

QUANTUM HEALTHCARE LIMITED
(Company Registration No. 202218645W)
(Incorporated in Singapore)

**PROPOSED PLACEMENT OF UP TO 285,714,300 NEW ORDINARY SHARES IN THE CAPITAL OF
THE COMPANY AT A PLACEMENT PRICE OF S\$0.0035 PER SHARE**

1. INTRODUCTION

- 1.1 The Board of Directors (“**Directors**” or the “**Board**”) of Quantum Healthcare Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) is pleased to announce that the Company has on 27 January 2023 entered into a placement agreement with PrimePartners Corporate Finance Pte Ltd (the “**Placement Agent**”) (the “**Placement Agreement**”).
- 1.2 Pursuant to the Placement Agreement, the Company has agreed to offer, by way of placement, and the Placement Agent has agreed, on a best efforts basis, to procure subscribers for, an aggregate of up to 285,714,300 fully paid-up ordinary shares in the capital of the company (the “**Placement Shares**”) at an issue price of S\$0.0035 for each Placement Share (the “**Placement Price**”), amounting to an aggregate consideration of approximately S\$1,000,000 (the “**Proposed Placement**”), on the terms and subject to the conditions of the Placement Agreement.
- 1.3 The Proposed Placement is not underwritten and will be undertaken by way of an exempt offering in Singapore in accordance with Section 274 (institutional investors) and/or Section 275 (accredited investors and certain other persons) of the Securities and Futures Act 2001 of Singapore (“**SFA**”). As such, no prospectus, offer document or offer information statement will be lodged with the Monetary Authority of Singapore (“**MAS**”) in connection with the Proposed Placement.
- 1.4 The Placement Shares will not be issued pursuant to the general mandate approved by the Company’s Shareholders at the annual general meeting of the Company held on 29 April 2022. The Company will be seeking specific shareholders’ approval for the allotment and issue of the Placement Shares at an extraordinary general meeting (“**EGM**”) to be convened, in accordance with Rules 805(1) and 811(3) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”).

2. THE PROPOSED PLACEMENT

2.1 Placement Price

The Placement Price was arrived at pursuant to discussions with the Placement Agent, taking into account, among others, the prevailing market price of the ordinary shares of the Company (the “**Shares**”) and represents a discount of approximately 30.0% to the volume weighted average price of S\$0.005 for trades done on the Shares on the SGX-ST on 27 January 2023, being the market day on which the Placement Agreement was executed.

In arriving at the discount for the Placement Price, the Board wishes to highlight that after taking into consideration the current market conditions and the Company’s share price performance, every change of S\$0.001 would result in an approximate 20.0% change from its volume weighted average price of S\$0.005. Hence the Board is of the view that a 30.0% discount in arriving at the Placement Price can help to entice investors’ interest.

In addition, the Board wishes to further highlight that the Proposed Placement would be a good opportunity for subscribers to participate in the future growth of the Group.

2.2 Placement Shares

The Placement Shares represent approximately 4.1% of the existing issued and paid-up share capital of the Company comprising 6,893,072,508 Shares as at the date of this announcement (excluding treasury shares) and will represent approximately 4.0% of the enlarged issued and paid-up share capital of the Company (excluding treasury shares) of 7,178,786,808 Shares.

The Placement Shares shall be issued free from all claims, pledges, mortgages, charges, liens and encumbrances and shall rank in all respects *pari passu* with the then existing issued Shares at the time of the issue except that the Placement Shares will not rank for any dividends, rights, allotments or other distributions the record date for which falls on or before the date of the issue of the Placement Shares.

The Placement Shares will not be placed to any person who is a director or a substantial shareholder of the Company, or any other person in the categories set out in Rule 812(1) of the Catalist Rules, unless such subscription is otherwise approved by the SGX-ST.

The Proposed Placement will not result in any transfer of controlling interest in the Company.

3. **SALIENT TERMS OF THE PLACEMENT AGREEMENT**

3.1 Placement commission

In consideration of the agreement of the Placement Agent to procure subscribers on a best efforts basis for the Placement Shares, the Company shall pay to the Placement Agent, a placement commission of 3.5% of the Placement Price for each Placement Share, multiplied by the relevant number of Placement Shares allotted and issued by the Company under the Proposed Placement for which the Placement Agent has procured subscribers.

