



Q & M Dental Group (Singapore) Limited

Investor Presentation



RESTRICTED



Important Notice and Disclaimer

Important Information

This presentation is not and does not constitute or form any part of and should not be construed as any offer or invitation to sell or issue, or any solicitation or recommendation of any offer to subscribe for or purchase any securities in any jurisdiction and nothing contained herein shall form the basis of or be relied upon in connection with any contract, commitment or investment decisions in relation thereto. This presentation is strictly confidential and is being furnished to you solely for your information and may not be reproduced or redistributed to any other person or published, in whole or in part, for any purpose. No representation or warranty, express or implied, of any nature is given as to, and no reliance should be placed on, the fairness, correctness, accuracy or completeness of the information or opinions contained herein.

This presentation is being communicated only to persons who have professional experience in matters relating to investments and to persons to whom it may be lawful to communicate it to (all such persons being referred to as "relevant persons"). This presentation is only directed at relevant persons. Solicitations resulting from this presentation will only be responded to if the person concerned is a relevant person. Other persons should not rely or act upon this presentation or any of its contents.

The information and opinions in this presentation are provided as at the date of this presentation and are subject to change without notice and no reliance should be placed as the fairness, accuracy, completeness as correctness of the information or opinions presented as contained in this presentation. No assurance is made as to the accuracy of this presentation and it may be incomplete or condensed and it may not contain all material information concerning the Company or the group of which the Company is a part (the "Group"). The information in this presentation is not financial product advice and does not take into consideration the investment objectives, financial situation or particular needs of any particular person. There is no obligation to update, modify or amend this communication or to otherwise notify the recipient if information, opinions, assumptions, projections, forecasts or estimates set forth therein, changes or subsequently becomes inaccurate. None of Q & M Dental Group (Singapore) Limited (the "Company"), nor any member of the Group, nor any of their respective affiliates, officers, employees, advisors or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of or reliance on the information or opinions contained in this presentation.

No offering of the Company's securities will be registered under the U.S. Securities Act of 1933, as amended, or with any securities regulatory authority of any state or any other jurisdiction of the United States. Subject to certain exceptions, the Company's securities may not be offered, sold or delivered within the United States or to, or for the account or benefit of, any U.S. person (as defined in Regulation S under the U.S. Securities Act) except pursuant to an exemption from the registration requirements of the Securities Act.

Neither this presentation nor any copy of such presentation may be taken or transmitted into the United States or distributed, directly or indirectly, in the United States. The information presented here is not an offer for sale within the United States of any securities of the Company.

The distribution of this presentation in certain jurisdictions may be restricted by law and persons into whose possession this presentation comes should inform themselves about, and observe, any such restrictions.

By attending this presentation or by accepting this document, you will be taken to have represented, warranted and undertaken that: (i) you are a relevant person (as defined above); (ii) you are not a person located in the United States or any agent, fiduciary or other intermediary acting on a non-discretionary basis for a principal giving instructions from within the United States or any U.S. person; (iii) you are bound by the foregoing limitations; and (iv) that any investment in any securities of the Company will be made solely on the basis of the disclosure document prepared by the Company and not on the basis of this presentation. Any failure to comply with these restrictions may constitute a limitation of applicable securities law.

Any discrepancies in the tables included herein between the listed amounts and the SGXNET announcements or the consolidated financial statements of the Company are due to rounding.

Forward-Looking Statements

This presentation contains forward-looking statements which may be identified by their use of words like "plans", "expects", "will", "guidance", "anticipates", "believes", "intends", "projects", "estimates" or other words of similar meaning. All statements that address expectations or projections about the future, including, but not limited to, statements about the strategy for growth, product development, market position, expenditures, and financial results, are forward-looking statements.

All forward-looking statements are subject to risks and uncertainties as they are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised. The actual results, performance or achievements, could thus differ materially from those projected in any such forward-looking statements. The Company has no obligation to, and does not intend to, publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events, or otherwise.

RESTRICTED



Agenda

1.

Q & M Overview

2.

Dental Healthcare Prospects

3.

Key Investment Highlights

4.

Growth Strategy

5.

