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# Corporate Presentation





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# Corporate Overview



## A growing private dental healthcare group in Asia

**45** dental *clinics*  
**2** dental centres  
Over **400,000**  
patients

**STRONGHOLD  
IN SINGAPORE**

**2** dental  
outlets  
in Johor

**MALAYSIA**

Beijing

Nanjing

**CHINA**

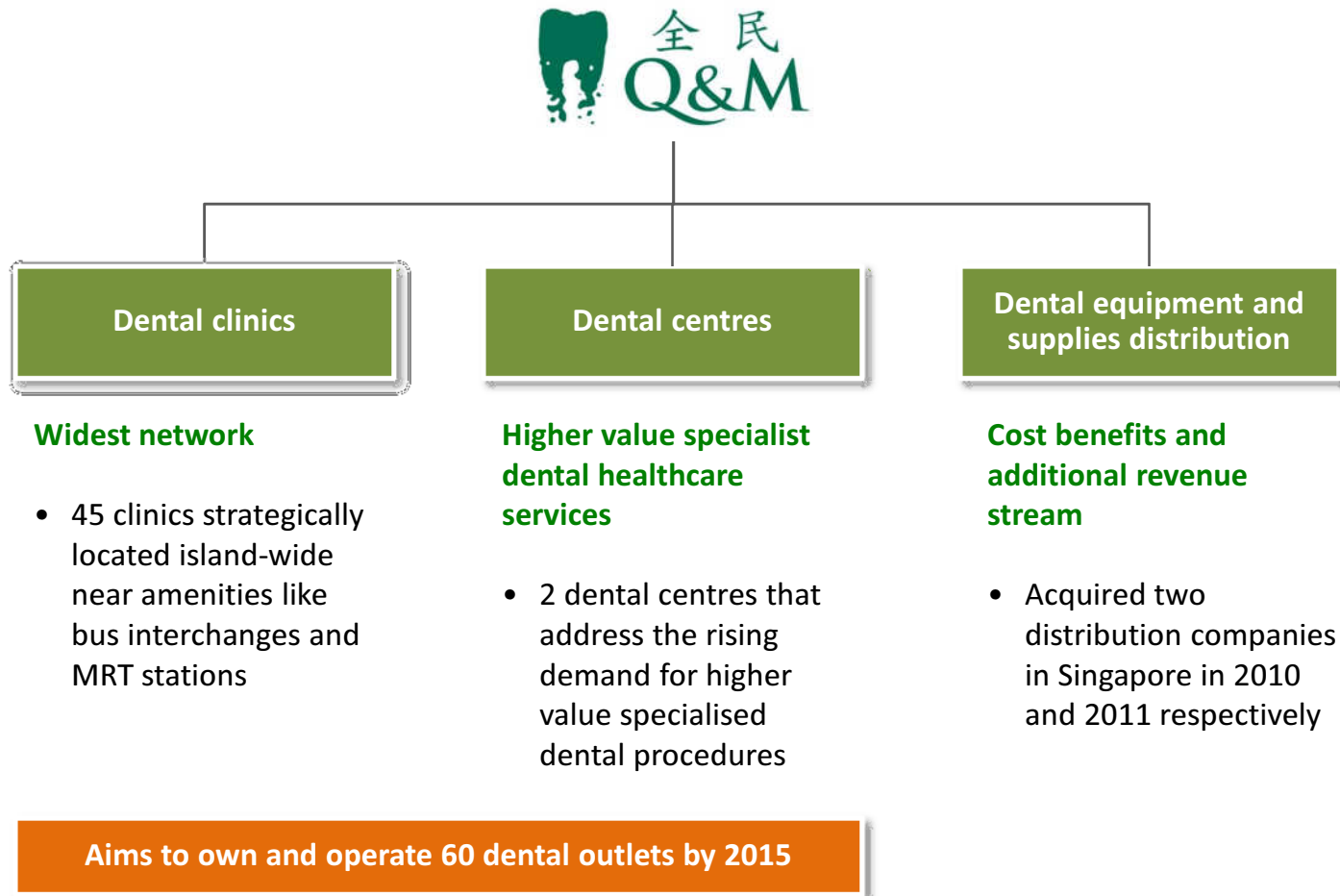
**9** dental outlets  
in Beijing and  
Nanjing

