a CAGR of 23% over the financial years 2020 to 2023 and (b) the profitability of the Target Company, with an EBITDA margin of 21% and a net profit margin of 18% in 2023;
- (iv) the prevailing market conditions, in particular, the Group's market experience in similar ventures and assessment of the value of the Target Company through internal market comparison with similar targets;
- (v) the grant of the Call Option to the Purchaser to acquire all the shares in the Target Company after the Lock-in Period;
- (vi) the proportion of shareholding in the Target Company to be purchased by the Purchaser under the Sale and Purchase Agreement A; and
- (vii) the reasons for and benefits of the Acquisitions more particularly set out in the section headed "Reasons for and Benefits of the Acquisitions and Options" in this announcement.

The payment of the consideration shall be settled by wire transfer or by other means as mutually agreed in writing by Vendor A and the Purchaser.

### ***Conditions precedent***

Completion A is conditional upon the fulfilment (or waiver, if applicable) of following conditions on or before the Completion Date A, and in any event, by the Long Stop Date A:

#### Conditions precedent to be fulfilled by or in relation to Vendor A and Mr. Meekiatchaikun

The obligations of the Purchaser under the Sale and Purchase Agreement A are conditional upon the completion and satisfaction of all of the following conditions precedent (collectively, the "**Vendor A and Mr. Meekiatchaikun's Conditions Precedent**"):

1. Vendor A and Mr. Meekiatchaikun shall exercise their respective voting rights at the shareholders' meeting of the Target Company to pass a resolution to approve the consummation of the Acquisition A. The approved resolution shall be in full force and effect and not revoked on or before the Completion Date A.

2. Except for the increase of the registered capital of the Target Company prior to the Completion A, there has been no change in the number of the issued shares or the capital structure of the Target Company from the details set out in the Sale and Purchase Agreement A.
3. The Company has not taken any actions relating to standstill obligations as set out in the Sale and Purchase Agreement A, unless otherwise contemplated in or required by the Sale and Purchase Agreement A.
4. All and each of the fundamental warranties set out in the Sale and Purchase Agreement A given by Vendor A and Mr. Meekiatchaikun are true in all material respects on and at the date of the Sale and Purchase Agreement A and the Completion with the same force and effect as though made on, at and as of the Completion Date A, except as affected by transactions expressly permitted by the Sale and Purchase Agreement A, or as expressly waived in writing by the Purchaser.
5. The Target Company shall have obtained all consents, approvals and/or waivers under certain loan agreement(s) and other financial-related agreement(s) entered into by the Target Company to permit and consummate the Acquisition A without causing or resulting in a default, event of default or termination under such agreement(s) and without entitling any third party to exercise any right or remedy under such contracts adverse to the interests of the Purchaser under certain loan and business related contracts stated in the Sale and Purchase Agreement A.
6. Save as otherwise disclosed, no legal action, suit or proceeding for the amount higher than THB5,000,000 shall have been commenced by any governmental authority or other person seeking to enjoin any transaction contemplated under the Sale and Purchase Agreement A at Completion A.
7. No Thai governmental authority or applicable laws shall promulgate or take effect between the date of the Sale and Purchase Agreement A and the Completion Date A which will prohibit the consummation of the Acquisition A.
8. Vendor A shall waive its right under the Existing Shareholders Agreement and the articles of association of the Target Company to purchase the shares of the Target Company held by Vendor B, which are subject to acquisition by the Purchaser under Acquisition B.
9. Vendor A shall have obtained its board and/or shareholders approvals for the Acquisition A.

Vendor A and Mr. Meekiatchaikun shall procure that the above conditions, except for conditions 5 and 7, are duly observed or satisfied on or before the Completion Date A, and in any event by the Long Stop Date A.

The Purchaser may waive any non-fulfillment of any conditions precedent above, except for condition 9, in writing to Vendor A and Mr. Meekiatchaikun or may vary any of the conditions above by written agreement among the parties to the Sale and Purchase Agreement A.

Conditions precedent to be fulfilled by or in relation to the Purchaser

The obligations of Vendor A and Mr. Meekiatchaikun under the Sale and Purchase Agreement A are conditioned upon the completion and satisfaction of all of the following conditions precedent (collectively, the “**Purchaser’s Conditions Precedent A**”):

1. The Purchaser has the authority to enter into and perform its obligations under the Sale and Purchase Agreement A and the transaction contemplated thereby and all necessary corporate action has been taken by it to authorize the execution and the performance of its obligations under the Sale and Purchase Agreement A.
2. All of the obligations, covenants, and undertakings to be performed by the Purchaser prior to the Completion A contained in the Sale and Purchase Agreement A shall be duly performed.
3. No legal action, suit or proceeding shall have been commenced or threatened by any governmental authority seeking to enjoin or prohibit any transaction contemplated at Completion A.
4. No governmental authority or applicable laws shall promulgate or take effect after the date of the Sale and Purchase Agreement A which will prohibit the consummation of the transaction contemplated therein.
5. The Purchaser shall pass a resolution of the board of directors and/or shareholders meeting of the Purchaser authorizing the execution of and performance by the Purchaser of its obligations under the Sale and Purchase Agreement A.
6. The following shall have been obtained, as the case may be, at no expense to Vendor A and Mr. Meekiatchaikun and shall not be withdrawn or modified (i) any other notices, consents, approvals and/or waivers which may be required under applicable laws or the constitutional documents of the Purchaser and for the transaction contemplated by the Sale and Purchase Agreement A, and (ii) all consents, approvals and/or waivers required under any contracts entered into by

the Purchaser in order to permit the consummation of the transaction contemplated by the Sale and Purchase Agreement A without causing or resulting in a default, event of default, acceleration event or termination event under any of right or remedy adverse to the interests of Vendor A, Mr. Meekiatchaikun or the Target Company thereunder.

7. The Purchaser validly exists and none of the following events have occurred or are continuing: the Purchaser (i) is insolvent, (ii) applies for, consents to, or acquiesces in the appointment of a receiver for the Purchaser or any of its property, (iii) admits in writing that it is unable to pay its debts, (iv) files a petition in bankruptcy, reorganization, debt arrangement or other proceeding under any bankruptcy or insolvency law, or any dissolution liquidation proceeding.
8. No legislation or governmental action shall promulgate or take effect between the date of the Sale and Purchase Agreement A and the Completion Date A which will prohibit the consummation of the transactions contemplated therein.
9. All and each of the warranties given by the Purchaser and the Company contained in the Sale and Purchase Agreement A shall be true in all material respects when made and shall be true in all material respects on and at the Completion Date A with the same force and effect as though made on, at and as of the Completion Date A, except as affected by transactions expressly permitted by the Sale and Purchase Agreement A or as expressly waived in writing by Vendor A and Mr. Meekiatchaikun.
10. The Target Company shall have obtained all consents, approvals and/or waivers under certain loan agreement(s) and other financial-related agreement(s) entered into by the Target Company to permit and consummate the Acquisition A without causing or resulting in a default, event of default or termination under such agreement(s) and without entitling any third party to exercise any right or remedy under such contracts adverse to the interests of the Purchaser.