Financial

RESTRICTED



Overview of Q & M



Q & M Dental Group (Singapore) Limited

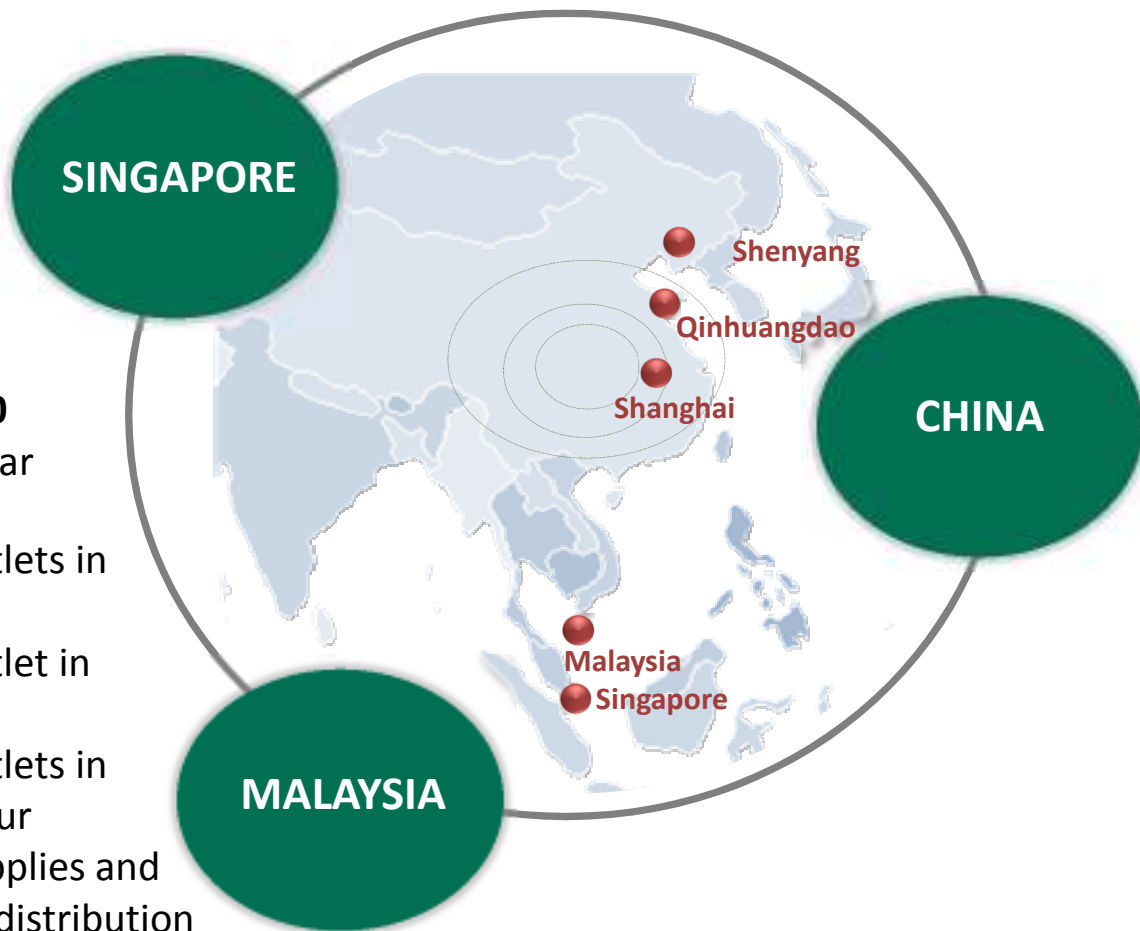
RESTRICTED

Overview of Q & M

A fast growing leader in private dental healthcare across Asia

- ❖ **61** dental outlets
- ❖ **2** dental supplies and equipment distribution companies
- ❖ Serves more than **300,000** patients a year

- ❖ **4** dental outlets in Johor
- ❖ **1** dental outlet in Malacca
- ❖ **3** dental outlets in Kuala Lumpur
- ❖ **1** dental supplies and equipment distribution company



- ❖ **3** dental hospitals and **4** dental clinics in Shanghai & Shenyang
- ❖ **1** dental supplies manufacturer in Qinhuangdao



Strong Competitive Position

An established, reliable dental healthcare provider since 1996, IPO on 26 Nov 2009

Recognised brand A reputable and widely recognised brand in Singapore's dental industry

Widest network 61 outlets located island wide near bus interchanges MRT stations, shopping malls. 9% of Spore clinics.

Large patient base Treated more than 600,000 patients
25% of population who visits dentist at least once a year *

Full dental services Multi-disciplinary expertise offering patients comprehensive scope of quality dental services

Large dentist pool Over 180 qualified and experienced dentists
Around 11% of registered dentists in Singapore **

Strong leadership Experienced management team who are practising Dentists. 17 Principal Shareholders signed service contract until Jan 2020 and shareholding moratorium until Jan 2021



*Based on 46% of Singapore's population of 5.08 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, only 46% of adults visited the dentists once a year.

**Based on 1,611 registered graduate dentists in Singapore as extracted from Singapore Dental Council Annual Report 2011



Widely recognised in Singapore's dental industry

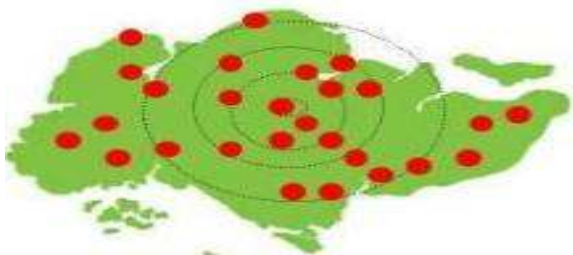
Proven Track Record Treated more than 600,000 patients in Singapore since December 2005



RESTRICTED

Largest Dental Network in Singapore

Wide network of clinics



- ❖ Extensive reach across Singapore
- ❖ Strategically and conveniently located near amenities like bus interchanges, MRT stations and shopping malls
- ❖ Operate large scale dental centres in tandem with neighbourhood clinics
- ❖ Provides night and weekend dental clinics
- ❖ Provide training through Q & M Institute to attract qualified dentists and increase skills of dentists
- ❖ Corporate and loyalty programs help increase patient base and branding

Large and stable patient base



- ❖ Operates 61 dental outlets
- ❖ This represents 9% of market share
- ❖ Owns 2 dental supplies and equipment distribution companies
- ❖ Treats 300,000 patients per year
- ❖ 600,000 patients pool represent 25% of the total patient-base island wide
- ❖ 6,000 new patients added to its database per month



Multi-disciplinary expertise & comprehensive scope of dental services

Dental centres in Singapore

Operating Model

- ❖ Focus on specialist multi-disciplinary dental healthcare services at a single location
- ❖ Equipped with latest technology
- ❖ Capturing a larger share of the market for higher-value specialist dental healthcare services
- ❖ Able to offer a wider range and faster access to dental healthcare services

City Square Mall - Largest private dental centre in Singapore

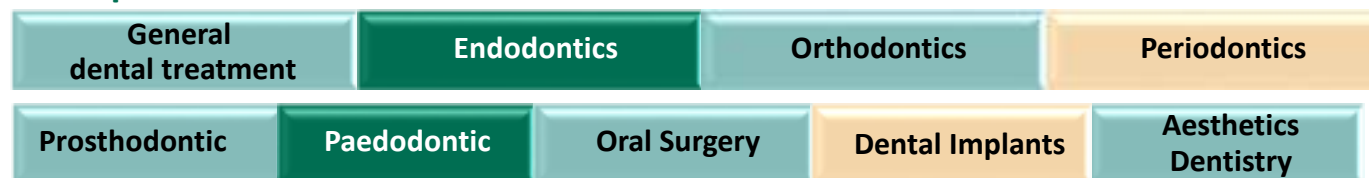
- ❖ 32 treatment rooms; total floor area of 12,000 sq ft

The Centrepoint – Situated in prime shopping belt

- ❖ 16 treatment rooms; total floor area of 4,600 sq ft



Full spectrum of dental services





Qualified and experienced dentists and clinic staff

A team of approximately 180 experienced dentists supported by 300 clinic staff



The Group has set up Q & M Dental Institute, which offers training to dentists for continuous improvement



Q & M in a better position than its competitors to hire foreign dentists. Under conditions laid down by SDC, dentists with overseas degrees must be supervised by a fully registered dentist approved by the SDC . Due to the larger pool of registered and experienced dentists within Q&M, the Group has a greater capacity to take in foreign dentists.





