



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

---

## UPDATE IN RELATION TO QT VASCULAR LTD'S SHAREHOLDING INTEREST IN TRIREME MEDICAL LLC

---

The Board of Directors ("**Directors**" or "**Board**") of Quantum Healthcare Limited ("**Company**") refers to its announcement dated 17 February 2023 ("**Earlier Announcement**") in relation to the purported dilution of the 50% plus one share shareholding interest of QT Vascular Ltd, the Company's wholly-owned subsidiary, ("**QTV**") in TriReme Medical LLC ("**TriReme**"), arising from two purported capital calls carried out by TriReme which TriReme claims QTV purportedly did not participate in, further details of which are set out in paragraph 2 of this announcement (the "**Purported Dilution**"). The Purported Dilution purportedly resulted in QTV's shareholding interest in TriReme to be diluted from 50% plus one share to 20.19%.

### 1. INTRODUCTION

- 1.1. The Purported Dilution first came to the attention of the current management of the Company ("**Management**") and Board on or about 8 February 2023, when the Company's current Chief Financial Officer ("**CFO**"), who was appointed as the Company's CFO on 9 January 2023 following the resignation and departure of the former CFO on 13 January 2023, wrote to the management of TriReme to seek their assistance to provide TriReme's financial information in connection with the consolidation of the Group's financial statements for the financial year ended 31 December 2022 ("**FY2022**"), but was informed instead that QTV's shareholding interest in TriReme had been purportedly diluted to 20.19%, following the First Capital Call (as defined in paragraph 2.1 below) and the Second Capital Call (as defined in paragraph 2.4 below), both of which TriReme claims QTV purportedly did not participate in.
- 1.2. As the current management ("**Management**") and Board were not aware of the circumstances or details of the purported First Capital Call, Second Capital Call and/or the Purported Dilution at the material time, the Company had released the Earlier Announcement on 17 February 2023.
- 1.3. Subsequent thereto, the Company's auditors had issued a disclaimer of opinion in respect of the audited financial statements of the Group for FY2022 ("**FY2022 Audited Financial Statements**") due, *inter alia*, to the consolidation of TriReme. As noted by the auditors, Management had indicated that they were seeking more clarification on the Purported Dilution from the management of TriReme and, pending resolution, had reserved the Company's rights to dispute the Purported Dilution and notwithstanding the unresolved dispute, the Group continued to consolidate TriReme as a subsidiary in the consolidated financial statements of the Group for FY2022 which, if the Purported Dilution had indeed occurred during FY2022, would not be appropriate since TriReme would have become an associated company of QTV by reason of the dilution and reduction of QTV's shareholding interest in TriReme pursuant to the Purported Dilution.

- 1.4. The Board would like to give shareholders of the Company (“Shareholders”) an update on the proposed action or steps to be taken by the Company in relation to QTV’s shareholding interest in TriReme.

**2. PURPORTED DILUTION**

- 2.1. Prior to the first capital call to raise funds of US\$420,000 from its shareholders that was purportedly made by TriReme to its shareholders on or about 4 December 2021 (“First Capital Call”), the shareholders and shareholding of TriReme was as follows:

Shareholder	Number of Shares	Shareholding Percentage
QTV	190,001	50% + 1 share
MDIE	139,999	36.84%
Emerald Apex	50,000	13.16%
<b>Total</b>	<b>380,000</b>	<b>100%</b>

- 2.2. The aggregate amount of capital contributions requested by TriReme from its shareholders under the First Capital Call was US\$420,000, with a breakdown of the capital contribution requested from each shareholder being as follows:

First Capital Call	
Shareholder	Capital Contribution Requested (US\$)
QTV	210,001
MDIE	154,736
Emerald Apex	55,263
<b>Total</b>	<b>420,000</b>

- 2.3. TriReme claimed that QTV did not participate in the First Capital Call by paying its pro-rata capital contribution amount of US\$210,001 and as a result, QTV’s shareholding interest in TriReme was purportedly diluted and reduced to 23.75% following the First Capital Call, after taking into consideration the capital contributions of US\$309,472 and US\$110,526 made by MDIE and Emerald Apex respectively under the First Capital Call (such amounts were for their respective pro-rata capital contribution amounts of US\$154,736 and US\$55,263, plus additional amounts of US\$154,736 and US\$55,263 made by MDIE and Emerald Apex respectively for the pro rata capital contribution amount purportedly not taken up by QTV).