Should the Company procure their own subscribers for the Placement Shares, the Company shall pay to the Placement Agent a placement commission of 1.5% of the Placement Price for each Placement Share, multiplied by the relevant number of Placement Shares allotted and issued by the Company under the Proposed Placement for which the Company has procured subscribers.

3.2 Placement completion

Subject to the terms and conditions of the Placement Agreement, completion of the Proposed Placement (the "**Completion**") shall take place on the date falling five (5) business days after the EGM, or such other date as the Company and the Placement Agent may agree (the "**Completion Date**"), but in any event being a date not later than the date falling eight (8) weeks after the date of the Placement Agreement or such other date as the Company and the Placement Agent may mutually agree (the "**Cut-Off Date**").

3.3 Conditions precedent

Completion of the Proposed Placement pursuant to the Placement Agreement is conditional upon, *inter alia*, the following conditions:

- a) in-principle approval from the SGX-ST for the listing and quotation of the Placement Shares on Catalist Board of the SGX-ST ("**Catalist**") and not having been revoked or amended and, where such approval is subject to conditions, to the extent that any conditions for the listing and quotation of the Placement Shares on the Catalist are required to be fulfilled on or before Completion Date, they are so fulfilled;

- b) the approval from shareholders of the Company for the resolution to approve the Proposed Placement being obtained at the EGM to be convened and not having lapsed or been withdrawn or revoked;
- c) the exemption under Section 274 and 275 of the SFA, as amended from time to time being applicable to the Proposed Placement under the Placement Agreement;
- d) the offer, allotment, issue and subscription of the Placement Shares not being prohibited by any statute, order, rule, regulation or directive promulgated or issued after the date of the Placement Agreement by any legislative, executive or regulatory body or authority of Singapore or any other jurisdiction, which is applicable to the Company or the Placement Agent;
- e) the delivery to the Placement Agent on Completion Date, of a completion certificate, substantially in the form set out in the Placement Agreement, signed on behalf of the Company by its duly authorised officers;
- f) the delivery of certified true copies of such resolutions and/or documents on Completion Date evidencing that the execution of the Placement Agreement by the Company has been validly authorised by such party, and that the issue, offer and sale of the Placement Shares having been duly approved by the Company's board of directors and/or the Shareholders;
- g) there not having occurred, in the opinion of the Placement Agent, any Material Adverse Effect (as defined below), or any development involving a prospective material adverse change in the condition (financial or otherwise) of the Company and/or the Group as a whole, whether or not arising from transactions in the ordinary course of business, subsequent to the date of the Placement Agreement which, in the opinion of the Placement Agent, is or is reasonably likely to be materially adverse in the context of the Proposed Placement or is reasonably likely to prejudice materially the success of the Proposed Placement or dealings in the Placement Shares in the secondary market; and
- h) the representations, warranties and undertakings in the Placement Agreement remaining true and correct in all material respects as at the Completion Date and the Company having performed all of its obligations hereunder to be performed on or before the Completion Date.

For the purposes of the Placement Agreement, “**Material Adverse Effect**” means a material adverse change on (i) the conditions (financial or otherwise), results of operations, financial position, management, assets, prospects and/or business of the Group, taken as a whole whether or not arising in the ordinary course of business, or (ii) the ability of the Company to perform in any material respect its obligations under or with respect to, or to consummate the transactions contemplated by the Placement Agreement.

The Placement Agent may, but shall not be obliged to, and upon such terms as it thinks fit, waive compliance with any of the conditions contained in the Placement Agreement and any condition so waived shall be deemed to have been satisfied provided always that any such waiver as aforesaid shall be without prejudice to the Placement Agent's right to elect to treat any further or other breach, failure or event as releasing and discharging the Company from its obligations under the Placement Agreement.

If any of the conditions above have not been satisfied on or before the Cut-Off Date, the Placement Agreement shall terminate and shall be of no further effect and no party to the Placement Agreement shall be under any liability to the other in respect of the Placement Agreement save that the Company shall, remain liable for indemnities and the reimbursement of costs and expenses incurred by the Placement Agent in respect of the placement of the Placement Shares up to the date of such termination under the Placement Agreement.