Experienced and proven management team

Dr Ng Chin Siau

Group Chief Executive Officer

- ❖ More than 20 years of experience in the dental healthcare industry
- ❖ Received the *Best Entrepreneur Award*
- ❖ Named the top entrepreneur and winner of the Entrepreneur of the Year Award



Dr Ng Jet Wei

Deputy Chief Executive Officer

- ❖ More than 18 years of experience in the dental healthcare industry
- ❖ Former Head of Dental Unit at Woodlands Polyclinic
- ❖ Fellow of the International Congress of Oral Implantologist



Dr Ang Ee Peng Raymond

Chief Operating Officer

- ❖ More than 19 years of experience in the dental healthcare industry
- ❖ Chairman of the Singapore Dental Association ethics committee
- ❖ Presented with the SDA Meritorious Award by the SDA



Actively involved in the day-to-day operations which enables the Group to respond to requirements of its patients and to make key management decisions promptly



Dental Healthcare Prospects



Q & M Dental Group (Singapore) Limited

RESTRICTED



Singapore Dental Healthcare Prospects

Maintain growth momentum and market leadership in Q & M's dominant Singapore market

Significant room for growth

46% of population visits the dentist at least once per year

Dentist to population ratio of 1:3,300 which is below developed nations ratio of 1:1,000

Increasing demand for private specialist dental healthcare services

Rising affluence and aging population have increased health awareness

Subsidies from enhanced Community Health Assist Scheme ("CHAS") & Pioneer Generation Scheme

Attractive medical tourism destination

Availability of advanced dental capabilities has successfully lured patients from the region

Foreign patients often seek high value added treatments



Malaysia Dental Healthcare Prospects

Unique opportunity to extend geographical reach given stronghold in Singapore

Strong growth potential from emerging market

Population 28.5 million

23% of population visits the dentist at least once per year

Dentist to population ratio of 1:6,000

Focus on high consumer affluence territories

Rising affluence has increased the demand for high quality private dental healthcare services

Leverage on strong brand in Singapore to expand patient base

Expanding pool of dentists

13 universities producing 600 dental graduates a year - key catalyst for the development of the dental healthcare industry



China Dental Healthcare Prospects

Rising affluence and demand for better quality dental healthcare services driving rapid growth in China dental market

Large addressable market size

Population 1.34 billion

Dentist to population ratio of 1:10,000

8% of population visits the dentist at least once per year

Growing affluence

Higher standards of living

Dental healthcare awareness to increase with higher affluence

Demand for private dental healthcare services

Growing middle class in China

Drives demand for high value and differentiated services from government clinics



Key Investment Highlights

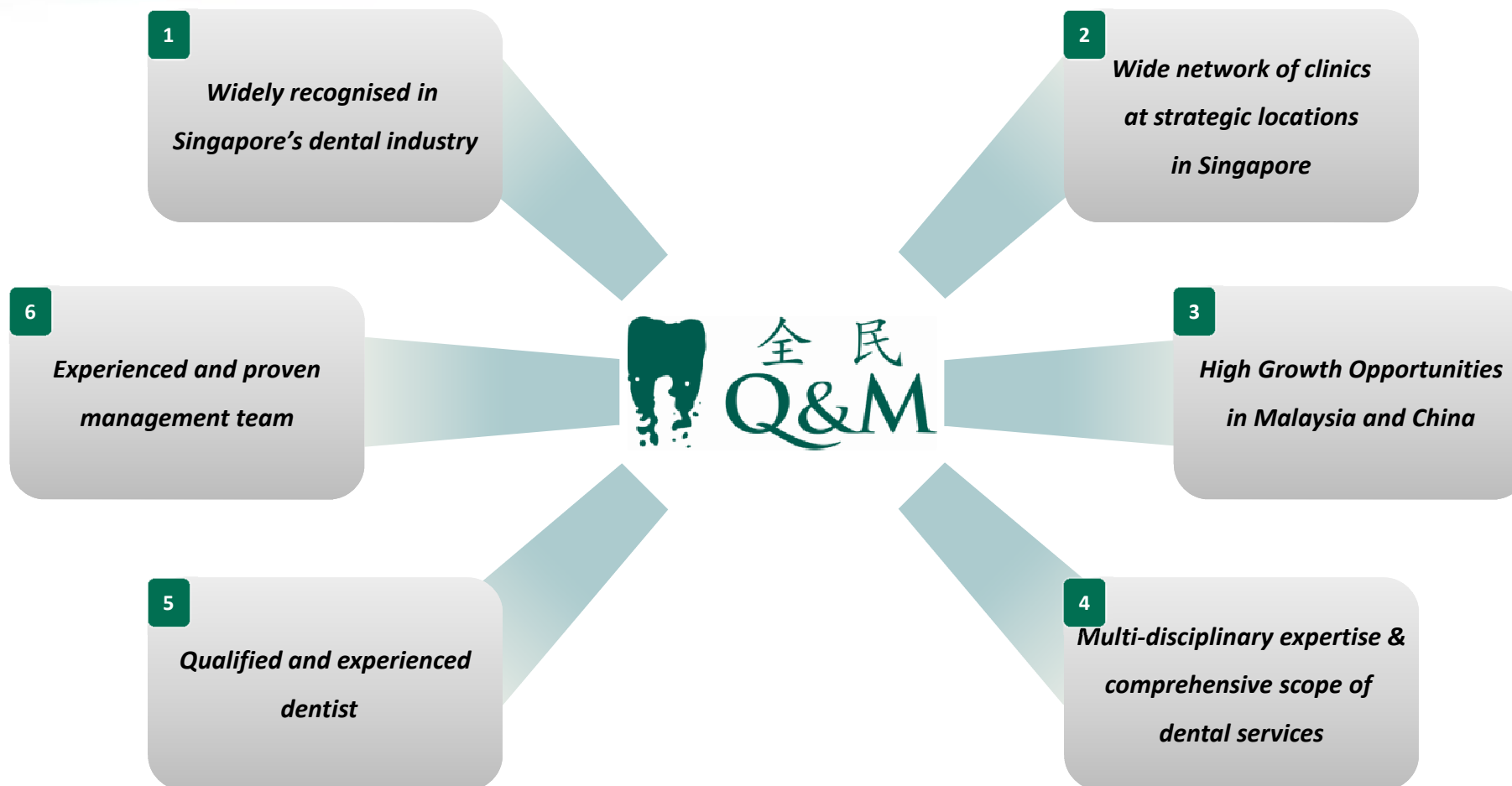


Q & M Dental Group (Singapore) Limited

RESTRICTED



Key Investment Highlights



**Q&M Is Strategically Positioned To Capture Growth Opportunities
In the Fast Growth Markets Across Asia**

RESTRICTED



High Growth Opportunities in Malaysia and China

	Malaysia	China
Population	28.5m	1.34bn
Number of Registered Dentists	4,800	136,000
Dentist to population ratio	6,000	10,000
% of Population Visiting the Dentist At Least Once per Year	23%	8%