The Purchaser shall procure that the above conditions, except for condition 10, are duly observed or satisfied on or before the Completion Date A, and in any event by the Long Stop Date A.

Vendor A and Mr. Meekiatchaikun may waive any non-fulfillment of any of the conditions above in writing to the Purchaser or may vary any of the conditions by written agreement among the parties to the Sale and Purchase Agreement A.



If any conditions precedent is not fulfilled or waived on or before the Long Stop Date A:

- (a) the parties to the Sale and Purchase Agreement A shall discuss and work together with a view to agreeing on a new Long Stop Date A, and to resolve any issues which is causing the conditions precedent not to be fulfilled; and
- (b) in the event that the parties to the Sale and Purchase Agreement A are unable to come to an agreement:
  - (i) in case any of the Vendor A and Mr. Meekiatchaikun's Conditions Precedent is not fulfilled, the Purchaser may elect to terminate the Sale and Purchase Agreement A upon submission of a written notice to Vendor A and Mr. Meekiatchaikun; or
  - (ii) in case any of the Purchaser's Conditions Precedent A is not fulfilled, Vendor A and Mr. Meekiatchaikun may elect to terminate the Sale and Purchase Agreement A upon submission of a written notice to the Purchaser and the Company,

in which case the Sale and Purchase Agreement A (other than confidentiality and miscellaneous provisions) shall automatically terminate and neither party thereto shall have any claim hereunder against the other parties (save in respect of the claims arising out of any antecedent breach of the Sale and Purchase Agreement A).

### ***Completion***

The Acquisition A and Acquisition B shall occur simultaneously. Either of (a) Vendor A and Mr. Meekiatchaikun on the one side, or (b) the Purchaser and the Company on the other side, shall have the right to terminate the Sale and Purchase Agreement A upon written notice to the other parties if the Acquisition A or Acquisition B is, or if it is clear that either will be, unable to be completed as contemplated prior to or at the Long Stop Date A.

Subject to all the conditions precedent having been fulfilled or waived by the relevant party to the Sale and Purchase Agreement A, the Completion A shall take place on the Completion Date A (i.e. 9 January 2025), or on such other date as may be agreed between the parties to the Sale and Purchase Agreement A in writing, but in any event no later than the Long Stop Date A.

### ***Indemnity***

Vendor A and Mr. Meekiatchaikun agreed to jointly and severally indemnify, and hold harmless, the Purchaser, (following Completion A) its affiliates and the Target Company on demand from and against any and all loss or liabilities resulting from, or in connection with certain tax and regulatory compliance issues.

### ***Guarantee***

The Company has unconditionally and irrevocably: (a) guaranteed to Vendor A and Mr. Meekiatchaikun the payment when due of all amounts payable by the Purchaser under or pursuant to the Sale and Purchase Agreement A; (b) undertaken to ensure that the Purchaser will perform when due all of its obligations under or pursuant to the Sale and Purchase Agreement A; and (c) agreed that if and each time that the Purchaser fails to make any payment when it is due under or pursuant to the Sale and Purchase Agreement A, the Company must on demand (without requiring Vendor A and/or Mr. Meekiatchaikun first to take steps against the Purchaser or any other person) pay that amount as if it were the principal obligor in respect of that amount.

### **The Sale and Purchase Agreement B**

The principal terms of the Sale and Purchase Agreement B are summarized as follows:

#### ***Date***

21 November 2024

#### ***Parties***

- (i) Modern Dental Asia Pacific Limited, as the Purchaser
- (ii) Hexa Europe B.V., as Vendor B
- (iii) the Company, as guarantor

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, as at the date of this announcement, Vendor B and its ultimate beneficial owner(s) are third parties independent of and not connected with the Company and its connected persons.

#### ***Asset to be acquired***

The asset to be acquired is the Sale Shares B, which represent 49% of the total registered capital of the Target Company as at the date of this announcement.

## *Consideration*

The consideration payable by the Purchaser for the Acquisition B under the Sale and Purchase Agreement B is:

- (a) THB557,430,144 (equivalent to approximately HK\$127,105,000); plus
- (b) an amount equal to THB171,500 (equivalent to approximately HK\$39,000) per day from and including 1 January 2024 up to and including the Completion Date B; less
- (c) THB9,000,000 (equivalent to approximately HK\$2,052,000).

The consideration (subject to adjustment) payable by the Purchaser for the Acquisition B under the Sale and Purchase Agreement B was arrived at after arm's length negotiation based on 8.25 times EBITDA as at 31 December 2023, adjusted upwards by the pro-rated net profit of the Target Company calculated by multiplying the actual number of days elapsed from 1 January 2024 to the Completion Date B by the average daily net profit of the Target Company for the year ended 31 December 2023 based on a year of 365 days, with reference to, *inter alia*:

- (i) the financial performance of the Target Company, in particular the historical performance of the Target Company in the past two years. The revenue of the Target Company has increased from approximately THB569 million in 2022 to approximately THB730 million in 2023, representing a year-on-year increase of approximately 28%. The Target Company recorded profit of approximately THB128 million for 2023, representing an increase of approximately 25% compared to the profit of approximately THB102 million for 2022;
- (ii) the reputation, market position and history of the Target Company. The Target Company is Thailand's largest dental laboratory, with a substantial market share of 28% during the year ended 31 December 2022. The Target Company has a history of more than 28 years in the industry and has a team of over 900 qualified dental technicians;
- (iii) the business prospects and projection of growth and profitability of the Target Company, with reference to, including with limitation, (a) the net sales growth of the Target Company, with a CAGR of 23% over the financial years 2020 to 2023 and (b) the profitability of the Target Company, with an EBITDA margin of 21% and a net profit margin of 18% in 2023;
- (iv) the prevailing market conditions, in particular, the Group's market experience in similar ventures and assessment of the value of the Target Company through internal market comparison with similar targets;

- (v) the grant of the Call Option to the Purchaser to acquire all the shares in the Target Company after the Lock-in Period;
- (vi) the proportion of shareholding in the Target Company to be purchased by the Purchaser under the Sale and Purchase Agreement B; and
- (vii) the reasons for and benefits of the Acquisitions more particularly set out in the section headed “Reasons for and Benefits of the Acquisitions and Options” in this announcement.

The payment of the consideration shall be settled by wire transfer or by other means as mutually agreed in writing by Vendor B and the Purchaser.