3.4 Rationale of the Proposed Placement

The Board is of the view that the Proposed Placement will help to strengthen the financial position and capital base of the Group and is in line with the Company's intention to improve its working capital position as set out in the Company's results announcement for the half year ended 30 June 2022 dated 12 August 2022.

As at the date of this announcement, the utilisation of the gross proceeds from the Company's issuance of 4,055,555,556 Shares as announced in the Company's circular dated 24 December 2021 ("**December 2021 Circular**") and completed on 13 January 2022 ("**January 2022 Subscription Gross Proceeds**") are as follows. Unless otherwise defined herein, all capitalised terms used in this section of the announcement shall bear the same meanings as defined in the December 2021 Circular.

	Allocation of January 2022 Subscription Gross Proceeds per December 2021 Circular	Re-allocated amount⁽²⁾	Amount utilised	Balance
	S\$'000	S\$'000	S\$'000	S\$'000
General working capital purposes ⁽¹⁾	4,300*	(1,233)	(3,067)	-
Partial payment to Dr Jimmy Gian for the first instalment of the Earn-Out Amount in relation to the Proposed Acquisition ⁽²⁾	-	1,233	(450)	783
Partial financing of the acquisition of dental group	3,000	-	(3,000)	-
Total	7,300	-	(6,517)	783

*Includes estimated expenses of S\$1.1 million in relation to the acquisition of Asia Dental Group Pte Ltd. and its subsidiaries and the share subscription as announced in the December 2021 Circular.

- (1) A breakdown on the January 2022 Subscription Gross Proceeds utilised for general working capital purposes is as follows:

	S\$'000
Payment of salaries and wages	654
Payment to suppliers	1,653
Repayment of loan	760
Total	3,067

- (2) The variance of the above use of proceeds compared to the Company's proposed use of funds as set out in the December 2021 Circular was due to the partial payment of the first instalment of the Earn-

Out Amount to Dr Jimmy Gian of S\$1,383,333.33. As at the date of this announcement, S\$450,000 has been paid to Dr Jimmy Gian and the remaining S\$933,333.33 will be paid in the next few months via the balance of January 2022 Subscription Gross Proceeds and internally generated funds.

The rationale for the re-allocation was due to the Group's acquisition of the business of the Eastern Dental Surgery Group completed on 31 March 2022 in line with the Group's growth plans. Due to the increased cash flow requirements from the additional activities in the Group, the Group does not have sufficient funds available to fulfill the first instalment of the Earn-Out Amount to Dr Jimmy Gian.

3.5 Use of proceeds

The estimated net proceeds from the Proposed Placement after deducting estimated expenses of approximately S\$60,000 (including listing and application fees, the placement commission payable to the Placement Agent, professional fees and other miscellaneous expenses), is approximately S\$940,000 ("**Net Proceeds**"), which is intended to be utilised by the Company in the following manner:

Use of Net Proceeds	% of Net Proceeds
Working Capital	100%

Pending the utilisation of the Net Proceeds for such purposes, such proceeds may be placed in deposits with banks or financial institutions or invested in short-term money markets or debt instruments or for any other purpose on a short-term basis as the Directors may, in their absolute discretion, deem fit from time to time.

The Company will make periodic announcements on the utilisation of the Net Proceeds from the Proposed Placement as and when such proceeds are materially disbursed and provide a status report of the use of proceeds from the Proposed Placement in the Company's annual report and unaudited results announcements. Where the proceeds have been used for working capital, the Company will provide a breakdown with specific details on how the proceeds have been applied in the announcements and status reports. Where there is a material deviation in the use of Net Proceeds, the Company will also state the reasons for such deviation.

4. **DIRECTORS' CONFIRMATION**

The Directors are of the opinion that, as at the date of this announcement, after taking into consideration the following and subject to no potential liabilities crystallising from the on-going arbitration with InnoRa GmbH as announced by the Company on 12 October 2022:

- (a) the Group's present bank facilities, the working capital available to the Group is not sufficient to meet its present requirements, and the Proposed Placement is being undertaken for the reasons as disclosed in paragraph 3.4 of this announcement; and
- (b) the Group's present bank facilities, and the Net Proceeds arising from the Proposed Placement, the working capital available to the Group is sufficient to meet its present requirements.