RESTRICTED



Expanding the “Q & M” Brand Presence in Malaysia

Expansion through acquisitions, joint ventures and strategic alliances



- ❖ An important pillar of the Group’s expansion plan
- ❖ Currently, Q & M operates 8 clinics including 4 in Johor Bahru, 3 in Kuala Lumpur and 1 in Malacca



- ❖ Acquired 70% stake in Q & M Dental Surgery (Molek) Sdn Bhd, Johore, in November 2010 for S\$0.4 million.
- ❖ Acquired 70% stake in D & D Dental Sdn Bhd KL, in Feb 2013 for S\$0.32 million.
- ❖ Acquired 70% stake in AR Dental Supplies Sdn Bhd in July 2013 for S\$3.2 million.
- ❖ Acquired 70% stake in NG GK Dental Surgery (Melaka) Sdn Bhd in May 2014 for S\$0.19 million.

High Growth Dental Opportunities in China

Expansion through acquisitions, joint ventures and strategic alliances



- ❖ Target acquisitions of larger and established hospitals & dental material manufacturers
- ❖ Enhance Q & M presence in North Eastern China
- ❖ To achieve a public listing in Hong Kong, China or Spore

RESTRICTED



Newly Completed Acquisitions

Newly completed acquisition - Shenyang Aoxin Stomatology Group in Shenyang, China

- ❖ S\$21.6 million to acquire 60% stake
- ❖ Involve the acquisition of three dental hospitals and three dental clinics and a training centre owned by Aoxin Stomatology Group
- ❖ Aoxin employs over 100 dentists and approximately 100 nurses and supporting staff.
- ❖ Profit guarantee that Q&M will receive dividends of at least S\$26.6 million over 12 years. 1st year profit guarantee of S\$2.2 million.

Newly completed acquisition - Aidite a specialized dental ceramics manufacturer in Qinhuangdao, Hebei Province China

- ❖ S\$16.0 million to acquire 51% stake
- ❖ Involve the acquisition of a manufacturer in zirconium oxide blocks used in CAD/CAM machines in fabricating dental prosthesis
- ❖ Profit guarantee from sellers that Q&M will receive dividend of at least S\$33 million over 12 years. 1st year profit guarantee of S\$3.0 million.