### ***Conditions precedent***

Completion B is conditional upon the fulfilment (or waiver, if applicable) of following conditions on or before the Completion Date B, and in any event, by the Long Stop Date B:

#### Conditions precedent to be fulfilled by or in relation to Vendor B

The obligations of the Purchaser under the Sale and Purchase Agreement B are conditional upon the Completion and satisfaction of all of the following conditions precedent (collectively, the “**Vendor B’s Conditions Precedent**”):

1. Vendor B shall exercise its voting right at the shareholders’ meeting of the Target Company to pass a resolution to approve the consummation of the Acquisition B. The approved resolutions shall be in full force and effect and not revoked on or before the Completion Date B.
2. Except for the increase of the registered capital of the Target Company prior to the Completion B, there has been no change in the number of the issued shares or the capital structure of the Target Company from the details set out in the Sale and Purchase Agreement B.
3. The Target Company has not taken any actions relating to standstill obligations as set out in the Sale and Purchase Agreement B, unless otherwise contemplated in or required by the Sale and Purchase Agreement B.
4. As far as Vendor B is aware, all and each of the fundamental warranties set out in the Sale and Purchase Agreement B given by Vendor B are true in all material respects on the date of the Sale and Purchase Agreement B, except as affected by transactions expressly permitted by the Sale and Purchase Agreement B, or as expressly waived in writing by the Purchaser.

5. Vendor B and the Target Company shall have obtained all consents, approvals and/or waivers under certain loan agreement(s) and other financial-related agreement(s) entered into by the Target Company to permit and consummate the Acquisition B without causing or resulting in a default, event of default or termination under such agreement(s) and without entitling any third party to exercise any right or remedy under such contracts adverse to the interests of the Purchaser under certain loan and business related contracts stated in the Sale and Purchase Agreement B.
6. Save as otherwise disclosed, no legal action, suit or proceeding for the amount higher than THB5,000,000 shall have been commenced by any governmental authority or other person seeking to enjoin any transaction contemplated under the Sale and Purchase Agreement B at Completion B.
7. No Thai governmental authority or applicable laws shall promulgate or take effect between the date of the Sale and Purchase Agreement B and the Completion Date B which will prohibit the consummation of the transaction contemplated by the Sale and Purchase Agreement B.
8. Vendor B shall waive its right under the Existing Shareholders Agreement and the articles of association of the Target Company, to purchase the shares of the Target Company held by Vendor A, which are subject to acquisition by the Purchaser under the Acquisition A.
9. Vendor B shall have obtained its board and/or shareholders approvals for the Acquisition B.

Vendor B shall procure that the above conditions, except for conditions 5 to 7 above, are duly observed or satisfied on or before the Completion Date B, and in any event by the Long Stop Date B.

The Purchaser may waive any non-fulfillment of any of the Vendor B's Conditions Precedent, except for the condition 9 above in writing to Vendor B, or may vary any of the Vendor B's Conditions Precedent by written agreement among the parties to the Sale and Purchase Agreement B.

Conditions precedent to be fulfilled by or in relation to the Purchaser

The obligations of Vendor B under the Sale and Purchase Agreement B are conditioned upon the completion of all of the following conditions precedent (collectively, the “**Purchaser’s Conditions Precedent B**”):

1. The Purchaser has the authority to enter into and perform its obligations under the Sale and Purchase Agreement B and the transaction contemplated thereby and all necessary corporate action has been taken by it to authorize the execution and the performance of its obligations under the Sale and Purchase Agreement B.
2. All of the obligations, covenants, and undertakings to be performed by the Purchaser prior to the Completion B contained in the Sale and Purchase Agreement B shall be duly performed.
3. No legal action, suit or proceeding shall have been commenced or threatened by any governmental authority seeking to enjoin or prohibit any transaction contemplated at Completion B.
4. No governmental authority or applicable laws shall promulgate or take effect after the date of the Sale and Purchase Agreement B which will prohibit the consummation of the transaction contemplated therein.
5. The Purchaser shall pass a resolution of the board of directors and/or shareholders meeting of the Purchaser authorizing the execution of and performance by the Purchaser of its obligations under the Sale and Purchase Agreement B.
6. The following shall have been obtained, as the case may be, at no expense to Vendor B and shall not be withdrawn or modified (i) any other notices, consents, approvals and/or waivers which may be required under applicable law or the constitutional documents of the Purchaser and for the transaction contemplated by the Sale and Purchase Agreement B, and (ii) all consents, approvals and/or waivers required under any contracts entered into by the Purchaser in order to permit the consummation of the transaction contemplated by the Sale and Purchase Agreement B without causing or resulting in a default, event of default, acceleration event or termination event under any of right or remedy adverse to the interests of Vendor B or the Target Company thereunder.

7. The Purchaser validly exists and none of the following events have occurred or are continuing: the Purchaser (i) is insolvent, (ii) applies for, consents to, or acquiesces in the appointment of a receiver for the Purchaser or any of its property, (iii) admits in writing that it is unable to pay its debts, (iv) files a petition in bankruptcy, reorganization, debt arrangement or other proceeding under any bankruptcy or insolvency law, or any dissolution liquidation proceeding.
8. No legislation or governmental action shall promulgate or take effect between the date of the Sale and Purchase Agreement B and the Completion Date B which will prohibit the consummation of the transactions contemplated therein.
9. All and each of the warranties given by the Purchaser and the Company contained in the Sale and Purchase Agreement B shall be true in all material respects when made and shall be true in all material respects on and at the Completion Date B with the same force and effect as though made on, at and as of the Completion Date B, except as affected by transactions expressly permitted by the Sale and Purchase Agreement B or as expressly waived in writing by Vendor B.
10. The Target Company shall have obtained all consents, approvals and/or waivers under certain loan agreement(s) and other financial-related agreement(s) entered into by the Target Company to permit and consummate the Acquisition B without causing or resulting in a default, event of default or termination under such agreement(s) and without entitling any third party to exercise any right or remedy under such contracts adverse to the interests of the Purchaser.

The Purchaser shall procure that the above conditions, except for the condition 10 above, are duly observed or satisfied on or before the Completion Date B, and in any event by the Long Stop Date B.

Vendor B may waive any non-fulfillment of any conditions above in writing to the Purchaser or may vary any of the Purchaser's Conditions Precedent B by written agreement among the parties to the Sale and Purchase Agreement B.

If any conditions precedent is not fulfilled or waived on or before the Long Stop Date B:

- (a) the parties to the Sale and Purchase Agreement B shall discuss and work together with a view to agreeing on a new Long Stop Date B, and to resolve any issues which is causing the conditions precedent not to be fulfilled; and
- (b) in the event that the parties to the Sale and Purchase Agreement B are unable to come to an agreement:
  - (i) in case any of the Vendor B's Conditions Precedent is not fulfilled, the Purchaser may elect to terminate the Sale and Purchase Agreement B upon submission of a written notice to Vendor B; or
  - (ii) in case any of the Purchaser's Conditions Precedent B is not fulfilled, Vendor B may elect to terminate the Sale and Purchase Agreement B upon submission of a written notice to the Purchaser and the Company,

in which case the Sale and Purchase Agreement B (other than confidentiality and miscellaneous provisions) shall automatically terminate and neither party to the Sale and Purchase Agreement B shall have any claim thereunder against the other parties (save in respect of the claims arising out of any antecedent breach of the Sale and Purchase Agreement B).