- 2.4. TriReme also claimed that pursuant to a second capital call to raise funds of US\$185,000 from its shareholders that was purportedly made by TriReme to its shareholders on or about 7 September 2022 (“Second Capital Call”), which TriReme claimed QTV again did not participate in, QTV’s shareholding interest in TriReme was purportedly further diluted and reduced to 20.19% following the Second Capital Call, after taking into consideration the capital contributions of US\$103,940 and US\$37,122 made by MDIE and Emerald Apex respectively under the Second Capital Call.

- 2.5. The capital contributions requested by TriReme from its shareholders under the Second Capital Call was US\$185,000, with a breakdown of the capital contribution requested from each shareholder being as follows:

Second Capital Call	
Shareholder	Capital Contribution Requested (US\$) <sup>1</sup>
QTV	43,938
MDIE	103,940
Emerald Apex	37,122
<b>Total</b>	<b>185,000</b>

- 2.6. The Company has been advised by legal counsel that there are grounds for QTV to dispute or challenge the validity and enforceability of the Purported Dilution, in particular, while QTV did not participate in the First Capital Call by making cash payment of its pro-rata share of the capital contribution requested for by TriReme, there was an intercompany loan of US\$300,000 due and owing by TriReme to QTV (“**Intercompany Loan**”) which QTV had proposed using, and which TriReme had initially agreed to use for purposes of offsetting the capital contribution of US\$210,000 required to be made by QTV under the First Capital Call, although TriReme subsequently claimed that the Purported Dilution had taken place as QTV did not make its requisite *pro rata* cash contributions for the First Capital Call, and subsequent thereto, the Second Capital Call.
- 2.7. By way of background, the Intercompany Loan arose because QTV had, on or about 10 December 2021, agreed to allot and issue 65,238,095 new ordinary shares in the capital of QTV at the issue price of S\$0.0063 for each share to Eitan Konstantino (“**Former CEO**”), the former executive director and ex-Chief Executive Officer of QTV (“**Share Issuance to Former CEO**”) in consideration of the Former CEO agreeing to accept the allotment and issue of such shares in lieu of the cash repayment of an amount of US\$300,000 which QTV had agreed to pay the Former CEO on behalf of TriReme in respect of an equivalent amount due and owing by TriReme to the Former CEO in respect of unpaid remuneration due and payable to the latter under the terms of his employment by TriReme (“**Outstanding Amount**”), and the Intercompany Loan arose out of the Outstanding Amount assumed by QTV.
- 2.8. For purposes of illustration only, given that the aggregate amount of capital contributions required to be made by QTV under the First Capital Call and Second Capital Call to maintain its shareholding interest of 50% plus one share was approximately US\$302,500, QTV would have substantially retained its majority shareholding interest of 50% plus one share in TriReme at all material times assuming, *inter alia*, there is no dispute that the entire amount of the Intercompany Loan had been or should have been applied in settlement and satisfaction of the capital contributions requested from QTV pursuant to the First Capital Call and the Second Capital Call, and accordingly, there would substantially have been no Purported Dilution.
- 2.9. On the other hand, if the Intercompany Loan had not or is not to be applied in the settlement and satisfaction of the capital contributions requested from QTV pursuant to the First Capital Call and the Second Capital Call, the Purported Dilution would take effect, and QTV would have to take separate steps to recover the Intercompany Loan from TriReme.

---

<sup>1</sup> The capital contribution amounts requested by TriReme from its shareholders under the Second Capital Call were in the proportion of 23.75%, 56.18% and 20.07% for QTV, MDIE and Emerald Apex respectively, presumably on the premise that the shareholding interest of the shareholders of TriReme had been adjusted accordingly following the completion of the First Capital Call.

### 3. PROPOSED RATIFICATION OF THE PURPORTED DILUTION

3.1. The Company had earlier held some discussions with relevant parties to explore the possibility of finding an amicable solution or settlement to resolve the outstanding issues in relation to the Purported Dilution, but no agreement has been reached on the same, and TriReme has recently, by way of an email sent to the Company on 21 September 2023, again reiterated its position on the Purported Dilution, which QTV has disputed, for reasons as explained in paragraph 2 above.

