



Q & M DENTAL GROUP (SINGAPORE) LIMITED
(Company Registration Number 200800507R)
(Incorporated in the Republic of Singapore)

**FURTHER UPDATE ON DISCOVERY OF
IMPROPRIETIES IN THE COMPANY'S MALAYSIAN SUBSIDIARIES
IN JOHOR BAHRU, MALAYSIA**

1. The Board of Directors (the "Board") of Q & M Dental Group (Singapore) Limited (the "**Company**") refers to its previous announcement dated 13 July 2016 in respect of the discovery of improper conduct in the Company's Johor Bahru dental business operations (the "**Previous Announcement**").

Capitalised terms used herein, unless otherwise defined, shall bear the same meanings given to them in the Previous Announcement.

2. In the Previous Announcement, it was disclosed that the Company has commenced legal proceedings in the High Court of Malaya at Johor Bahru (Commercial Division) by way of Suit No. JA-22 NCVC – 116 – 05/2016 against parties that it considers liable and has obtained various court orders in its favour (the "**Legal Proceedings**").
3. The Board wishes to provide a further update in relation to this matter.
4. The Legal Proceedings were commenced against Dr. Matthew Hong An Liang ("**Dr. Hong**") and Mdm Chong Lee Lee ("**Mdm Chong**") as evidence uncovered suggested that both have breached various agreements signed with the Company. Amongst others, the evidence suggested that both had deposited / transferred funds of the Company into their personal accounts, and that they had set up a competing business directly located behind one of the Q & M Johor clinics (as defined below), using the Company's resources without approval.
5. Dr. Hong was a Director of Q & M Molek and Q & M Austin (collectively known as "**Q & M Johor**") and was also practising as a dentist in the Q & M Johor clinics until he was suspended in June 2016. Mdm Chong was the General Manager of the Q & M Johor clinics until she was relieved of her services in July 2016.
6. The High Court of Malaya at Johor Bahru has granted several injunction orders (including but not limited to an Anton-Pillar Order and a Prohibitory Order) which prohibit Dr. Hong, Mdm Chong and their related parties (namely Chong Lee Boh, Looi Jinn Shin, Calvin Wong Kai Wen, Hong Fay Ying and Wong Boon Hong) from the following actions:
 - (a) entering into any of the Q & M Johor clinics;
 - (b) being physically present within a 200 meter radius of any of the Q & M Johor clinics;
 - (c) interfering with the business of any of the Q & M Johor clinics;

- (d) interfering with the quiet enjoyment including the provision and supply of utility services of any of the Q & M Johor clinics;
 - (e) destroying, tampering with, taking away possession by use of force or otherwise the property of the Company; and
 - (f) intimidating and/or threatening and/or coercing the staff, dentists and patients of the Company.
7. The Company has also initiated legal proceedings against Dr. Hong and Mdm Chong for contempt of court in relation to breaches of the above orders.
8. The Public Prosecutor in Malaysia has also brought the following charges against Dr. Hong:
- (a) Dr. Hong is charged for using criminal force against one of the dentists of the Company (which is a crime under Section 352 Penal Code Malaysia) in the Johor Bahru Magistrate Court; and
 - (b) Dr. Hong is also charged for criminally intimidating one of the dentists of the Company (which is a crime under Section 506 Penal Code Malaysia) in the Johor Bahru Magistrate Court.
9. In addition, the Company has lodged a complaint with the Malaysia Dental Council against Dr. Hong for unprofessional conduct as a dentist for previously carrying out unapproved procedures in the Q & M Johor clinics.
10. The Company will make further announcement if there are any material developments.
11. The contributions from Q & M Johor do not materially affect the Company's performance and financial results.

By Order of the Board
Q & M Dental Group (Singapore) Limited

Vitters Sim
Chief Financial Officer
7 February 2017

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