



全民
Q&M

Corporate
Presentation
2 August 2010



Singapore's largest private dental healthcare group

- Established in 1996 by Dr Ng Chin Siau, CEO
- 39 dental clinics, 1 Dental Centre, 1 mobile dental clinic
- 13-year track record of robust organic growth
- Q & M clinics are strategically located across the island
- Strong and visible brand name
- Multi-disciplinary expertise to provide comprehensive dental healthcare services from primary care to higher value-add specialist services
- Large pool of dentists of around 120 dentists
- Treated more than 370,000 patients island wide
- Listed on the Main Board of the SGX on 26 November 2009



Singapore Market

Reinforce leading position and expand share of the dental healthcare market

Strengthen earnings base of Singapore operations

Overseas Markets

Penetrate and build dental operations in the PRC

Explore other potential markets in SE Asia

Add geographical diversity and new growth drivers

5-year Targets

60 clinics in Singapore

50 clinics in the PRC

Vision :

To be recognised as a quality dental healthcare services provider in Asia

Mission:

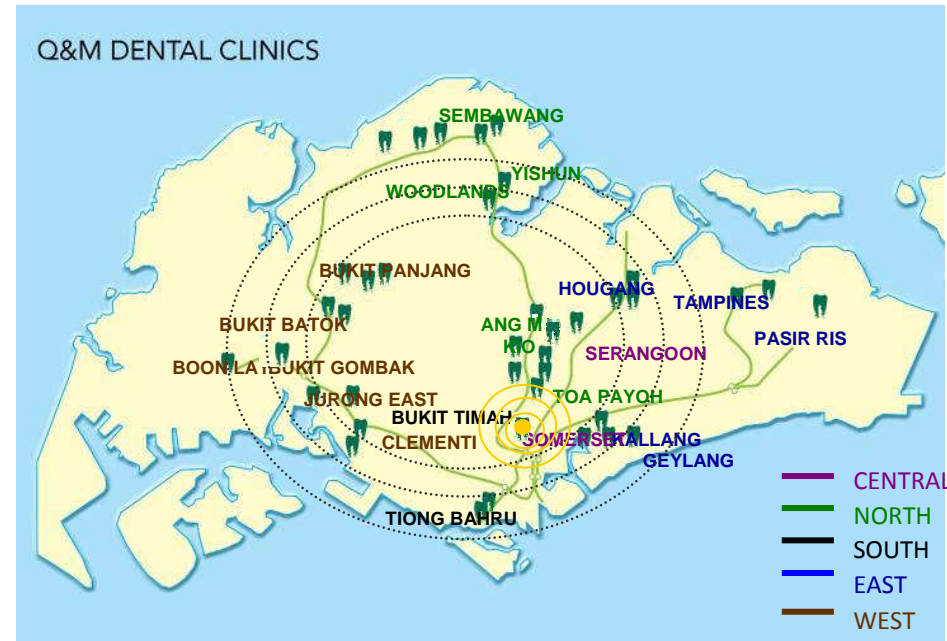
Increase accessibility to quality dental healthcare services for the people

1. Industry position

- Q & M has the largest network of dental outlets in the private dental healthcare segment
- Current market share of 6%* based on number of registered private dental clinics
- 370,000 patient pool represents around 17% of Singapore's population who visit dentists at least once a year
- Strong base of around 120 dentists, representing around 8%** of registered dentists in Singapore

2. Longer-term goal for Singapore market

- Target to own and operate **60 Q & M dental outlets by 2015**
- Widen market reach, expand patient base and enlarge market share
- Organic expansion and/or acquisitions



- Based on a total of 632 registered private dental clinics in Singapore in 2008 as extracted from the Singapore Dental Council Annual Report 2008
- Based on a total of 1,484 registered dentists in Singapore as extracted from Singapore Dental Council Annual Report 2008

3. Corporate Plans / Initiatives

A) Open new dental outlets

- Seek strategic locations
- **Continue to strengthen clinic network**
 - 2010 : opened 2 new clinics in Serangoon Garden (May) and Novena Square (July)
 - Plans to open another clinic at “NEX” shopping mall in Serangoon Central before end 2010
- **Dental Centre**
 - Plans to open 2nd Dental Centre in Orchard area (smaller scale than Dental Centre at City Square Mall)
 - Q & M Dental Centre at City Square mall is gaining traction; potential to increase utilisation of its 32 treatment rooms
 - Dental Centre model’s differentiation
 - larger capacity
 - access to specialists
 - more advanced dental procedures and solutions to address patients’ needs



B) Exploring opportunities to expand into dental products and equipment distribution business

