

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

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**DISCLAIMER OF OPINION BY THE INDEPENDENT AUDITOR ON THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

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Pursuant to Rule 704(4) of the Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), the Board of Directors (the "**Board**") of Quantum Healthcare Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that the Company's external auditor, Moore Stephens LLP ("**Independent Auditor**"), have included a disclaimer of opinion in their report dated 12 April 2023 for the financial year ended 31 December 2022 ("**FY2022**") ("**Independent Auditor's Report**") based on:

(a) The use of going concern assumption on the consolidated financial statements of the Group and the Company; and

(b) The consolidation of TriReme Medical LLC

(collectively, the "**Disclaimer Opinion**").

The Independent Auditor's Report and the related audited financial statements for FY2022 (the "**Audited Financial Statements**") can also be found in the Company's annual report for FY2022 ("**FY2022 Annual Report**"), which has been released on SGXNET. Shareholders of the Company ("**Shareholders**") are advised to read this announcement in conjunction with the Audited Financial Statements and the FY2022 Annual Report.

Going Concern Assumption

Notwithstanding the Disclaimer Opinion, the Board believe that the going concern basis of preparation of the financial statements for FY2022 is appropriate after taking into the consideration the following factors:

- Management is of the view that the Group/Company will have sufficient working capital for at least the next 12 months from the date of these financial statements and will be able to pay its debts as and when they fall due based on a forecasted cash flow prepared;
- Management will continue to implement comprehensive cost-containment measures and does not expect the Group to have any significant operational commitments that will require significant cash outflow in the next 12 months;
- Following the receipt of the Company shareholders' approval at an extraordinary general meeting held on 27 March 2023 for a proposed share placement, the share placement has been completed on 28 March 2023 and the Company received a gross share placement proceeds of S\$2.0 million which will be used for general working capital purposes of the Group;
- The Group has diversified into the healthcare business, primarily the provision of dental services, which are profitable and generating positive cash flows for the Group. The Group is also expanding its dental services with further acquisitions of three dental clinics ("**TDH**") subsequent to the financial year end; and
- Management is exploring further corporate actions involving expansion into the medical equipment business and medical & wellness business to generate new sources of revenue as part of the Group's diversification plan, e.g. strategy partnership arrangement as announced on SGXNET on 22 March 2023.

If the going concern assumption is not appropriate and the Group and Company are unable to continue in operational existence for the foreseeable future, the Group and Company may be unable to discharge their

liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are recorded in the statement of financial position. In addition, the Group and the Company may have to provide for further liabilities that might arise, and to reclassify non-current assets and non-current liabilities, where applicable, as current assets and current liabilities respectively. **No such adjustments have been made to these financial statements.**

Based on the forecasted cash flow prepared by management, the profitable dental services of the Group, and the share placement proceeds received subsequent to the financial year end, the directors of the Company are of the view that the Group and the Company will have sufficient cash resources to satisfy its working capital requirements, and the Group and the Company to continue in operational existence for the foreseeable future and to discharge their liabilities in the normal course of business.

#### Consolidation of TriReme Medical LLC (“TriReme”)

TriReme has purportedly carried out capital calls, which resulted in the dilution in the Group’s interest in TriReme during the financial year ended 31 December 2022. However, as management was not aware of these purported capital calls beforehand, the Company has been seeking more clarification from TriReme, and pending mutual resolution, has expressly reserved the Company rights to dispute such purported corporate actions of TriReme. Accordingly, the Group continues to consolidate TriReme as a subsidiary of the Group in the consolidated financial statements for the financial year ended 31 December 2022. In addition, in the preparation of the Group’s consolidated financial statements, the unaudited management accounts of TriReme have been used for this purpose.

As the Independent Auditor was unable to gain access to the management of TriReme, which constitutes a limitation placed on the scope of their work, the Independent Auditor was unable to obtain sufficient, appropriate evidence concerning the veracity of the aforesaid dilution in the Group’s interest in TriReme. The Independent Auditor was unable to ascertain whether the continuing consolidation of TriReme as a subsidiary in the consolidated financial statements of the Group for the financial year ended 31 December 2022 is appropriate.

The Independent Auditor was also unable to perform audit procedures, or alternative procedures, on the financial statements of TriReme for the purpose of providing an opinion on the consolidated financial statements of the Group for the financial year ended 31 December 2022. The consolidated financial statements of the Group include other income, net loss, total assets and total liabilities of TriReme amounting to S\$123,000, S\$524,000, S\$464,000 and S\$588,000, respectively, representing 59%, 6%, 3% and 3% of the Group’s respective balances.

Consequently, the Independent Auditor was unable to determine if the consolidated financial statements of the Group for the financial year ended 31 December 2022 are fairly stated. Any adjustments and/or additional disclosure that may be required to be made in relation to the unaudited financial statements of TriReme may have a significant impact on the consolidated financial statements of the Group.

Notwithstanding the Disclaimer Opinion, the Group is currently taking advice from its professional legal advisers on resolving this purported capital calls amicably between the parties. The Company would also highlight that TriReme is not a principal subsidiary of the Group, and the Company’s cost of investment in TriReme, which is and has been loss making, has been fully impaired. The Company has also been assessing the possibility of disposal of its interest in TriReme.

The Board is of the opinion that sufficient information has been disclosed for trading of the Company’s securities to continue in an orderly manner and confirmed that all material disclosure has been provided for trading of the Company’s shares to continue.

Shareholders are advised to read the FY2022 Annual Report in its entirety, as announced on SGXNET.

By Order of the Board  
**QUANTUM HEALTHCARE LIMITED**

Thomas Tan Gim Chua

Chief Executive Officer  
13 April 2023

*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.*

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