Dental Hospitals in China





Dental Hospitals in China





Dental Hospitals in China





Dental Hospitals in China





Aoxin Q & M Children Dental Centre





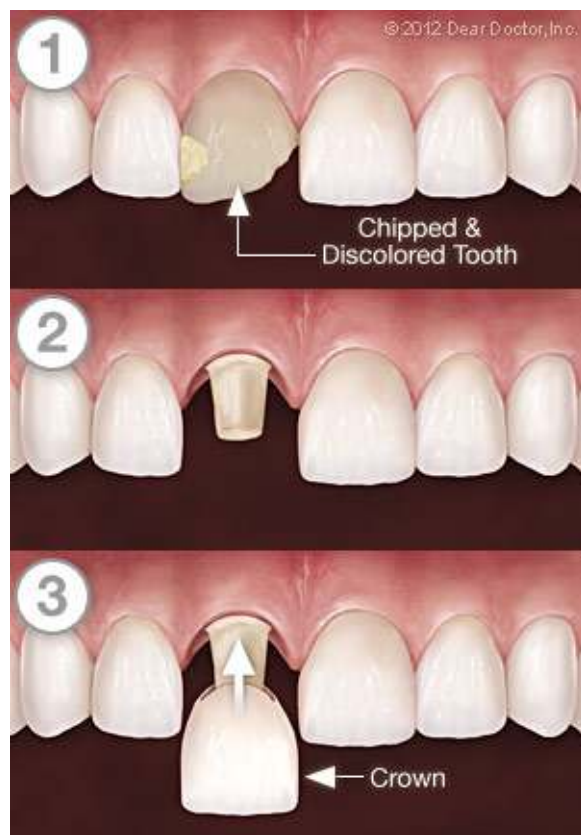
Liaoning Medical University



RESTRICTED

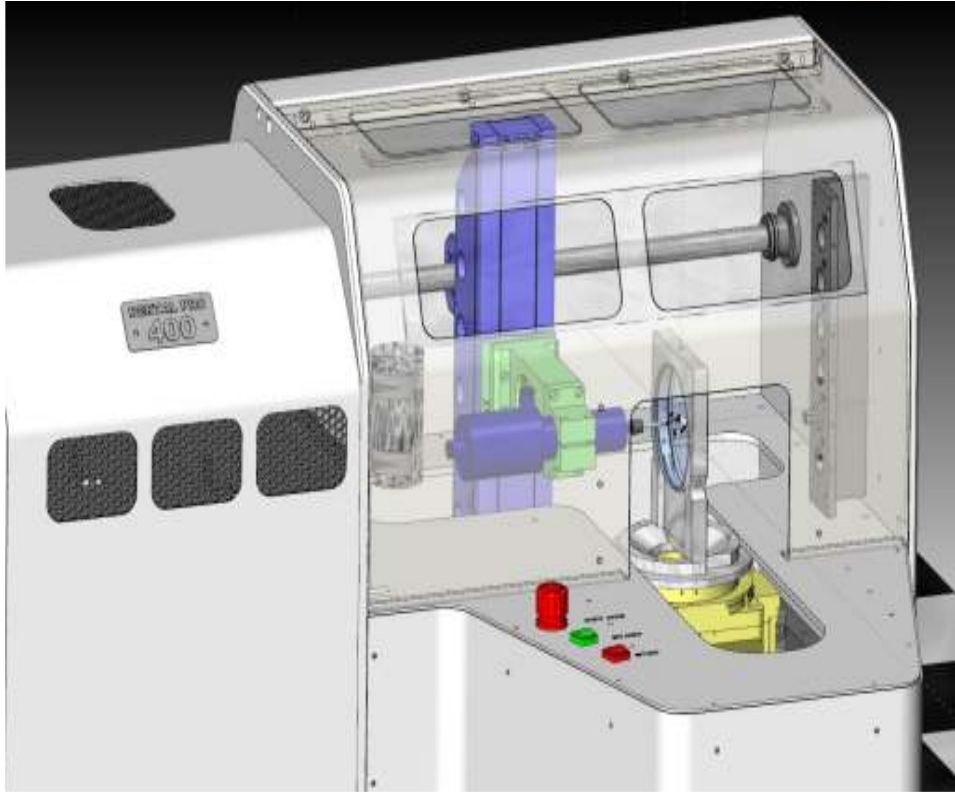
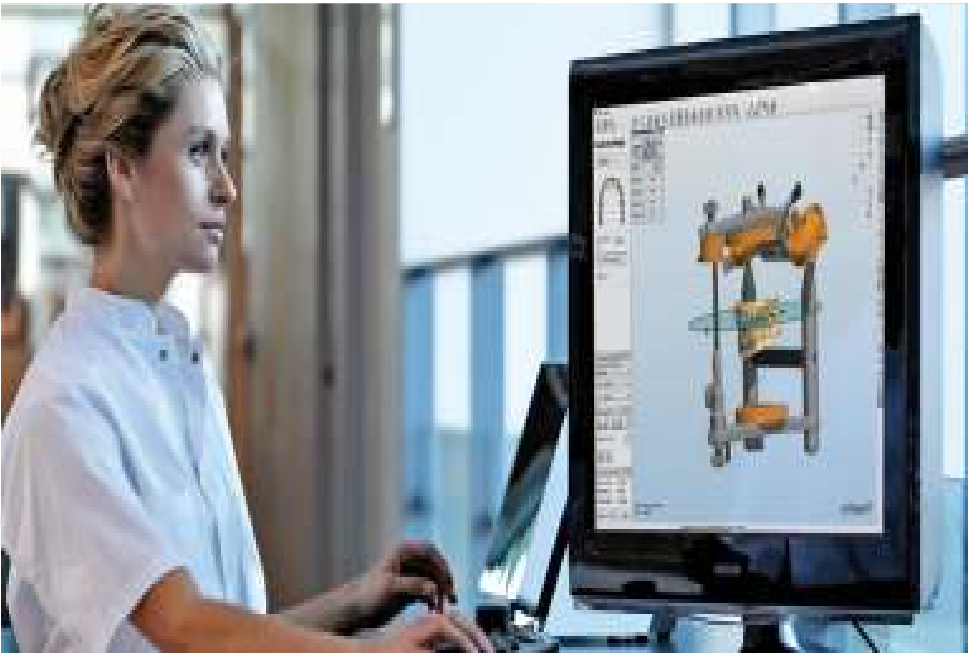
Cad-Cam Technology in Dentistry

Before



After







Aidite





MOU With Dental Hospital

MOU to acquire the largest dental hospital in Donggang, China

- ❖ S\$6.0 million to acquire 60% stake
- ❖ Involve the acquisition of two dental hospitals operated and owned by Dr Sun Zhizong, situated in Donggang City and Dandong City respectively.
- ❖ The hospitals employ over 40 dentists and more than 60 nurses and support staff
- ❖ Profit guarantee that Q&M will receive dividend of at least S\$12.0 million over 12 years. 1st year profit guarantee of S\$0.6 million.