- Source products and equipment to distribute to Q & M dental clinics, third party clinics and other suppliers

1. Potential of the PRC Market

- Large potential addressable market size
- Around 136,000 dentists* in China, which translates into a dentist-to-population ratio of 1:10,000 (compared to 1:3,400 in Singapore, and around 1:1,300 for developed countries)
- Dental healthcare awareness to improve with higher living standards – currently ~8% of the population visits dentists once a year
- Private sector dental healthcare services expected to grow on the back of rising affluence :
 - Growing population of middle to upper income level consumers who are more discerning and have higher appreciation of dental care
 - Drives demand for higher quality and up-to-date dental service offerings that are differentiated from government clinics



2. Long-term Investment Plan for the PRC market

- Plans to invest **\$37 million** (~RMB 180 million) over next 3 years to establish dental businesses in the PRC
- Target to have **50 clinics and some dental laboratories in the PRC by 2015**
- Improve accessibility to higher quality dental healthcare services for the population

3. Strategy and Initiatives

- Seek potential investments and partnerships to operate dental clinics and enter dental-related businesses
- **Target of 50 clinics in 5 years** is twice our historical expansion rate in Singapore (*around 10 clinics per year in the PRC compared to 4-5 new clinics per year on average in Singapore*)
 - **How:** Through investments or partnership arrangements with existing dental clinic chains
 - **Who:** Dental clinic groups with strong management who are practising dentists and committed to grow the business
 - **Where:** Major cities in the PRC will be our initial priority markets due to higher level of health-consciousness, and demand for differentiated and quality dental healthcare services
 - **What:** Intend to transfer advanced technical knowledge and skills from Q & M Dental Group to strengthen service offering and operations of PRC clinics; Q & M will also benefit from the local knowledge and extensive experience of our PRC partners
- Group's IPO in 2009 has strengthened our financial position to seek business opportunities
- Also have the option to tap capital market or utilise banking facilities to support growth initiatives in the PRC



First thrust into the PRC market

- Marked first entry into the PRC with **RMB20.7 m** (S\$4.2 m) investments to provide consultancy services and acquire the economic benefits of Aiyashi dental clinics in Beijing and Dan De dental clinics in Nanjing
- Beijing and Nanjing are large cities with relatively higher level of affluence and standards of living
- Believe these investments are good starting platforms to build visibility of “Q & M” brand in the PRC. “**Q & M (全民)**” will be used as the common brand in future marketing activities.
- Also entered into binding master agreement for proposed acquisition of 49% stake in dental laboratory, Yi Wu He Cheng Dental Equipment, in the PRC for **RMB26.5 m** (S\$5.4 m), to expand into dental laboratory business

Aiyashi Dental Clinics (“Aiyashi”)

- Renowned dental healthcare company in the PRC
- Founded in 2004 by eminent dental practitioners – Dr Wang Hai Peng and Dr Wang Jia Lei
- Operate 3 specialist dental clinics located in core business district of Beijing
- 3 Partners (reputable dentists) and 25 practicing dentists
- Offers specialist services such as aesthetics dentistry, dental implants, periodontal treatment, root canal treatment and orthodontics, that are in line with international standards
- Each clinic has around four to six consultation rooms and employs advanced dental equipment
- First dental practice in the PRC to employ microscope technology in dental procedures
- Instituted oral technical training programs in Beijing, Shenyang, Hangzhou and Guangzhou; Invited to hold seminars for 10,000 dentists in more than 20 provincial cities

