

**Quantum Healthcare Limited and its subsidiaries
(Registration Number: 202218645W)**

Condensed Interim Financial Statements For the third quarter ended 30 September 2024

Pursuant to Rule 705(2C) of the Singapore Exchange Securities Trading Limited (“SGX-ST”) Listing Manual Section B: Rules of Catalist (the “Catalist Rules”), the Company is required to announce its quarterly financial statement in view of the disclaimer of opinion issued by the Company’s auditors in the latest audited financial statements for the financial year ended 31 December 2023.

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Group		
		3 months ended		
		30 September	30 September	
		2024	2023	
	Note	S\$'000	S\$'000	Change
Revenue	5	3,168	3,365	(5.9%)
Cost of sales		(1,784)	(1,924)	(7.3%)
Gross profit		<u>1,384</u>	<u>1,441</u>	<u>(4.0%)</u>
Administrative expenses		(1,679)	(1,912)	(12.2%)
Other income		20	9	>100%
Other expenses		-	(21)	(100%)
Results from operating activities		<u>(275)</u>	<u>(483)</u>	<u>(43.1%)</u>
Finance costs		(64)	(118)	(45.8%)
Net finance costs		<u>(64)</u>	<u>(118)</u>	<u>(45.8%)</u>
Loss before taxation	6	(339)	(601)	(43.6%)
Tax expense		9	-	NM
Loss for the period		<u>(330)</u>	<u>(601)</u>	<u>(45.1%)</u>
Other comprehensive loss				
Item that is or may be reclassified subsequently to profit or loss:				
Foreign currency translation differences		2	6	(66.7%)
Total comprehensive loss for the period		<u>(328)</u>	<u>(595)</u>	<u>(44.9%)</u>
Loss attributable to:				
- Owners of the Company		(316)	(596)	(47.0%)
- Non-controlling interests		(14)	(5)	>100%
Loss for the period		<u>(330)</u>	<u>(601)</u>	<u>(45.1%)</u>
Total comprehensive loss attributable to:				
- Owners of the Company		(314)	(590)	(46.8%)
- Non-controlling interests		(14)	(5)	>100%
Total comprehensive loss for the period		<u>(328)</u>	<u>(595)</u>	<u>(44.9%)</u>
Loss per share for the loss attributable to the owners of the Company during the period:				
Basic (cents per share)	16	(0.0040)	(0.0082)	
Diluted (cents per share)	16	(0.0040)	(0.0082)	

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Group		
		9 months ended		
		30 September	30 September	
	Note	2024	2023	
		S\$'000	S\$'000	Change
Revenue	5	9,246	9,661	(4.3%)
Cost of sales		(5,179)	(5,417)	(4.4%)
Gross profit		<u>4,067</u>	<u>4,244</u>	<u>(4.2%)</u>
Administrative expenses		(5,232)	(6,942)	(24.6%)
Other income		140	55	>100%
Other expenses		-	(21)	(100%)
Results from operating activities		<u>(1,025)</u>	<u>(2,664)</u>	<u>(61.5%)</u>
Finance costs		(256)	(362)	(29.3%)
Net finance costs		<u>(256)</u>	<u>(362)</u>	<u>(29.3%)</u>
Loss before taxation	6	(1,281)	(3,026)	(57.7%)
Tax expense		(8)	(45)	(82.2%)
Loss / Total comprehensive loss for the period		<u>(1,289)</u>	<u>(3,071)</u>	<u>(58.0%)</u>
Loss / Total comprehensive loss attributable to:				
- Owners of the Company		(1,255)	(3,323)	(62.2%)
- Non-controlling interests		(34)	252	NM
Loss / Total comprehensive loss for the period		<u>(1,289)</u>	<u>(3,071)</u>	<u>(58.0%)</u>
Loss per share for the loss attributable to the owners of the Company during the period:				
Basic (cents per share)	16	(0.0158)	(0.0456)	
Diluted (cents per share)	16	(0.0158)	(0.0456)	