Donggang Dental Hospital



RESTRICTED



Donggang Dental Hospital



RESTRICTED



Donggang Dental Hospital



RESTRICTED



Growth Strategy



Q & M Dental Group (Singapore) Limited

RESTRICTED

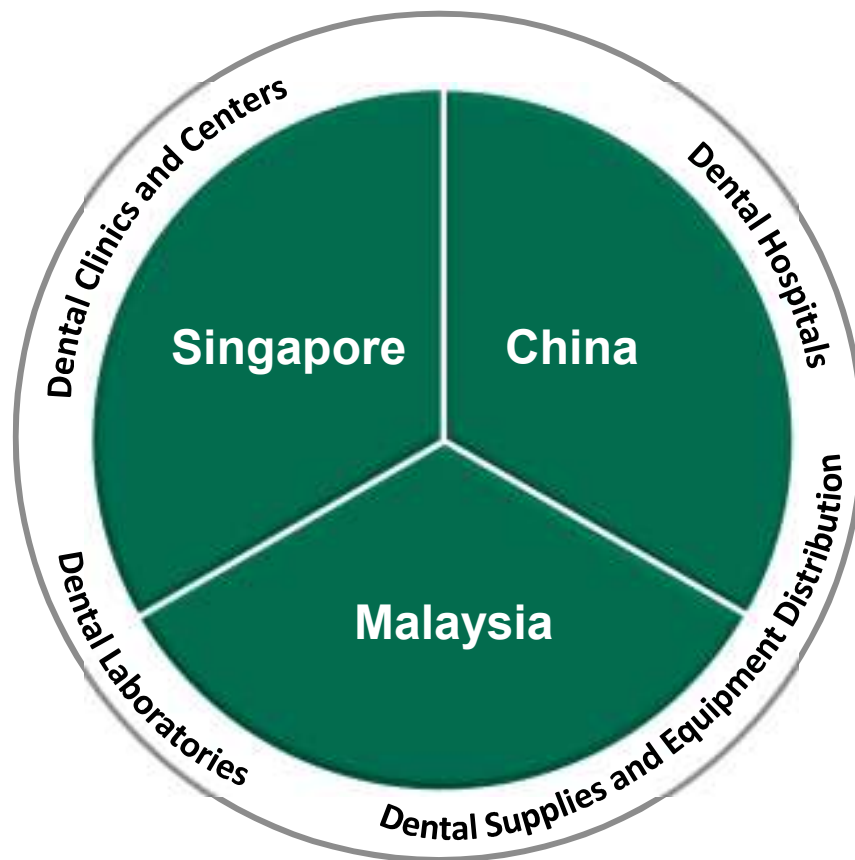
Execution of Growth Strategy





Building The Leading Integrated Dental Healthcare Company In Asia

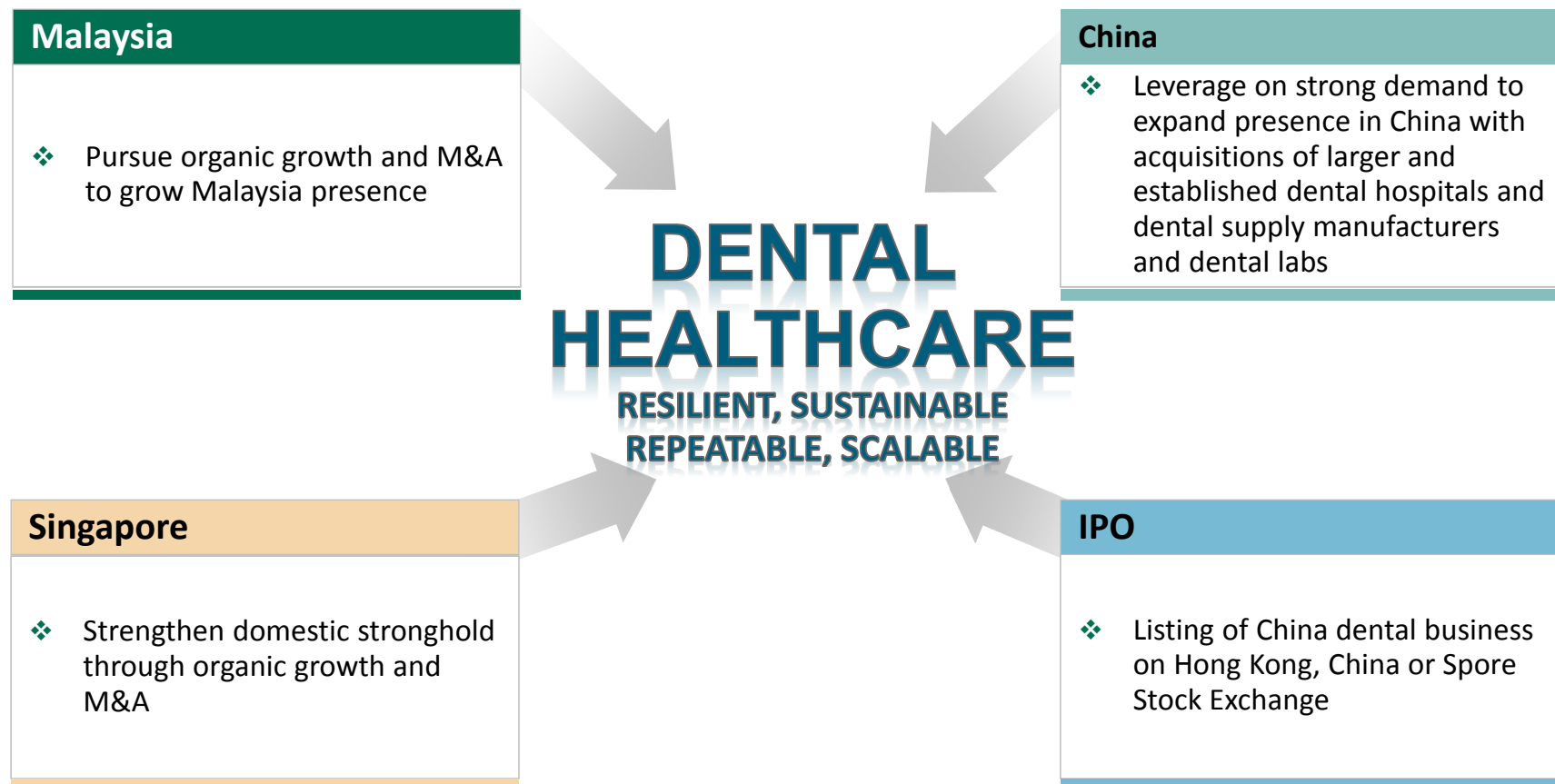
Poised for expansion and growth in Singapore, Malaysia and China



RESTRICTED



Sustainable Business Model With Multiple Growth Drivers





Building A War Chest For Growth

Strategic investment of S\$19.1 million by IFC & S\$200 million MTN programme

- ❖ S\$6.4 million convertible loan which has already been converted into Q&M shares. Current shareholding of IFC is at 2.9%
- ❖ S\$200 million MTN programme
- ❖ IFC also provides support to Q & M's expansion plans in the China by sharing industry knowledge with the Group
- ❖ To facilitate the Group's expansion plans and help widen access to high quality dental care in China

Funding high growth expansion strategy in Singapore, Malaysia and China

- ❖ To fund expansion plans in Singapore, Malaysia and China
- ❖ Target to own and operate larger and established institutions beside clinics, dental laboratories and supplies manufacturers in China
- ❖ Aim to list China dental businesses in Hong Kong, China or Singapore
- ❖ To broaden and diversify the Group's shareholders base