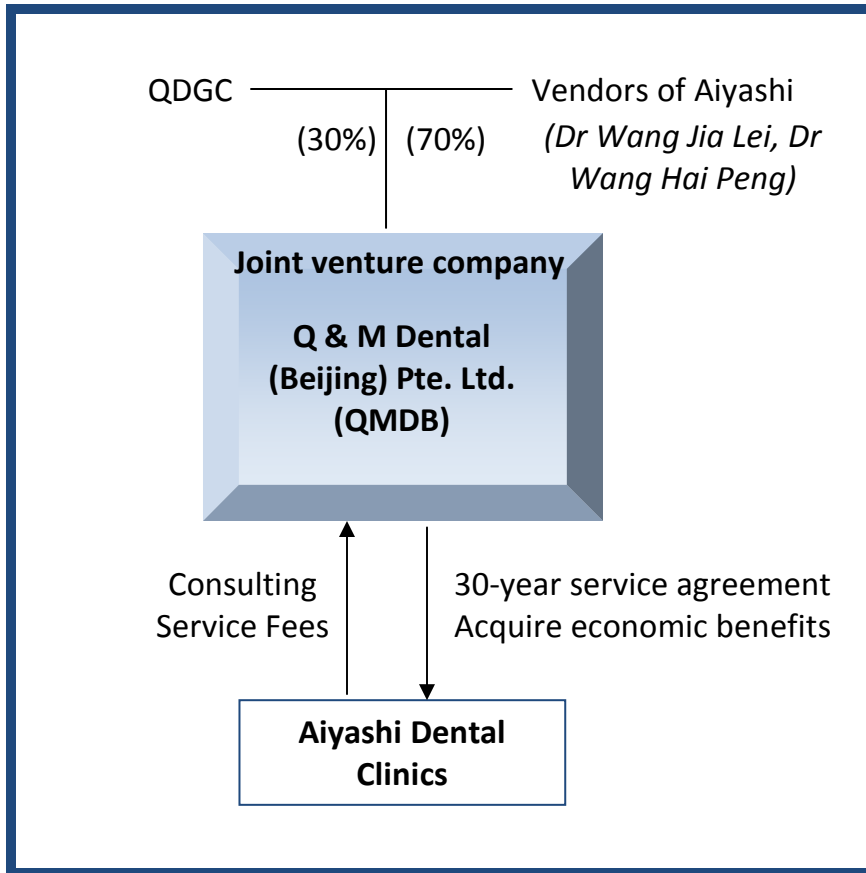


Dan De Dental Group (“Dan De”)

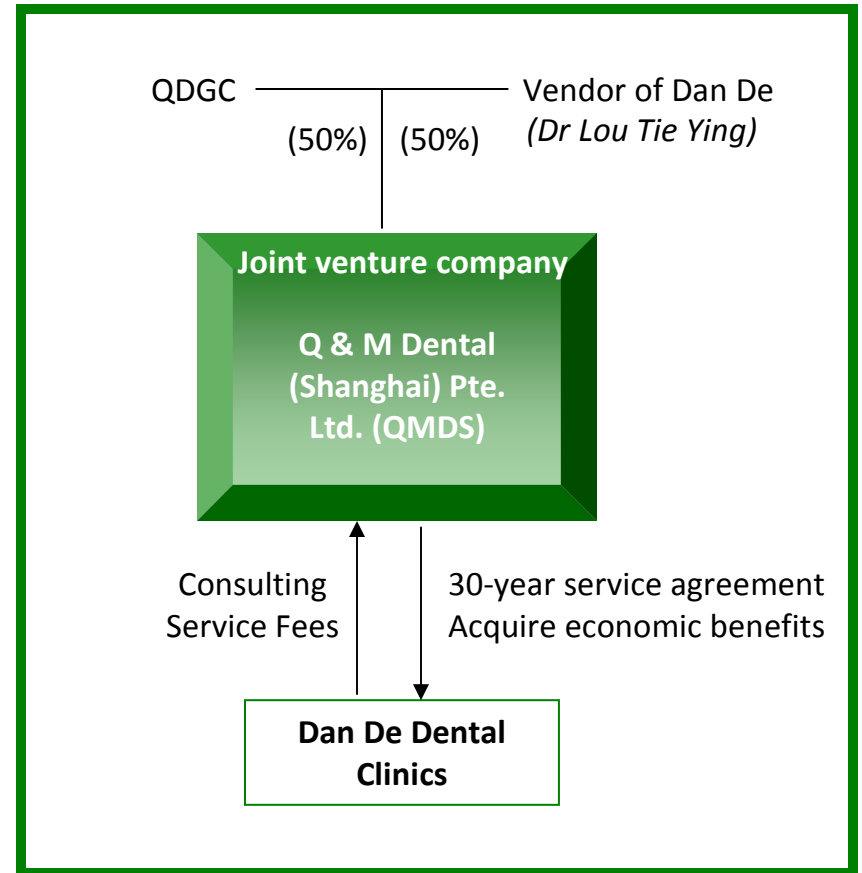
- Provider of high quality dental healthcare services in Nanjing
- Established in 2003 by Dr Lou Tie Ying
- Operates two dental clinics, one mobile dental clinic as well as a stomatological department
- Offers wide range of services from general dental treatments to dental implants, prosthodontics, orthodontics, endodontics, periodontics and aesthetic dentistry
- Each clinic has around four consultation rooms
- Staff strength of 19, including five dentists