NM denotes not meaningful

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Note	Group		Company	
		30 September 2024	31 December 2023	30 September 2024	31 December 2023
		S\$'000	S\$'000	S\$'000	S\$'000
Assets:					
Plant and equipment	8	1,187	1,050	9	12
Goodwill		5,232	5,580	-	-
Intangible assets	9	467	686	-	-
Investment in subsidiaries	10	-	-	2,945	3,411
Investment in associate	11	-	-	-	-
Right-of-use assets		1,562	1,968	-	-
Other non-current assets		32	27	-	-
Non-current assets		8,480	9,311	2,954	3,423
Inventories		50	37	-	-
Trade and other receivables		2,721	2,939	10	13
Cash and cash equivalents		278	744	3	21
Current assets		3,049	3,720	13	34
Total assets		11,529	13,031	2,967	3,457
Equity:					
Share capital	14	237,263	236,163	237,263	236,163
Reserves		10,212	9,638	(228,714)	(228,714)
Accumulated losses		(250,574)	(249,666)	(6,839)	(12,487)
Equity attributable to owners of the Company		(3,099)	(3,865)	1,710	(5,038)
Non-controlling interests		1,199	837	-	-
Total equity		(1,900)	(3,028)	1,710	(5,038)
Liabilities:					
Deferred tax liabilities		128	128	-	-
Other payables	13	29	31	-	-
Lease liabilities		584	919	-	-
Loans and borrowings	12	2,928	2,758	-	-
Amount due to a non-controlling interest		-	1,314	-	1,314
Non-current liabilities		3,669	5,150	-	1,314
Trade and other payables	13	7,008	6,338	1,257	5,798
Lease liabilities		961	1,027	-	-
Loans and borrowings	12	1,475	1,804	-	-
Amount due to a non-controlling interest		-	1,383	-	1,383
Provisions		296	263	-	-
Provision for income tax		20	94	-	-
Current liabilities		9,760	10,909	1,257	7,181
Total liabilities		13,429	16,059	1,257	8,495
Total equity and liabilities		11,529	13,031	2,967	3,457

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the Company								
	Ordinary shares S\$'000	Other reserve S\$'000	Reserve for own shares S\$'000	Translation reserve S\$'000	Share-based payment reserve S\$'000	Accumulated losses S\$'000	Attributable to equity holders of the Company S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
Group									
At 1 January 2024	236,163	(1,866)	(98)	(4)	11,606	(249,666)	(3,865)	837	(3,028)
Total comprehensive loss for the period									
Loss for the period	-	-	-	-	-	(1,255)	(1,255)	(34)	(1,289)
Other comprehensive loss									
Foreign currency translation differences	-	-	-	5	-	(2)	3	-	3
Total comprehensive loss for the period	-	-	-	5	-	(1,257)	(1,252)	(34)	(1,286)
Contribution by and distribution to owners									
Share issued pursuant to share placement	1,100	-	-	-	-	-	1,100	-	1,100
Dividend payment	-	-	-	-	-	-	-	(200)	(200)
Change in ownership interest of subsidiary without loss of control (Note 10)	-	569	-	-	-	-	569	-	569
Increase in NCI due to partial disposal of subsidiary shares (Note 10)	-	-	-	-	-	349	349	596	945
Total contribution by and distribution to owners	1,100	569	-	-	-	349	2,018	396	2,414
At 30 September 2024	237,263	(1,297)	(98)	1	11,606	(250,574)	(3,099)	1,199	(1,900)

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (CONT'D)

Group	Attributable to owners of the Company								
	Ordinary shares S\$'000	Other reserve S\$'000	Reserve for own shares S\$'000	Translation reserve S\$'000	Share-based payment reserve S\$'000	Accumulated losses S\$'000	Attributable to equity holders of the Company S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
At 1 January 2023	234,230	(1,866)	(98)	-	11,678	(246,045)	(2,101)	597	(1,504)
Total comprehensive loss for the period									
(Loss)/ Profit for the period	-	-	-	-	-	(3,323)	(3,323)	252	(3,071)
Other comprehensive loss									
Foreign currency translation differences	-	-	-	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	-	(3,323)	(3,323)	252	(3,071)
Contribution by and distribution to owners									
Share issued pursuant to share placement	2,000	-	-	-	-	-	2,000	-	2,000
Shares issuance expenses	(98)	-	-	-	-	-	(98)	-	(98)
Share-based payment transactions	-	-	-	-	26	-	26	-	26
Total contribution by and distribution to owners	1,902	-	-	-	26	-	1,928	-	1,928
Changes in ownership interests									
Acquisition of subsidiary	-	-	-	-	-	(172)	(172)	240	68
Total changes in ownership interests	-	-	-	-	-	(172)	(172)	240	68
Total transactions with owners of the Company	1,902	-	-	-	26	(172)	1,756	240	1,996
At 30 September 2023	236,132	(1,866)	(98)	-	11,704	(249,540)	(3,668)	1,089	(2,579)

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (CONT'D)