Financial Highlights

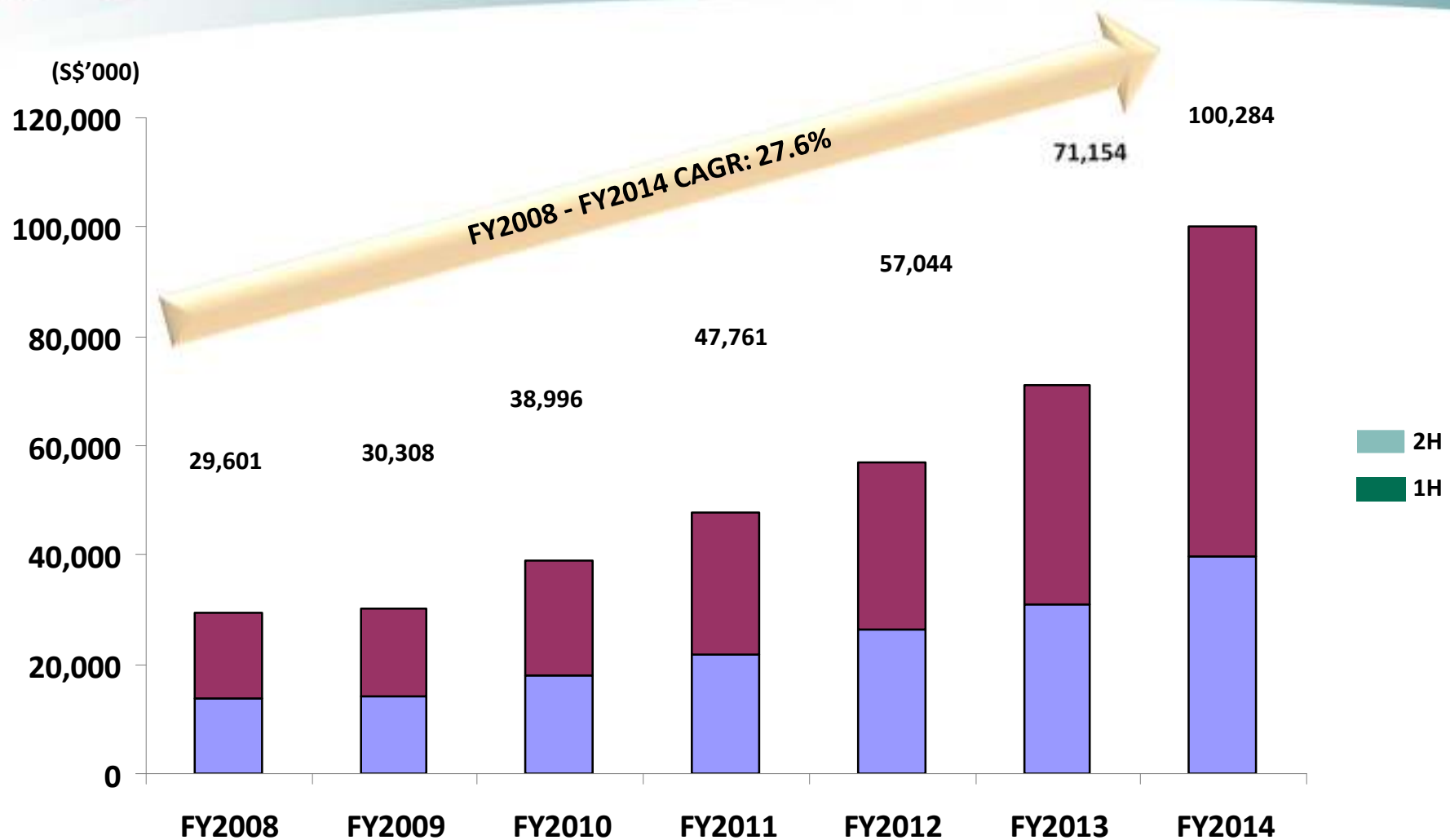


Q & M Dental Group (Singapore) Limited

RESTRICTED



Revenue



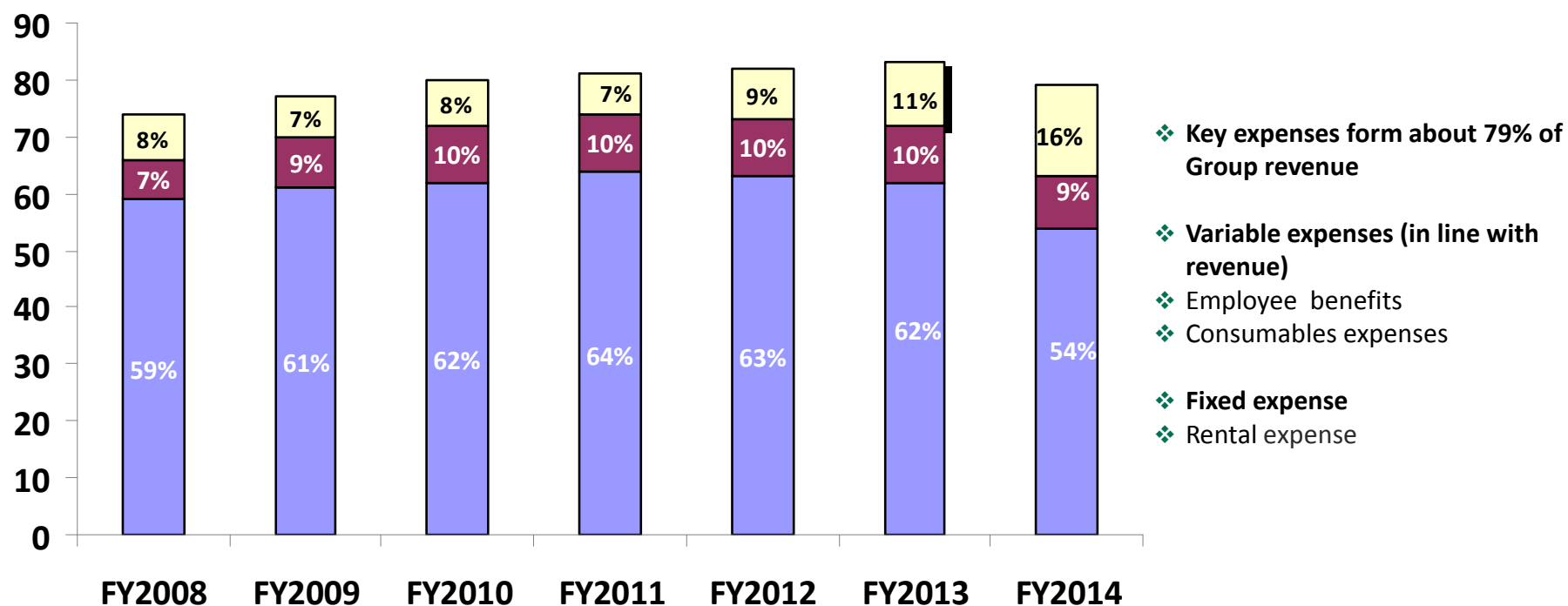
Number of dental outlets in Singapore	35	38	42	50	55	56	60
--	-----------	-----------	-----------	-----------	-----------	-----------	-----------