### ***Completion***

The Acquisition B and Acquisition A shall occur simultaneously. Either of (a) Vendor B on the one side, or (b) the Purchaser and the Company on the other side, shall have the right to terminate the Sale and Purchase Agreement B upon written notice to the other party(ies) if the Acquisition A or Acquisition B is, or if it is clear that either will be, unable to be completed as contemplated prior to or at the Long Stop Date B.

Subject to all the conditions precedent having been fulfilled or waived by the relevant party to the Sale and Purchase Agreement B, the Completion B shall take place on the Completion Date B (i.e. 9 January 2025), or on such other date as may be agreed between the parties to the Sale and Purchase Agreement B in writing, but in any event no later than the Long Stop Date B.

### ***Guarantee***

The Company has unconditionally and irrevocably: (a) guaranteed to Vendor B the payment when due of all amounts payable by the Purchaser under or pursuant to the Sale and Purchase Agreement B; (b) undertaken to ensure that the Purchaser will perform when due all its obligations under or pursuant to the Sale and Purchase Agreement B; and (c) agreed that if and each time that the Purchaser fails to make



any payment when it is due under or pursuant to the Sale and Purchase Agreement B, the Company must on demand (without requiring Vendor B first to take steps against the Purchaser or any other person) pay that amount as if it were the principal obligor in respect of that amount.

## **SHAREHOLDERS AGREEMENT**

In connection with the Acquisitions, the Purchaser, the Company, Mr. Meekiatchaikun and the Target Company entered into the Shareholders Agreement on 21 November 2024 (after trading hours) to define and regulate the respective rights and obligations of the shareholders of the Target Company upon the Completion A and Completion B (which shall take place simultaneously).

The principal terms of the Shareholders Agreement are summarized as follows:

### **Parties**

- (i) Modern Dental Asia Pacific Limited (i.e. the Purchaser), as majority shareholder
- (ii) the Company, as guarantor
- (iii) Mr. Meekiatchaikun, as minority shareholder
- (iv) Hexa Ceram Company Limited. (i.e. the Target Company)

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, as at the date of this announcement, Mr. Meekiatchaikun, the Target Company and their respective ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons.

### **Subject matter**

The Purchaser, Mr. Meekiatchaikun, the Company and the Target Company entered into the Shareholders Agreement on 21 November 2024 (after trading hours) to define and regulate the respective rights and obligations of the shareholders of the Target Company and the Target Company's conduct of its activities and affairs, and to set out the agreements and arrangements for the management of the business operations and the governance of the Target Company upon the Completion A and Completion B (which shall take place simultaneously).

### **Effectiveness**

The Shareholders Agreement shall be effective and binding upon the parties on the Completion Date A and shall continue to be in full force and effect until terminated in accordance with the Shareholders Agreement. In the event that the Completion A does not occur, the Shareholders Agreement shall be of no effect and shall not create any rights or obligations among the parties.

## Shareholding structure

As at the Completion Date A, the shareholding structure of the Target Company shall be as follows:

Shareholders	Number of shares	Shareholding ratio
The Purchaser	155,400	74%
Mr. Meekiatchaikun	<u>54,600</u>	<u>26%</u>
Total	<u><u>210,000</u></u>	<u><u>100%</u></u>

## Business of the Target Company

The purpose of the Target Company is to engage in the manufacture, production and distribution of dentures, dental medical devices, dental medical supplies, dental prosthesis and dental equipment (except for machines used in dentistry and disposable dental equipment and supplies, which the Target Company only distributes) and other related activities, and any other business to be determined by the Target Company's shareholders.

## Lock-up

For a period of three (3) years from the date of the Shareholders Agreement (the "**Lock-up Period**"), no shareholder of the Target Company shall transfer (or enter into any agreement, whether conditional or otherwise, to transfer) any share of the Target Company held by it except as expressly permitted under the Shareholders Agreement.

No shareholder of the Target Company shall, at any time, pledge or otherwise create, grant or issue any encumbrance over any share held by it in the Target Company (or enter into any agreement, whether conditional or otherwise, to pledge or otherwise create, grant or issue any encumbrance over any share), without the prior written consent of the other shareholder of the Target Company.

## Right of first refusal

After the Lock-up Period and subject to the provisions of the Option Agreement, if any shareholder of the Target Company desires to transfer all or any part of its shares in the Target Company to any bona fide purchaser, such shareholder of the Target Company shall first offer to transfer those shares to the other shareholder of the Target Company.

## Tag-along right

After the Lock-up Period, in the event that the Purchaser desires to transfer all or any part of its shares in the Target Company, Mr. Meekiatchaikun shall have the right (but not the obligation) to sell all or any part of his shares in the Target Company, together with the sale of the Purchaser's shares in the Target Company, to the proposed transferee at the same price and under the same terms and conditions.

## **Board of directors**

The board of directors of the Target Company shall consist of four (4) directors, of which three (3) directors shall be nominated by the Purchaser and one (1) director shall be nominated by Mr. Meekiatchaikun. At any time and in its sole discretion, each shareholder of the Target Company may remove and/or replace any director nominated by he/it.

All resolutions of the board of directors of the Target Company shall require more than half of the votes of the directors who attend the meeting, except in the case of certain reserved matters where the affirmative vote of the director nominated by Mr. Meekiatchaikun shall also be required.

## **Shareholders meeting**

There are certain reserved matters where at least seventy-five (75) percent of the votes of the shareholders who attend the meeting and are entitled to vote shall be required and the affirmative vote of Mr. Meekiatchaikun must also be included, apart from which the other matters shall require half of the votes of the shareholders who attend the meeting and are entitled to vote.

## **Dividend policy**

The Target Company shall pay dividends of at least 40% of annual net profits every year, after a relevant amount has been set aside as required by applicable laws and provided that there is sufficient cash flow for the Target Company's business requirements.

## **Guarantee**

The Company shall unconditionally and irrevocably (a) guarantee to Mr. Meekiatchaikun the payment when due of all amounts payable by the Purchaser under or pursuant to the Shareholders Agreement; (b) undertake to ensure that the Purchaser will perform when due all its obligations under or pursuant to the Shareholders Agreement; and (c) agree that if and each time that the Purchaser fails to make any payment when it is due under or pursuant to the Shareholders Agreement, the Company must on demand (without requiring Mr. Meekiatchaikun first to take steps against the Purchaser or any other person) pay that amount as if it were the principal obligor in respect of that amount.