In view of the payment of the second instalment of the Earn-Out Amount to Dr Jimmy Gian due in January 2024 as detailed in the December 2021 Circular, the Directors wish to highlight that the Company is actively pursuing potential corporate actions and fund-raising avenues on an ongoing basis and would provide further announcements as and when there are material updates.

5. PRO FORMA FINANCIAL EFFECTS OF THE PROPOSED PLACEMENT

The *pro forma* financial effects of the Proposed Placement on the net tangible liabilities (“**NTL**”) per Share and loss per Share (“**LPS**”) are for illustrative purposes only and do not necessarily reflect the actual results and financial position of the Group following completion of the Proposed Placement.

The financial effects of the Proposed Placement are prepared based on the latest audited consolidated financial statements of the Group for the financial year ended 31 December 2021 (“**FY2021**”) and the unaudited financial statement of the Group for the six month ended 30 June 2022 (“**HY2022**”).

For the avoidance of doubt, the term “Group” in this section refers to QT Vascular Ltd (“**QT Vascular**”) and its subsidiaries before the completion of QT Vascular’s scheme of arrangement under Section 210 of the Companies Act 1967 of Singapore on 28 July 2022 following which, inter alia, (i) QT Vascular became a wholly owned subsidiary of the Company; (ii) the shares of QT Vascular were delisted from the SGX-ST on 29 July 2022; and (iii) the trading of the shares of the Company on the SGX-ST commenced on 29 July 2022.

5.1 Share Capital

	As at 31 December 2021	As at 30 June 2022	After the issuance of the Placement Shares
Number of Shares	2,559,739,174	6,893,072,508	7,178,786,808

5.2 NTL

The NTL of the Group before and after the allotment and issue of the Placement Shares assuming completion of the Proposed Placement had taken place on 31 December 2021 and 30 June 2022, are as follows:

	Before the Proposed Placement	After the Proposed Placement
(NTL) as at 31 December 2021 (S\$'000)	(2,591)	(1,651)
Number of Shares as at 31 December 2021 ('000)	2,559,739	2,845,453
(NTL) per Share as at 31 December 2021 (S\$)	(0.0010)	(0.0006)
(NTL) as at 30 June 2022 (S\$'000)	(4,317)	(3,377)
Number of Shares as at 30 June 2022 ('000)	6,893,073	7,178,787
(NTL) per Share as at 30 June 2022 (S\$)	(0.0006)	(0.0005)

5.3 LPS

The LPS of the Group before and after the allotment and issue of the Placement Shares assuming completion of the Proposed Placement had taken place on 1 January 2021 and 1 January 2022, are as follows:

	Before the Proposed Placement	After the Proposed Placement
Loss of the Group attributable to owners of the Company for FY2021 (S\$'000)	(5,273)	(5,333)
Weighted average number of Shares as at 31 December 2021 ('000)	2,259,787	2,545,501
LPS as at 31 December 2021 (S\$)	(0.0023)	(0.0021)
Loss of the Group attributable to owners of the Company for HY2022 (S\$'000)	(1,004)	(1,064)
Weighted average number of Shares as at 30 June 2022 ('000)	6,605,780	6,891,494
LPS as at 30 June 2022 (S\$)	(0.0002)	(0.0002)

6. ADDITIONAL LISTING APPLICATION

- 6.1 The Company (through its sponsor) will be making an application to the SGX-ST for the listing and quotation of the Placement Shares on the Catalist of the SGX-ST. The Company will make the necessary announcements in due course upon obtaining the listing and quotation notice from the SGX-ST.

7. CIRCULAR TO SHAREHOLDERS

- 7.1 The Company will convene an EGM in due course to seek the approval from its shareholders for the Proposed Placement. A circular, together with a notice of the EGM to be convened, will be despatched to shareholders of the Company in due course.

8. INTEREST OF THE DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed below, none of the Directors, other than in their respective capacity as Directors or Shareholders of the Company, has any interest, direct or indirect, in the Proposed Placement.