3.2. In view of the foregoing and for reasons as further elaborated in paragraph 4 of this announcement, the Board is of the opinion that it may better serve the interest of the Company to seek Shareholders' approval to ratify, confirm and/or approve the Purported Dilution either:

- (a) in the event the Purported Dilution shall be adjudged or held to be valid and enforceable against QTV; or
- (b) in the event QTV decides not to continue to challenge or otherwise elects to accept the Purported Dilution,

whichever is earlier to occur ("**Proposed Ratification of the Purported Dilution**"), and accordingly, the Company is proposing to convene an extraordinary general meeting ("**EGM**"), *inter alia*, to seek Shareholders' approval for the Proposed Ratification of the Purported Dilution.

3.3. For the avoidance of doubt, Shareholders should note that in the event the Purported Dilution shall be adjudged or held to be valid and enforceable against QTV or in the event QTV decides not to continue to challenge or otherwise elects to accept the Purported Dilution, this will mean that QTV's shareholding interest in TriReme was diluted and reduced, firstly from 50% plus one share to 23.75% (pursuant to the First Capital Call), and subsequently, from 23.75% to 20.19% (pursuant to the Second Capital Call), and accordingly, there will be a need for the Company and the Group to restate, *inter alia*, the FY2022 Audited Financial Statements as the Group continued to consolidate TriReme as a subsidiary in the FY2022 Audited Financial Statements which, if the Purported Dilution had indeed occurred during FY2022, would not be appropriate since TriReme would have become an associated company of QTV by reason of the dilution and reduction of QTV's shareholding interest in TriReme pursuant to the Purported Dilution.

### 4. RATIONALE FOR THE PROPOSED RATIFICATION OF THE PURPORTED DILUTION

4.1. Having taking into consideration certain factors and circumstances as further elaborated below, the Board is of the opinion that it may better serve the interest of the Company to seek Shareholders' approval for the Proposed Ratification of the Purported Dilution:

4.1.1. As the Group's core business currently comprises dental businesses under the brand names Asia Dental Group, Eastern Dental Surgery Group and the Dental Hub Group and TriReme is and was not, at all material times over the course of FY2022 and FY2023, a principal subsidiary of the Group (as defined in the Listing Manual Section B: Rules of Catalist of the SGX-ST (the "**Catalist Rules**")), it is relatively immaterial, from a business perspective, whether TriReme remains a subsidiary or becomes an associated company of the Group and in any event, the Group's cost of investment in TriReme has already been fully impaired.

- 4.1.2. As mentioned in paragraph 1.3 above, one of the reasons the Company's auditors had issued a disclaimer of opinion in relation to the FY2022 Audited Financial Statements was because of the difficulty in obtaining the necessary financial information on TriReme required for the consolidation of TriReme's financial results and position in the financial results and position of the Group, and such consolidation will no longer be required if TriReme is not a subsidiary of QTV.
- 4.1.3. As TriReme has been loss-making and is not expected to turn profitable in the near future, consolidation of TriReme's financial results and position in the financial results and position of the Group may have an adverse impact on the financial results and position of the Group. Conversely, if TriReme were only an associated company of QTV, the Group would only need to take in its share of loss or profit arising from TriReme's results of operations, which has smaller adverse impact.
- 4.1.4. While there are grounds for QTV to dispute or challenge the validity and/or enforceability of the Purported Dilution, the possibility that the Purported Dilution shall be adjudged or held to be valid and enforceable against QTV cannot be precluded, and if that possibility were to materialise, TriReme would in any event be deemed an associated company rather than a subsidiary of QTV.
- 4.1.5. Assuming the Intercompany Loan had not or is not to be applied in settlement and satisfaction of the capital contributions requested from QTV pursuant to the First Capital Call and Second Capital Call, QTV would be able to retain such receivable asset, and reserve its rights to take the necessary legal action to recover the amount due and owing by TriReme under the Intercompany Loan.

## 5. SHAREHOLDERS' APPROVAL OF THE PROPOSED RATIFICATION OF THE PURPORTED DILUTION AND POSSIBLE FURTHER FUTURE DILUTIONS