## **Default put option and call option**

In the event that a Default Event occurs during the period after the Lock-up Period until 31 December 2031, if the Default Event occurs due to any breach or default by, or with respect to, the Purchaser, Mr. Meekiatchaikun shall have a put option to require the Purchaser to purchase all of Mr. Meekiatchaikun's shares in the Target Company (the "**Default Put Option**") at the Option Price plus a premium of 20% (the "**Default Put Option Price**") by giving a written notice to the Purchaser within fifteen (15) business days following the Default Event.

In the event that a Default Event occurs during the period after the Lock-up Period until 31 December 2031, if the Default Event occurs due to any breach or default by, or with respect to Mr. Meekiatchaikun, the Purchaser shall have a call option to require Mr. Meekiatchaikun to sell all of its shares in the Target Company (the "**Default Call Option**") at the Option Price minus a discount of 20% (the "**Default Call Option Price**") by giving a written notice to Mr. Meekiatchaikun within fifteen (15) business days following the Default Event.

A "**Default Event**" shall be deemed to have occurred if:

- (a) a shareholder of the Target Company commits a material breach or a persistent breach of the Shareholders Agreement, provided that (i) where such breach is capable of remedy, the such shareholder shall have failed or omitted to remedy such reach within 60 days following the receipt of a written notice from the other shareholder of the Target Company of such breach or (ii) in the case of a persistent breach, where such shareholder shall have failed to cease such breach within 60 days following the receipt of a written notice from the other shareholder of such breach; or
- (b) a shareholder of the Target Company (i) enters or applies to enter into, or if application is made by a third party intending to force the other shareholder of the Target Company to enter into, bankruptcy, rehabilitation or similar proceedings or (ii) any event occurs which, under the laws of any country to which a shareholder is subject, has an analogous effect to any of the events referred to in (a) above.

The Default Put Option Price and Default Call Option Price were determined after arm's length negotiation between the parties to the Shareholders Agreement on normal commercial terms with reference to (i) the factors considered in determining the Option Price set out in the paragraph headed "Option Agreement — Option price" below; and (ii) the potential liquidated damages to one of the parties upon the occurrence of a breach of default of the other party.

The Purchaser will finance the Default Put Option Price (in the event it is exercised) by its internal resources and/or external borrowings.

## **INFORMATION OF THE TARGET COMPANY**

The Target Company is a private limited company incorporated under the laws of Thailand. It is a leading dental laboratory in Thailand with a history of more than 28 years in the industry and is principally engaged in manufacture, production and distribution of dentures, dental medical devices, dental medical supplies, dental prosthesis and dental equipment (except for machines used in dentistry and disposable dental equipment and supplies, which the Target Company only distributes) and other related activities. As at the date of this announcement, Mr. Meekiatchaikun, Vendor A and Vendor B hold 54,600 shares, 52,500 shares and 102,900 shares in the Target Company, respectively, representing 26%, 25% and 49% of the registered capital of the Target Company, respectively.

### **Financial information of the Target Company**

Set out below is the summary of the audited financial information of the Target Company prepared in accordance with the Thai Financial Reporting Standard for Non-Publicly Accountable Entities for the two years ended 31 December 2022 and 2023 and the unaudited financial information of the Target Company for the six months ended 30 June 2024:

	<b>For the six months ended 30 June 2024</b>	<b>For the year ended 31 December</b>	
	<b>2024</b>	<b>2023</b>	<b>2022</b>
	<i>(unaudited)</i>	<i>(audited)</i>	<i>(audited)</i>
	<i>THB</i>	<i>THB</i>	<i>THB</i>
Revenue	401,449,957	730,037,601	568,502,133
Net profit before tax	56,826,921	130,232,347	102,855,466
Net profit after tax	56,326,921	127,837,156	101,950,518

As at 30 June 2024, the unaudited net asset value of the Target Company was approximately THB412,699,776.

Upon Completion A and Completion B, the Purchaser will be interested in 74% of the registered capital of the Target Company. The Target Company will therefore become a non-wholly-owned subsidiary of the Company and its financial results will be consolidated into the financial statements of the Group.

## **OPTION AGREEMENT**

In connection with the Acquisitions, concurrent with the signing of the Sale and Purchase Agreements on 21 November 2024 (after trading hours), the Purchaser (as option holder), Mr. Meekiatchaikun (as grantor) and the Company (as guarantor) have also entered into the Option Agreement, pursuant to which (i) Mr. Meekiatchaikun has granted the Call Option to the Purchaser for it (and/or its designated person) to purchase some or all of the Option Shares held by Mr. Meekiatchaikun; and (ii) the Purchaser has granted the Put Option to Mr. Meekiatchaikun to require the Purchaser (and/or its designated person) to purchase some or all of the Option Shares held by Mr. Meekiatchaikun.

The principal terms of the Option Agreement are summarized as follows:

### **Date**

21 November 2024

### **Parties**

- (i) Modern Dental Asia Pacific Limited (i.e. the Purchaser), as option holder
- (ii) Mr. Meekiatchaikun, as grantor
- (iii) the Company, as guarantor

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, as at the date of this announcement, Mr. Meekiatchaikun is a third party independent of and not connected with the Company and its connected persons.

### **Subject matter**

Pursuant to the Option Agreement:

- (i) Mr. Meekiatchaikun has granted the Call Option to the Purchaser for it (and/or its designated person) to purchase some or all of the Option Shares held by Mr. Meekiatchaikun; and
- (ii) the Purchaser has granted the Put Option to Mr. Meekiatchaikun to require the Purchaser (and/or its designated person) to purchase some or all of the Option Shares held by him.

## Option price

The Option Price shall be calculated based on the CAGR of the Target Company (revenue and net profit growth) calculated from the previous three (3) Fiscal Years of the Target Company on the date which the Put Option and/or the Call Option (as applicable) is exercised by the party in accordance with the EBITDA multiple provided in the table below:

<b>CAGR % (of the Target Company's revenue and net profit growth)</b>	<b>EBITDA Multiple (calculated as of the Last Financial Year End Date)</b>
At least 15% CAGR or higher	nine times (9x) EBITDA
At least 10% CAGR up to 14.99% CAGR	seven times (7x) EBITDA
Below 10% CAGR	four point five times (4.5x) EBITDA

The Option Price shall be calculated based on the EBITDA multiple above and shall be on a debt-free and cash-free basis, based on the Target Company's working capital as at the last day of the Fiscal Year before the Call Option or the Put Option (as applicable) is exercised, or such other date as Mr. Meekiatchaikun and the Purchaser mutually agree in writing.