Proposed JVs to  
own a **dental  
hospital** group,  
dental clinic &  
dental laboratories

Malaysia

Singapore

An established & reliable dental healthcare services provider in Singapore



# Strong Competitive Position

- 1 **ESTABLISHED BRAND** in Singapore's dental industry since 1996
- 2 **LARGE PATIENT BASE** of more than 400,000
- 3 **MULTI-DISCIPLINARY EXPERTISE** to offer full spectrum of services
- 4 **LARGE DENTIST POOL** of more than 140 in Singapore
- 5 **STRONG LEADERSHIP** led by management who are dentists and long-term principal shareholders

**400,000** patients

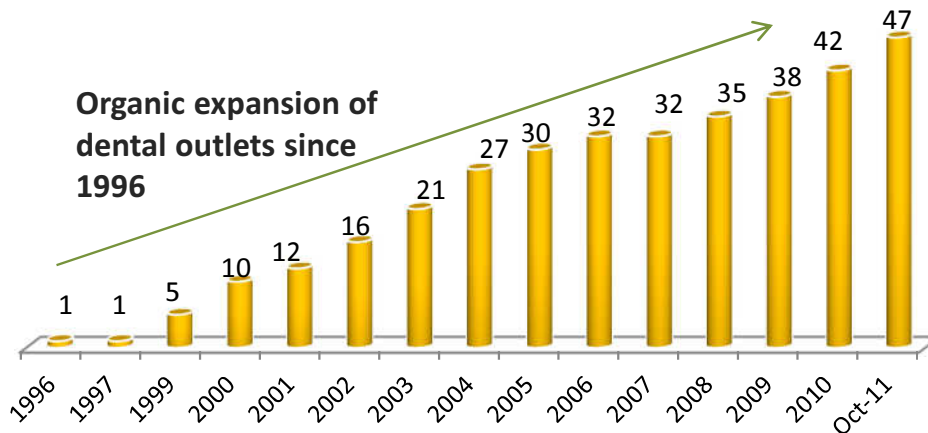
**18%** of population who visit dentists more than once a year\*

**Over 140** dentists

**10%** of registered dentists in Singapore<sup>#</sup>

**47** dental outlets

**7%** of private dental clinics in Singapore\*\*



\*Based on 46% of Singapore's population of 4.8 million as extracted from the Statistics Singapore website <http://www.singstat.gov.sg/stats/themes/people/hist/popn.html>. According to the Health Promotion Board's Oral health Campaign 2005, only 46% of adults visited the dentists at least once a year.

<sup>#</sup>Based on 1,464 registered graduate dentists in Singapore as extracted from Singapore Dental Council Annual Report 2009

\*\*Based on a total of 654 registered private dental clinics in Singapore in 2009 as extracted from the Singapore Dental Council Annual Report 2009

# Two Large-scale Dental Centres

## Operating Model

- Multi-disciplinary dental healthcare services at a single location
- Focus on specialist dental healthcare services
- Equipped with latest technology

## City Square Mall - Largest private dental centre in Singapore

- Operational on 17 December 2009
- 32 treatment rooms; total floor area of 12,000 sq ft
- Investment cost – S\$3 million

## The Centrepoint – Situated in prime shopping belt

- Operational on 1 October 2010
- 16 treatment rooms; total floor area of 4,600 sq ft
- Investment cost – S\$2 million