	Before Proposed Placement		After Proposed Placement	
	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽²⁾
Directors				
Thomas Tan Gim Chua	1,698,721,462	24.64%	1,698,721,462	23.66%
Ng Fook Ai Victor	2,000,000	0.03%	2,000,000	0.03%
Sho Kian Hin	_(3)	_(4)	_(3)	_(4)
Substantial Shareholders (other than Directors)				
Quek Chin Thean	1,302,353,150	18.89%	1,302,353,150	18.14%
Chong Leong Fah Derrick	1,132,480,974	16.43%	1,132,480,974	15.78%
Gian Siong Lim Jimmy	418,977,778	6.08%	418,977,778	5.84%

Notes:

- (1) Based on the Company's issued and paid-up share capital of 6,893,072,508 Shares before the Proposed Placement.
- (2) Based on the Company's enlarged issued and paid-up share capital of 7,178,786,808 Shares after the Proposed Placement.
- (3) Less than 1,000 Shares
- (4) Less than 0.01%

9. CONFIRMATION BY PLACEMENT AGENT

The Placement Agent has confirmed, amongst other things, that:

- (a) other than the end-places which may be procured by the Company, each of the end-places will be identified by the Placement Agent and not through a third-party introducer;

- (b) there are no share borrowing arrangements entered into to facilitate the Proposed Placement;
- (c) the Placement Shares will not be placed to any person who is a director or a substantial shareholder or any other person in the categories set out in Catalist Rule 812(1) to subscribe for any of the Placement Shares, unless such subscription is otherwise approved by the SGX-ST, or interested persons as defined under Chapter 9 of the Catalist Rules;
- (d) in the event the number of Placement Shares placed to the end-places (including those end-places which may be procured by the Company) results in any end-placee becoming a substantial shareholder, the Placement Agent will inform the Company so that the Company can make the necessary announcement(s) in a timely manner;
- (e) the placement of Placement Shares to such end-placee (including those end-places which may be procured by the Company) will not result in the transfer of a controlling interest as defined in Catalist Rule 803;
- (f) the commission payable by the Company to the Placement Agent in respect of the Proposed Placement will not be shared with any of the end-places (including those end-places which may be procured by the Company) of the Proposed Placement; and
- (g) it will obtain representations from the end-places (including those end-places which may be procured by the Company) that such end-placee is not acting in concert (as defined under the Singapore Code on Take-overs and Mergers) with any other party in their acquisition of the Placement Shares.

When procuring end-places for the Placement Shares, the Placement Agent shall ensure that each of such end-places and its directors and substantial shareholders (to the extent applicable) do not have any connection (including any business relationship) with the Company, its Directors and its Substantial Shareholders. In the event that there are such connections, the Company, after being so informed by the Placement Agent, will disclose such information in the shareholders' circular or completion announcement (as the case may be) to be released by the Company for the Proposed Placement in due course.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the Placement Agreement will be available for inspection during normal business hours for a period of three (3) months commencing from the date of this announcement at the registered office of the Company at 8 Temasek Boulevard, Level 42, Suntec Tower Three, Singapore 038988.

11. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Placement, the Company and its subsidiaries as at the date hereof, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading.

Where information in the announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to

ensure, through reasonable enquiries, that such information is accurately and correctly extracted from those sources and/or reproduced in the announcement in its proper form and context.

12. FURTHER INFORMATION

The Company will make the necessary follow-up announcements as and when required and/or as and when material developments on the Proposed Placement.

13. CAUTION IN TRADING

Shareholders and potential investors of the Company should note that the Proposed Placement are subject to the fulfilment of certain conditions precedent and are advised to exercise caution in trading their Shares in the Company as there is no certainty or assurance as at the date of this announcement that the Proposed Placement will be completed. The Company will make the necessary announcements as and when there are further developments. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions that they should take.

By Order of the Board
QUANTUM HEALTHCARE LIMITED

Thomas Tam Gim Chua
Chief Executive Officer and Executive Director
27 January 2023

IMPORTANT NOTICE

Notification under Section 309B of the Securities and Futures Act 2001 of Singapore: The Placement Shares are "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 and "Excluded Investment Products" (as defined in MAS Notice SFA 04- N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. ("Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Ms Lim Hui Ling, 16 Collyer Quay, #10-00 Collyer Quay Centre, Singapore 049318, sponsorship@ppcf.com.sg.