The parties to the Option Agreement agreed that the Option Price payable by the Purchaser for all Option Shares will not, in any circumstances, be greater than USD56,000,000 (the "**Maximum Option Price**") (equivalent to approximately HK\$435,842,000), and the Purchaser shall in no event be liable to pay Mr. Meekiatchaikun any additional amounts for the Option Shares beyond the Maximum Option Price.

The Purchaser shall make the payment for the Option Price for the Option Shares as referred to in the Put Option Exercise Notice or the Call Option Exercise Notice (as applicable) to Mr. Meekiatchaikun in full on the date of Completion.

The Option Price was determined after arm's length negotiation between Mr. Meekiatchaikun and the Purchaser on normal commercial terms based on certain EBITDA multiples against the CAGR% (of the Target Company's revenue and net profit growth), with reference to, amongst others, (i) the projected value of the Option Shares (determined based on EBITDA multiples) with reference to the growth rate in the revenue and net profit of the Target Company; (ii) the basis for and factors considered in determining the consideration of the Acquisition A set out in the paragraph headed "Sale and Purchaser Agreements - The Sale and Purchase Agreement A — Consideration" in this announcement; and (iii) prevailing market

conditions with reference to the Group's market experience in similar ventures, in particular, growth rate and EBITDA multiples formula, through internal market comparison with similar historical transactions or negotiations in which the Group was involved.

The Purchaser will finance the Option Price by its internal resources and/or external borrowings.

### **Effectiveness**

The Option Agreement shall only become effective and binding upon the parties on the Completion Date A (the "**Effective Date of the Option Agreement**"). The obligations and rights set forth therein shall be contingent and conditional upon the Completion A. Should the Completion A not occur, the Option Agreement shall be rendered void, and the parties shall have no claims or obligations under the Option Agreement.

### **Lock-in period**

From the Effective Date of the Option Agreement until the third anniversary of the Completion Date A (the "**Lock-in Period**"), Mr. Meekiatichaikun shall not sell or transfer its Option Shares to any other person (except to his affiliate or in accordance with the terms and conditions of the Shareholders Agreement) without the prior written consent of the Purchaser.

### **Exercise period**

#### ***The Call Option***

Without prejudice to the Lock-in Period, the Call Option is exercisable by the Purchaser at any time until 31 December 2031. Upon the expiry of the Lock-in Period, the Purchaser shall have the right to exercise the Call Option to require Mr. Meekiatichaikun to sell some or all of the Option Shares held by him.

#### ***The Put Option***

Without prejudice to the Lock-in Period, the Put Option is exercisable by Mr. Meekiatichaikun at any time until 31 December 2031. Upon the expiry of the Lock-in Period, Mr. Meekiatichaikun shall have the right to exercise the Put Option to require the Purchaser to purchase some or all of the Option Shares held by him.



## **Conditions for exercise**

In the event that both Mr. Meekiatchaikun and the Purchaser exercise their respective Put Option and Call Option, either simultaneously or within one (1) month of each other, Mr. Meekiatchaikun shall have the right to decide whether the Put Option or the Call Option shall prevail, and the Call Option under the respective Call Option Exercise Notice or the Put Option under the respective Put Option Exercise Notice not pursued by Mr. Meekiatchaikun shall become null and void.

### ***The Call Option***

The Call Option is exercisable by the Purchaser serving an irrevocable notice (the “**Call Option Exercise Notice**”) on Mr. Meekiatchaikun within six (6) months after the audited financial statements of the Target Company is approved by the shareholders of the Target Company at the annual general meeting of the shareholders of the Company for each Fiscal Year. The Call Option may be exercised by the Purchaser only one (1) time during each Fiscal Year.

The Call Option is exercisable by the Purchaser provided that the Purchaser acquires at least a minimum of ten percent (10%) of the Option Shares from Mr. Meekiatchaikun at each exercise of the Call Option.

### ***The Put Option***

The Put Option is exercisable by Mr. Meekiatchaikun serving an irrevocable notice (the “**Put Option Exercise Notice**”) on the Purchaser within six (6) months after the audited financial statements of the Target Company is approved by the shareholders of the Target Company at the annual general meeting of the shareholders of the Target Company for each Fiscal Year. The Put Option may be exercised by Mr. Meekiatchaikun only one (1) time during each Fiscal Year.

The Put Option is exercisable by Mr. Meekiatchaikun provided that he sells and transfers at least a minimum of ten percent (10%) of the Option Shares to the Purchaser or its designated person at each exercise of the Put Option.

## **Option Completion**

An Option Completion shall take place:

- (a) on the date specified in, as applicable,
  - (i) the Call Option Exercise Notice, such date to be no less than 30 and no more than 45 business days after the date of the Call Option Exercise Notice, or

- (ii) the Put Option Exercise Notice, such date to be no less than 30 and no more than 45 business days after the date of the Put Option Exercise Notice (in case disputed by Mr. Meekiatchaikun, such date may be extended to no later than 15 business days following the determination of the relevant EBITDA and the amount of Option Price); or
- (b) on such other date as may be agreed in writing between the Purchaser and Mr. Meekiatchaikun.

### **Guarantee**

The Company has unconditionally and irrevocably:

- (a) guaranteed to Mr. Meekiatchaikun the payment when due of all amounts payable by the Purchaser under or pursuant to the Option Agreement;
- (b) undertaken to ensure that the Purchaser will perform when due all its obligations under or pursuant to the Option Agreement;
- (c) agreed that if and each time that the Purchaser fails to make any payment when it is due under or pursuant to the Option Agreement, the Company must on demand (without requiring Mr. Meekiatchaikun first to take steps against the Purchaser or any other person) pay that amount as if it were the principal obligor in respect of that amount; and
- (d) agreed that if and each time that the Purchaser (and/or its designated person) fails to purchase any of the Option Shares held by Mr. Meekiatchaikun according to the terms and conditions of the Option Agreement, the Company must purchase such Option Shares from Mr. Meekiatchaikun instead of the Purchaser (and/or its designated person) and make the payment for the Option Price to Mr. Meekiatchaikun in full in accordance with the terms and conditions of the Option Agreement.

### **REASONS FOR AND BENEFITS OF THE ACQUISITIONS AND THE OPTIONS**

The Group is principally engaged in the production and distribution of fixed prosthetic devices, removable prosthetic devices and other devices. It is a leading dental prosthetic device provider with a focus on providing custom-made prostheses to customers in the growing prosthetics industry.

The Target Company is a leading dental laboratory in Thailand with a history of more than 28 years in the industry and is principally engaged in manufacture, production and distribution of dentures, dental medical devices, dental medical supplies, dental prosthesis and dental equipment (except for machines used in dentistry and disposable dental equipment and supplies, which the Target Company only distributes) and other related activities.