Financial years ending 31 December



Key Expenses

Key operating expenses as a percentage of Group revenue



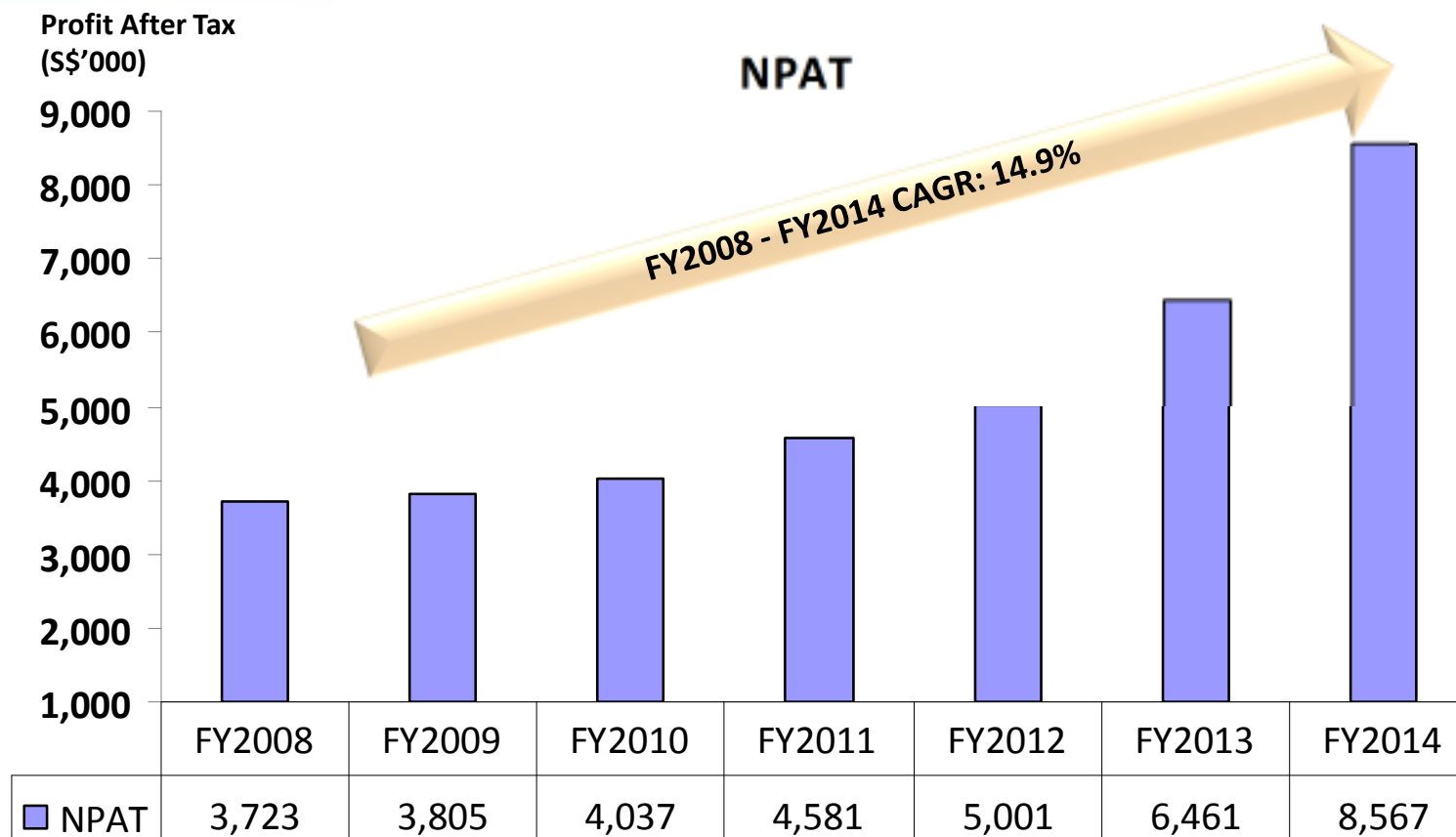
- Consumables and Dental Supplies
- Rental
- Employee Benefits

- ❖ Key expenses form about 79% of Group revenue
- ❖ Variable expenses (in line with revenue)
- ❖ Employee benefits
- ❖ Consumables expenses
- ❖ Fixed expense
- ❖ Rental expense

Financial years ending 31 December

RESTRICTED

Profit attributable to owners of the parent





Balance Sheet

(S\$ million)	31 Dec 2014	31 Dec 2013	31 Dec 2012	31 Dec 2011
Key Assets				
Trade and Other Receivables (short-term)	16.3	7.7	5.6	7.0
Cash and Cash Equivalents	35.7	28.7	18.5	13.6
Property, Plant and Equipment	37.4	15.4	17.2	8.3
Key Liabilities				
Trade and Other Payables	21.2	10.8	9.9	6.3
Bank Loan and Finance Leases	32.2	8.9	9.3	1.8
Equity				
Shareholders' Equity	76.6	46.1	28.8	27.2



Key Financial & Financial Ratio

Key Financial Figures (in S\$)	FY2014	FY2013	FY2012	FY2011
EBITDA	15.1 million	9.3 million	7.1 million	6.3 million
Net Asset Value Per Share (cents)	9.8	7.6	5.2	9.9
Earnings Per Share (cents)	1.2	1.07	0.91	0.83
Financial Ratios	FY2014	FY2013	FY2012	FY2011
Net Gearing (times)	Net Cash	Net Cash	Net Cash	Net Cash
Return on Equity	11.2%	14%	17.5%	16.8%
Current Ratio (times)	2.6	3.8	2.5	2.9
EBITDA/Interest Expense (times)	29.3	25.5	31	170.3
Dividend Per Share (cents)	FY2014	FY2013	FY2012	FY2011
Interim	0.41	0.6400	0.3000	0.6000
Final	0.32	0.6600	0.4000	0.7500
Total	0.73	1.3000	0.7000	1.3500

*Based on total number of shares issued of 778,623,495 shares as at 31 December 2014

RESTRICTED



Thank You

Q & M Dental Group (Singapore) Limited

81 Science Park Drive

#02-04 The Chadwick

Singapore 118257

www.QandMDental.com.sg

Email: QandM@QandM.com.sg

Investor Relations Contact:

Mr Vitters Sim Mr Andrew Young

Tel: (65) 67059888 Ext 128, 818

Email: vitters@QandM.com.sg, andrew@QandM.com.sg

RESTRICTED