## Full spectrum of dental services

General dental treatment

Endodontics  
Orthodontics  
Periodontics

Prosthodontics  
Paedodontics  
Oral Surgery

Dental Implants  
Aesthetics Dentistry



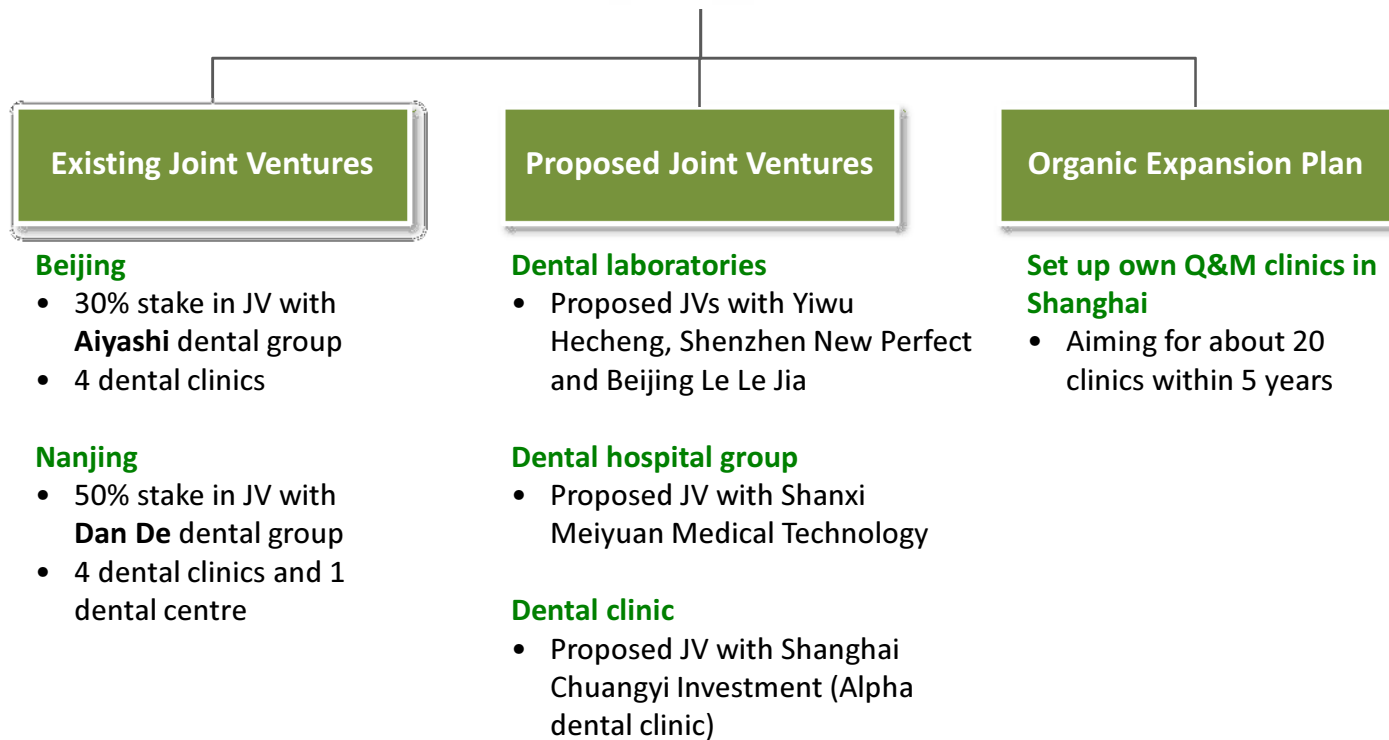


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Expansion in  
overseas markets

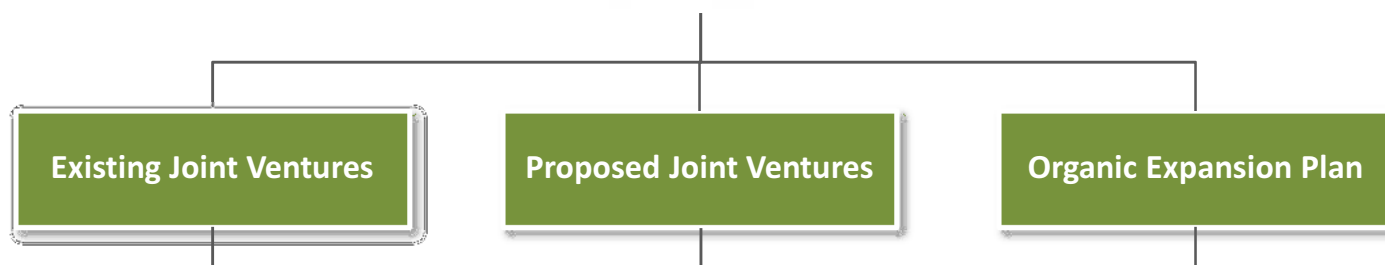


## Developing new growth engine





## Developing new growth engine



Strategic Investment of US\$15M  
by IFC, a member of World Bank

Plan to invest **RMB400 million**

Aim to achieve combined annual profit\* of **at least RMB80 million**

Vision to achieve a separate **public listing** for our dental business in  
China within 5 years