The Group has been strategically diversifying the geographical presence of its business following a globalisation trend. In line with its business strategies, the Group has undergone key acquisitions in previous years with a view to the expansion of its distribution and sales network towards other parts of the globe. As disclosed in 2023 annual report of the Company, it is the Group's aim to reinforce its worldwide leading position and drive business expansion through opportunistic transactions including strategic cooperations, acquisitions, joint ventures and/or partnerships. It is the Company's view to grow into a full dental ecosystem to support the Group's customers.

The Acquisitions represent a strategic initiative of the Group to bolster its market presence and operational capabilities in the Southeast Asia region. Guided by the aforementioned vision and business strategy of the Group, the Board considers that the Acquisitions would give the Group access to the Thailand market, a market in which the Group currently does not have a significant operational scale. Specifically, 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. Both the Put Option and the Call Option would enable the Group to acquire the entirety of the shares in the Target Company after the prescribed Lock-in Period at the pre-agreed Option Price determined after arm's length negotiations, thereby allowing the Group to enjoy the full control of the Target Company.

The Acquisitions are also expected to bring synergistical effect to the Group's business. It is anticipated considerable benefits can be derived from cross-selling the Group's combined portfolio of products and solutions and the sharing of best practices, which would effectively enhance operational efficiency.

Furthermore, the Group sees that Acquisitions as a calculated step towards diversifying the Group's country risk portfolio, particularly on mass production capacities. Such geographical diversification will enhance the Group's resilience against regional risks and solidify the stability of the Group's production lines.

In view of the foregoing, the Directors (including the independent non-executive Directors) consider that the terms of the Sale and Purchase Agreements, the Shareholders Agreement and the Option Agreement are on normal commercial terms, and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **INFORMATION OF THE PARTIES**

### **Information of the Company and the Group**

The Company is an investment holding company incorporated in the Cayman Islands with limited liabilities. The Group is principally engaged in the production and distribution of fixed prosthetic devices, removable prosthetic devices and other devices. It is a leading dental prosthetic device provider with a focus on providing custom-made prostheses to customers in the growing prosthetics industry.

### **Information of the Purchaser**

The Purchaser is a company incorporated in Hong Kong with limited liability and is an indirect wholly-owned subsidiary of the Company. The Purchaser is principally engaged in trading of dental prosthesis devices and equipment.

### **Information of Vendor A**

Vendor A is an investment holding company incorporated in the British Virgin Islands with limited liability. It is principally engaged in the holding of the investment in the Target Company. As at the date of this announcement, Mr. Meekiatchaikun is the sole shareholder of Vendor A.

### **Information of Vendor B**

Vendor B is a private limited company incorporated in under the laws of the Netherlands and is an investment holding company. As at the date of this announcement, Vendor B is indirectly controlled by Colosseum HoldCo II AG, a private limited company incorporated under the laws of Switzerland. Colosseum HoldCo II AG's ultimate beneficial owner is the Jacobs Foundation, a charity foundation registered under the laws of Switzerland. Jacobs Foundation is dedicated to giving every child a quality education. Jacobs Foundation has no ultimate beneficial owners or ultimate controllers. The members of the foundation board of Jacobs Foundation are Lindenberger, Prof. Dr. Ulmann, Baron von Maydell, Dr. Olaf, Ambühl, Johann, Jacobs, Dr. Christian, Egbe, William, Vegas Vicentini, Emiliana, Abramson, Jenny, Giuliani, Sandro, Jacobs-Hodson, Lavinia (president).

### **Information of Mr. Meekiatchaikun**

Mr. Meekiatchaikun is a resident of Thailand, who is a merchant and has extensive experience in the dental services industry.

## **LISTING RULES IMPLICATIONS**

Pursuant to Rule 14.74(1) of the Listing Rules, as the exercise of each of the Put Option and the Default Put Option is not at the Group's discretion, the Put Option and the Default Put Option will be classified as if they had been exercised (with reference to the highest possible monetary value, i.e. the maximum Default Put Option Price, being 120% of the Maximum Option Price) upon their granting under the Option Agreement and the Shareholders Agreement.

As the Acquisitions, the Put Option and the Default Put Option are all expected to be completed within a 12-month period or are otherwise related, they are required to be aggregated in accordance with Rule 14.22 of the Listing Rules.

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the transactions contemplated under the Sale and Purchase Agreements, the Shareholders Agreement and the Option Agreement (which include the Acquisitions, the Put Option and the Default Put Option), on an aggregate basis, exceed 5% but all are less than 25%, the Acquisitions, the Put Option and the Default Put Option constitute discloseable transactions of the Company and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Pursuant to Rule 14.75(1) of the Listing Rules, as the exercise of each of the Call Option and the Default Call Option is at the discretion of the Group, on the grant of the Call Option and the Default Call Option, only the premium will be taken into consideration for purpose of classification of notifiable transaction. As the Purchaser did not and will not pay any premium for the Call Option and the Default Call Option, the Call Option and the Default Call Option are exempt from the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules. The Company will comply with all applicable requirements under Chapter 14 of the Listing Rules upon the exercise of the Call Option and/or the Default Call Option by the Group.

## **DEFINITIONS**

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

“Acquisitions”	collectively, the Acquisition A and the Acquisition B
“Acquisition A”	the purchase of the Sale Shares A by the Purchaser from Vendor A pursuant to the Sale and Purchase Agreement A

“Acquisition B”	the purchase of the Sale Shares B by the Purchaser from Vendor B pursuant to the Sale and Purchase Agreement B
“Board”	the board of Directors
“CAGR”	the compound annual growth rate, which represents the annualized average growth rate required for a value to grow from the starting amount to the ending amount over a specified period, accounting for compounding, and shall be calculated for each Fiscal Year by applying the CAGR Formula
“CAGR Formula”	$CAGR(\text{year } X \text{ to year } Z) = \left( \left( \frac{\text{Value in year } Z}{\text{Value in year } X} \right)^{\frac{1}{n}} - 1 \right) \times 100$ <p>where:</p> <p>“year X” is the beginning of the period, which, for the avoidance of doubt, shall not be earlier than the year 2024.</p> <p>“year Z” is the end of the period.</p> <p>“n” is the number of years between year X and year Z.</p>
“Call Option”	a call option granted by Mr. Meekiatchaikun to the Purchaser for it (and/or its designated person) to purchase some or all of the Option Shares held by him
“Call Option Exercise Notice”	has the meaning ascribed to it in the paragraph headed “Option Agreement — Exercise period — The Call Option” in this announcement
“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
“Completion A”	completion of the Acquisition A pursuant to the Sale and Purchase Agreement A
“Completion B”	completion of the Acquisition B pursuant to the Sale and Purchase Agreement B