- 5.1. Pursuant to a letter of undertaking (the "**Letter of Undertaking**") dated 25 July 2022 which QTV had given to Singapore Exchange Regulation Pte. Ltd. ("**SGX RegCo**") in connection with a scheme for restructuring involving, inter alia, QTV and its subsidiaries which was completed on 28 July 2022 ("**Scheme**"), QTV had undertaken to seek shareholders' approval for any disposal of its interest in its subsidiaries including TriReme.
- 5.2. While there is no actual sale or disposal of QTV's shareholding interest in TriReme pursuant to the Purported Dilution, the Purported Dilution, if adjudged or held to be valid and enforceable against QTV, does result in a reduction in QTV's shareholding interest in TriReme from 50% plus one share to 20.19%, which may arguably be construed or deemed as an effective disposal, and in view of the foregoing, the Company will be seeking Shareholders' approval of the Purported Dilution by way of the Proposed Ratification of the Purported Dilution at the EGM.
- 5.3. As per the terms of the Letter of Undertaking, the Company will seek Shareholders' approval prior to the entry or completion of any agreement for the sale or transfer of QTV's shareholding interest in TriReme, although as at the date of this announcement, the Company has not been approached or identified any party, including the other shareholders of TriReme, who may be interested to acquire QTV's shareholding interest in TriReme, in part, as the Company will need to determine a proposed sale price before approaching any parties to offer such shares to and the Company may not be able to make such determination, *inter alia*, without establishing an appropriate valuation for such shares which may include having to

engage an independent third-party to conduct a valuation of TriReme and its business.

- 5.4. As mentioned in paragraph 4.1.1 above, the Group's core business currently comprises dental businesses under the brand names Asia Dental Group, Eastern Dental Surgery Group and the Dental Hub Group, while QTV's shareholding interest in TriReme is part of the legacy business of the Group, and TriReme is not a principal subsidiary of the Group as at the date of this announcement nor was it a principal subsidiary of the Group as at the end of FY2021, beginning or end of FY2022, and the beginning of FY2023.
- 5.5. In view of the foregoing, regardless of whether the Group's current shareholding interest in TriReme is 50% plus one share or 20.19%, the Board does not reasonably foresee that the Group may wish to make further investment in TriReme, including making further capital contributions to maintain its shareholding interest proportion in TriReme.
- 5.6. Under the terms of the shareholders agreement entered into by the shareholders of TriReme including QTV ("**TriReme Shareholders Agreement**"), the management of TriReme may make capital calls to seek capital contributions from its shareholders, *inter alia*, if it is necessary to fund the working capital or other requirements of TriReme, and accordingly, there is a possibility that further dilution(s) of QTV's shareholding interest in TriReme may occur in future, *inter alia*, should TriReme make further call(s) for capital contributions from its shareholders at any time or from time to time, and QTV decides not to participate in such capital call(s) by contributing its *pro rata* share of such capital call(s).
- 5.7. While the Company can seek Shareholders' approval prior to the entry or completion of any agreement for the sale or transfer of QTV's shareholding interest in TriReme, as per the terms of the Letter of Undertaking, it will not be practicable for the Company to seek Shareholders' approval prior to agreeing, accepting or otherwise allowing any possible further future dilution of QTV's shareholding interest in TriReme that may arise by reason of QTV deciding not to participate in any capital call(s) to be made by TriReme at any time or from time to time as, under the terms of the TriReme Shareholders Agreement, TriReme is entitled to proceed to effect the relevant capital call(s) with the corresponding resulting dilution and reduction of QTV's shareholding interest in TriReme once it has complied with the requisite notice to shareholders and other requirements in respect of such capital call(s).
- 5.8. In view of the foregoing considerations, the Company proposes to seek Shareholders' approval of any and all further dilution(s) and reduction(s) of QTV's shareholding interest in TriReme that may occur at any time or from time to time in future, in the event TriReme makes further call(s) for capital contributions from its shareholders at any time or from time to time, and QTV decides not to participate in such capital call(s) by contributing its *pro rata* share of such capital call(s) ("**Possible Further Future Dilution(s)**"), at the EGM.
- 5.9. For the avoidance of doubt, Shareholders' approvals for the Proposed Ratification of the Purported Dilution and the Possible Further Future Dilution(s) do not extend to any sale or disposal of QTV's shareholding interest in TriReme. In the event of any sale or disposal of the QTV's interest in any of its subsidiaries, including TriReme, the Company will seek approval of its Shareholders pursuant to the terms of the Letter of Undertaking and the Catalist Rules (where applicable).

## 6. FURTHER INFORMATION

The Company will make the appropriate announcements, where relevant or required, as and when there are material developments in relation to the Purported Dilution, as well as the EGM to be convened to seek Shareholders' approval in relation to the Proposed Ratification of the Purported Dilution and the Possible Further Future Dilution(s).

By Order of the Board of Directors

### QUANTUM HEALTHCARE LIMITED

Thomas Tan Gim Chua

Chief Executive Officer and Executive Director

6 December 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.*

*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](mailto:sponsorship@ppcf.com.sg)*