# Vendors' Profit Undertakings

Joint Ventures	Annual profit guarantee (based on highest annual profit) (RMB million)	Q & M's interests	Q & M's share (RMB million)	Q & M's proposed investment (RMB million)	Length of profit undertaking
<b>Existing JVs</b>					
Aiyashi	3.2*	30%	0.96	12.0	10 years
Dan De	1.6*	50%	0.8	8.7	10 years
<b>Proposed JVs</b>					
He Cheng	6.0	49%	2.94	26.5	10 years
New Perfect	20.0	49%	9.8	98.0	10 years
Le Le Jia	7.5	49%	3.675	25.0	10 years
Shanghai Chuangyi	1.915	60%	1.149	8.4	10 years
<b>TOTAL</b>	<b>~40.215</b>		<b>~19.324</b>	<b>178.6</b>	

**N.B. Total net income has not taken into account earnings contributions from proposed JV with Shanxi Meiyuan**



## Dental Clinics

### Owns 70% stake in Dental Wellness (Molek)

- Operates 2 dental clinics in **Johor Bahru**
- Purchased stake in Dec 2010 for RM1.05M
- Second clinic opened in May 2011
- Vendor's profit guarantee:
  - >RM500K for Jan 2011 to Dec 2012
  - > RM250K per annum for 2013 to 2016



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Future Plans



# Long-term Expansion Plans

Presently focused on expanding in Singapore, China and Malaysia dental healthcare markets



<b>REVENUE DRIVERS</b>	Set up new clinics	Increase utilisation of dental centres	Expand team of dentists trained in specialist services	Explore strategic alliances
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# Long-term Expansion Plans

Presently focused on expanding in Singapore, China and Malaysia dental healthcare markets



**NEW GROWTH ENGINE**

Seek strategic JVs & grow existing JVs

Set up Q&M clinics in Shanghai

Building combined annual profit of > RMB80M

# Long-term Expansion Plans

Presently focused on expanding in Singapore, China and Malaysia dental healthcare markets



Johor Bahru  
Kuala Lumpur  
Penang

**MALAYSIA**

**EXPANSION  
TARGET**

4 to 5 dental  
clinics a year

Acquisitions/ JVs  
or organic means

Tap on growth in dental  
graduates (600 per year in 2  
years time)