Beijing – Aiyashi Dental Clinics



Nanjing – Dan De Dental Clinics



Investment from QDGC

- Consideration for **Aiyashi** dental clinics:
 - Q & M Dental Group to issue 718,597 new shares* at S\$0.56 each to Vendors of Aiyashi
 - QDGC to transfer 70 QMDB shares, and pay an aggregate sum of RMB7 m to Vendors who will loan this amount in QMDB
 - QDGC to also loan RMB3 m to QMDB
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- Consideration for **Dan De** dental clinics:
 - Q & M Dental Group to issue 432,900 new shares* at S\$0.56 each to Vendor of Dan De
 - QDGC to inject RMB7.5 m into QMDS share capital
 - Vendor B to subscribe for 5 QMDS shares for S\$5.00
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- Funds to be injected into QMDB and QMDS are earmarked for new clinics, purchase of equipment and working capital

Returns to QDGC

- QDGC to receive annual consulting service fees (through QMDB and QMDS) for providing advanced dental operation and consulting services to Aiyashi and Dan De clinics
- Undertakings from Vendors:
 - Total net income generated by the Aiyashi clinics via service fees to QMDB shall not be less than RMB3.2 m per year
 - Total net income generated by the Dan De clinics via service fees to QMDS shall not be less than RMB1.6 m per year
- Above undertakings are for a period of 10 years from the second to the eleventh anniversary of the service agreements.

- Aiyashi and Dan De clinics will carry the “**Q & M (全民)**” logo in addition to their respective existing brand names
- Q & M Dental Institute will **implement training programs** to transfer knowledge and skills to the PRC dentists and staff
 - Dentists and dental surgery assistants of Aiyashi and Dan De to receive training and education at Q & M Dental Institute and Q & M Dental Centre in Singapore
 - Dentists and clinic staff from Q & M Dental Group will be regularly assigned to clinics in the PRC to impart work culture, processes and exchange practical tips with the PRC dentists on latest procedures practiced in Singapore
 - Similarly dentists and clinic staff from Q & M will benefit from the local knowledge and extensive experience of the dentists and clinic staff of the PRC clinics
- Aiyashi will work with the Group to set up a **Q & M Dental Training Centre in Beijing**
- Invest in **new state-of-the art dental equipment** to enhance the scope of service offering, especially specialist dental healthcare services

Better position Aiyashi and Dan De dental groups for growth

- *Strengthened internal processes, service levels and skill sets*
 - *Enhanced scope of service offering*
 - *Enlarge patient base*
 - *Expand network of clinics to at least 5 clinics each*

Proposed acquisition of 49% interests in Yi Wu He Cheng Dental Equipment Co., Ltd. (义乌和成牙科器材有限公司) (“He Cheng”)

- QDGC entered into binding master agreement in a proposed joint venture for He Cheng
- QDGC proposes to invest RMB26.5 m for 49% interests in He Cheng, subject to satisfactory due diligence investigations
- Investment to finance He Cheng’s expansion plans in Zhejiang, Jiangsu and Shanghai
- Undertaking from Vendor of He Cheng to achieve :
 - Distributable profit after tax > RMB5 m in the 1st year after QDGC’s investment in He Cheng
 - Distributable profit after tax > RMB6 m from the 2nd to 10th year
- **Binding master agreement is subject to further negotiations, satisfactory due diligence investigations, and completion of Definitive Agreements**



Background of He Cheng

- Based in Zhejiang Province
- Engaged in manufacture and R&D of dental-related products, and provision of technical services and support
- Specialises in manufacturing of quality crowns and bridges and orthodontics products
- Strong team of 200 professionally-trained technicians
- Wide base of > 1,000 customers which includes major hospitals



Benefits to Q & M Dental Group

- Investment in dental clinics extends “Q & M” brand presence in major cities of the PRC
- New earnings streams from annual consulting service fees
- Service fees are guaranteed over next 10 years, and have upside potential in line with financial performances of the PRC clinics
- Vendors are committed to serve the respective dental clinics for next 10 years
- Benefit from the local knowledge and extensive experience of Vendors who are reputable practitioners in PRC’s dental healthcare industry
 - Support from principal partners, Aiyashi and Dan De, to build Q & M Dental Group’s business and brand presence in the PRC
- Springboard to expand dental practice into other PRC cities and develop PRC dental operations as a new driver of the Group’s future growth
- Proposed acquisition of 49% stake in He Cheng will enable Q & M Dental Group to tap prospects of dental laboratory business which is expected to be driven by growing demand for dental healthcare services

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- the risk that we may be unable to realise our anticipated growth strategies and expected internal growth;
- changes in currency exchange rates;
- changes in customer preferences and needs;
- changes in competitive conditions in the dental services industry and our ability to compete under these conditions;
- changes in pricing for our services; and
- changes in our future capital needs and the availability of financing and capital to fund these needs.

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Thank You



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