“Completion Date A”	9 January 2025 or such other date as may be mutually agreed between the parties to the Sale and Purchase Agreement A in writing for the Completion A, but in any event no later than the Long Stop Date A
“Completion Date B”	9 January 2025 or such other date as may be mutually agreed between the parties to the Sale and Purchase Agreement B in writing for the Completion B, but in any event no later than the Long Stop Date B
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Default Call Option”	has the meaning ascribed to it in the paragraph headed “Shareholders Agreement - Default put and call option” in this announcement
“Default Call Option Price”	has the meaning ascribed to it in the paragraph headed “Shareholders Agreement - Default put and call option” in this announcement
“Default Event”	has the meaning ascribed to it in the paragraph headed “Shareholders Agreement - Default put and call option” in this announcement
“Default Put Option”	has the meaning ascribed to it in the paragraph headed “Shareholders Agreement - Default put and call option” in this announcement
“Default Put Option Price”	has the meaning ascribed to it in the paragraph headed “Shareholders Agreement - Default put and call option” in this announcement
“Director(s)”	the director(s) of the Company
“EBITDA”	an amount equal to the earnings of the Target Company as determined and calculated by the Target Company based on the Option Financial Statements in accordance with the generally accepted accounting principles and standard of Thailand non-publicly accountable entities as applied by the Target Company for the preparation of its audited financial statement for the Fiscal Year ended 31 December 2023 for, excluding interest, tax, depreciation, and amortization, and consistent with the same accounting principles, policies, practices, basis, and methodology as have been applied to the Option Financial Statements

“Existing Shareholders Agreement”	a shareholders agreement dated 21 September 2010 and entered into by Mr. Meekiatchaikun and Vendor B to regulate the relationship of the shareholders of the Target Company
“Fiscal Year”	the 12 months accounting period of the Target Company starting from 1st January to 31st December in each year
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date A”	31 January 2025, or any other dates as mutually agreed in writing by the parties to the Sale and Purchase Agreement A
“Long Stop Date B”	31 January 2025, or any other dates as mutually agreed in writing by the parties to the Sale and Purchase Agreement B
“Lock-in Period”	has the meaning ascribed to it in the paragraph headed “Option Agreement - Lock-in period” in this announcement
“Lock-up Period”	has the meaning ascribed to it in the paragraph headed “Shareholders Agreement - Lock-up” in this announcement
“Mr. Meekiatchaikun”	Mr. Anucha Meekiatchaikun, a resident of Thailand, who is a merchant and has extensive experience in the dental services industry, acting as warrantor under the Sale and Purchase Agreement A and grantor under the Option Agreement, and the legal and beneficial owner of 54,600 shares in the Target Company (representing 26% of the registered capital of the Target Company) as at the date of this announcement.
“Options”	collectively, the Put Option and the Call Option



“Option Agreement”	the option agreement entered into on 21 November 2024 concurrently with the signing of the Sale and Purchase Agreements between the Purchaser (as option holder), Mr. Meekiatchaikun (as grantor) and the Company (as guarantor) in relation to the Call Option and the Put Option
“Option Completion”	completion of the exercise of the Call Option or the Put Option (as applicable), which shall take place on the date specified in the Call Option Exercise Notice or the Put Option Exercise Notice (as applicable), whereby such date shall be no less than 10 and no more than 30 business days after the date of the Call Option Exercise Notice or the Put Option Exercise Notice (as applicable)
“Option Financial Statements”	the financial statements of the Target Company as at the last day of the Fiscal Year before the Call Option or the Put Option (as applicable) is exercised, or such other date as Mr. Meekiatchaikun and the Purchaser mutually agree in writing
“Option Price”	the purchase price for the Option Shares payable by the Purchaser (or its designated person) to Mr. Meekiatchaikun on an Option Completion
“Option Shares”	all the shares in the capital of the Target Company held by Mr. Meekiatchaikun, being 54,600 shares as at the date of this announcement
“Purchaser”	Modern Dental Asia Pacific Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Put Option”	a put option granted by the Purchaser to Mr. Meekiatchaikun to require the Purchaser (and/or its designated person) to purchase some or all of the Option Shares held by Mr. Meekiatchaikun
“Put Option Exercise Notice”	has the meaning ascribed to it in the paragraph headed “Option Agreement — Exercise period — The Put Option” in this announcement
“Sale Shares”	collectively, the Sale Shares A and Sale Shares B

“Sale Shares A”	52,500 shares in the Target Company with a par value of THB500 each and expected to be owned by Vendor A, representing 25% of the registered capital of the Target Company as at the date of this announcement
“Sale Shares B”	102,900 shares in the Target Company with a par value of THB500 each and owned by Vendor B, representing 49% of the registered capital of the Target Company as at the date of this announcement
“Sale and Purchase Agreements”	collectively, the Sale and Purchase Agreement A and Sale and Purchase Agreement B
“Sale and Purchase Agreement A”	the share sale and purchase agreement dated 21 November 2024 and entered into between the Purchaser, Vendor A, Mr. Meekiatchaikun (as warrantor) and the Company (as guarantor) in relation to the sale and purchase of the Sale Shares A
“Sale and Purchase Agreement B”	the share sale and purchase agreement dated 21 November 2024 and entered into between the Purchaser, Vendor B and the Company (as guarantor) in relation to the sale and purchase of the Sale Shares B
“Share(s)”	ordinary share(s) of US\$0.1 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the shares
“Shareholders Agreement”	the shareholders agreement entered into between the Purchaser (as majority shareholder), the Company (as guarantor), Mr. Meekiatchaikun (as minority shareholder) and the Target Company on 21 November 2024 to define and regulate their respective rights and obligations in respect of the Target Company upon the Completion A and the Completion B (which shall take place simultaneously)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Hexa Ceram Company Limited, a private limited company incorporated under the laws of Thailand

“Thailand”	the Kingdom of Thailand
“THB”	Thai Baht, the lawful currency of Thailand
“USD”	United States dollar, the lawful currency of the United States of America
“Vendor A”	Acheval Holdings Limited, company incorporated under the laws of the British Virgin Islands with limited liability, which is the legal and beneficial owner of 52,500 shares in the Target Company (representing 25% of the registered capital of the Target Company) as at the date of this announcement
“Vendor B”	Hexa Europe B.V., a private limited company incorporated under the laws of the Netherlands, and the legal and beneficial owner of 102,900 shares in the Target Company (representing 49% of the registered capital of the Target Company) as at the date of this announcement
“Vendors”	collectively, Vendor A and Vendor B

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

Hong Kong, 21 November 2024

*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.*

*In this announcement, (i) amounts in USD are translated into HK\$ on the basis of USD1 = HK\$7.78289; and (ii) amounts in THB are translated into HK\$ on the basis of THB1 = HK\$0.22802. The conversion rate is for illustration purposes only and should not be taken as a representation that (i) USD could be converted into HK\$ or (ii) THB could be converted into HK\$ at such rate or at all.*