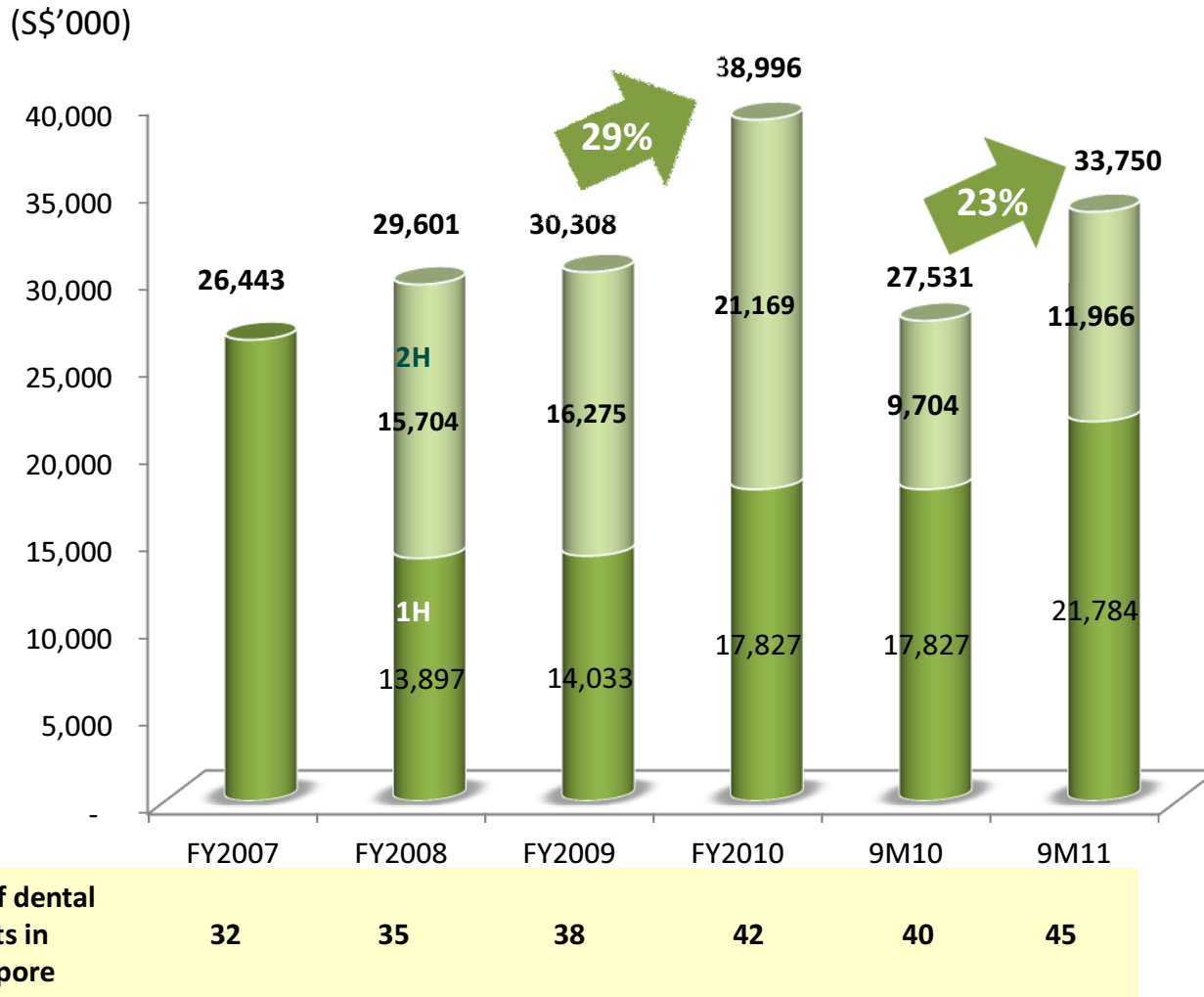
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## Financial Highlights



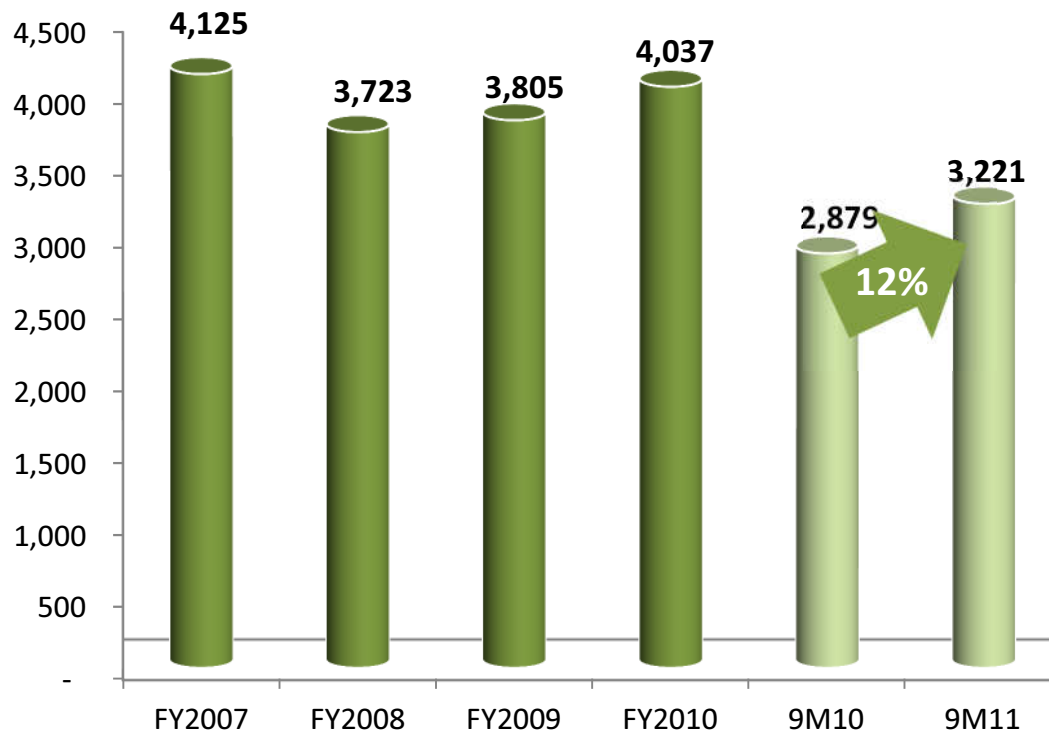


# Revenue



- Revenue in 2H seasonally higher than 1H
- Patient visits totalled 250,000 in **FY2010**
- **9M11** revenue driven by:
  - higher revenue from existing outlets
  - new outlets in Singapore
  - maiden contribution from clinics in Malaysia & distribution business in Singapore

**Profit After Tax**  
(S\$'000)



**FY2010** net profit up 6% y-o-y despite:

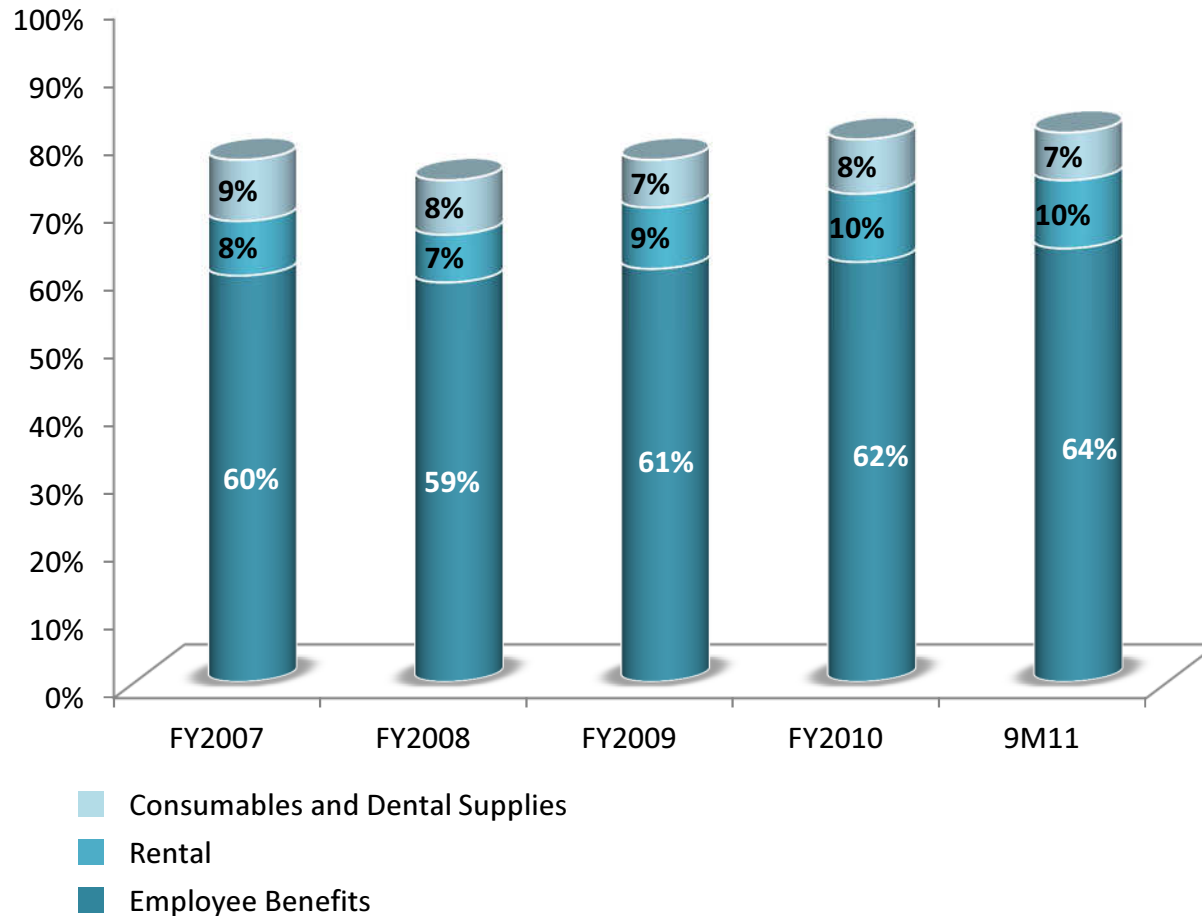
- Higher operating costs
  - new dental outlets in Singapore
  - New outlets take time to build revenue but have immediate impact on costs
- Higher other expenses
  - ~S\$0.2 million for overseas market expansion activities which will only yield revenue and profit from FY2011

**9M11** net profit up 12% :

- Driven by revenue growth
- Faster growth in employee benefits expenses due to larger headcount and salary revisions

↑  
Consolidation of expenses  
from distribution business and  
Malaysia operations

## Key Operating Expenses as a percentage of Group revenue



- **Key expenses forms ~80% of Group revenue**
- **Main variable expenses (in line with revenue)**
  - Employee benefits (excluding admin and dental assistants)
  - Consumables expenses
- **Main fixed expenses**
  - Rental expense

# Per Share Data and Financial Ratios

Balance Sheet Items	30 September 2011	31 Dec 2010
Cash and Cash Equivalents	12.9	14.9
Bank Loan and Finance Leases	1.9	-
Shareholders' Equity	25.9	25.9
Per Share Data* (cents)	9M11	FY2010
Cash Per Share	4.7	5.4
Net Asset Value Per Share	9.4	9.4
Earnings Per Share	1.16	1.5
Financial Ratios	9M11	FY2010
Net Gearing (times)	Net Cash	Net Cash
Return on Equity	16.6% <sup>+</sup>	15.6%
Current Ratio (times)	3.5	3.9
Dividend Per Share	FY2011	FY2010
Interim (1H2011)	0.60	0.5838
Final	n.a.	0.6000
<b>Total</b>	<b>n.a.</b>	<b>1.1838</b>
<b>Dividend payout</b>	<b>70%</b>	<b>80%</b>

<sup>+</sup> Annualised ROE    \*Based on total number of shares issued of 275,226,497 shares as at 30 September 2011  
Listing Date: 26 November 2009



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Salient  
Highlights



# Investment Merits



This presentation contains certain statements that are not statements of historical fact, i.e. forward-looking statements. Investors can identify some of these statements by forward-looking items such as 'expect', 'believe', 'plan', 'intend', 'estimate', 'anticipate', 'may', 'will', 'would', and 'could' or similar words. However, you should note that these words are not the exclusive means of identifying forward-looking statements. These forward-looking statements are based on current expectations, projections and assumptions about future events. Although Q&M Dental Group (Singapore) Limited believes that these expectations, projections, and assumptions are reasonable, these forward-looking statements are subject to the risks (whether known or unknown), uncertainties and assumptions about Q&M Dental Group (Singapore) Limited and its business operations.

Some of the key factors that could cause such differences are, among others, the following:

- changes in the political, social and economic conditions and regulatory environment in the jurisdictions where we conduct business or expect to conduct business;
- 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.

Given these risks, uncertainties and assumptions, the forward-looking events referred to in this presentation may not occur and actual results may differ materially from those expressly or impliedly anticipated in these forward-looking statements. Investors are advised not to place undue reliance on these forward-looking statements.

Investors should assume that the information in this presentation is accurate only as of the date it is issued. Q&M Dental Group (Singapore) Limited's business, financial conditions, results of operations and prospects may have changed since that day. Q&M Dental Group (Singapore) Limited has no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by law.

# Thank You



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