Company	Attributable to owners of the Company							Total equity S\$'000
	Ordinary shares S\$'000	Capital reserve S\$'000	Reserve for own shares S\$'000	Capital contribution S\$'000	Translation reserve S\$'000	Share-based payment reserve S\$'000	Accumulated losses S\$'000	
At 1 January 2023	234,230	(228,762)	-	-	-	48	(6,861)	(1,345)
Other comprehensive loss								
Loss for the period	-	-	-	-	-	-	(1,109)	(1,109)
Total comprehensive loss for the period	-	-	-	-	-	-	(1,109)	(1,109)
Contribution by and distribution to owners								
Issue of ordinary shares	2,000	-	-	-	-	-	-	2,000
Total contribution by and distribution to owners	2,000	-	-	-	-	-	-	2,000
At 30 September 2023	236,230	(228,762)	-	-	-	48	(7,970)	(454)
At 1 January 2024	236,163	(228,762)	-	-	-	48	(12,487)	(5,038)
Other comprehensive income								
Profit for the period	-	-	-	-	-	-	5,648	5,648
Total comprehensive income for the period	-	-	-	-	-	-	5,648	5,648
Contribution by and distribution to owners								
Share issued pursuant to share placement	1,100	-	-	-	-	-	-	1,100
Total contribution by and distribution to owners	1,100	-	-	-	-	-	-	1,100
At 30 September 2024	237,263	(228,762)	-	-	-	48	(6,839)	1,710

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Group	
	9 months ended	
	30 September	30 September
	2024	2023
	S\$'000	S\$'000
Cash flows from operating activities		
Loss before income tax	(1,281)	(3,026)
Adjustments for:		
- Depreciation of plant and equipment	206	143
- Depreciation of right-of-use assets	895	613
- Amortisation of intangible assets	219	179
- Provision for reinstatement cost	33	-
- Unrealised foreign exchange loss	3	-
- Interest expenses	256	429
	<u>331</u>	<u>(1,662)</u>
Change in:		
- Trade and other receivables	417	(947)
- Trade and other payables	668	1,964
- Inventories	(13)	(48)
- Other assets	(2)	(26)
Cash generated from/(used in) operations	1,401	(719)
Interest expenses paid	(187)	(362)
Income taxes paid	(82)	(57)
Total net cash generated from/(used in) operating activities	<u>1,132</u>	<u>(1,138)</u>
Cash flows from investing activities		
Acquisition of subsidiary and business, net of cash acquired	-	(1,473)
Repayment of amount due to non-controlling interest	(1,083)	(1,383)
Purchase of plant and equipment	(344)	(159)
Total net cash used in investing activities	<u>(1,427)</u>	<u>(3,015)</u>
Cash flows from financing activities		
Proceeds from issue of ordinary shares	800	1,902
Disposal of subsidiaries	280	-
Dividend paid to minority interest	(200)	-
Proceeds from loans and borrowings	450	-
Repayment of borrowings	(610)	(792)
Repayment of lease liabilities	(890)	(569)
Total net cash (used in)/generated from financing activities	<u>(170)</u>	<u>541</u>
Net decrease in cash and cash equivalents	(465)	(3,612)
Effect of exchange rate changes on cash and cash equivalents	(1)	1
Cash and cash equivalents at beginning of period	744	5,065
Cash and cash equivalents at end of financial period	<u>278</u>	<u>1,454</u>

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

These notes form an integral part of and should be read in conjunction with the consolidated financial statements.

1 General Information

Quantum Healthcare Limited (the “**Company**”) is a public limited liability company incorporated and domiciled in Singapore and whose shares are publicly traded on the Catalist board of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”). These condensed interim consolidated financial statements as at and for the nine months ended 30 September 2024 comprise the Company and its subsidiaries (collectively, the “**Group**”).

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are:

(i) Vascular Business

- (a) development, manufacturing and distribution of medical devices; and
- (b) support services to related corporations for the development, manufacturing and distribution of medical devices.

(ii) Healthcare Business

- (a) provision of dental services;
- (b) management consultancy services for healthcare organisations and dental services; and
- (c) research, develop and design of medical related products.

2 Basis of Preparation

The condensed interim financial statements for the nine months ended 30 September 2024 have been prepared in accordance with Singapore Financial Reporting Standard (International) (“**SFRS(I)**”) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2023.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.2.

The condensed interim financial statements are presented in Singapore Dollars which is the Company’s functional currency.

2.1 Going concern assumption

For the financial period ended 30 September 2024, the Group incurred a net loss / total comprehensive loss of S\$1,289,000 (30 September 2023: S\$3,071,000) and has net cash generated from operating activities of S\$1,132,000 (net cash used in operating activities for 30 September 2023: S\$1,138,000). As at 30 September 2024, the Group and the Company have net current liabilities of S\$6,711,000 (31 December 2023: S\$7,189,000) and S\$1,244,000 (31 December 2023: S\$7,147,000), respectively.

2.1 Going concern assumption (cont'd)

The above conditions indicate the existence of a material uncertainty that may cast significant doubt on the ability of the Group and the Company to continue as going concerns and therefore they may be unable to realize their assets and discharge their liabilities in the normal course of business.

Notwithstanding the above, the directors of the Company believe that the use of the going concern assumption in the preparation and presentation of the condensed interim consolidated financial statements for the financial period ended 30 September 2024 is appropriate after taking into account the following considerations:

- i. The Group has generated positive cashflows from operations during 9M2024. Management is of the view that the Group will have sufficient working capital for at least the next 12 months from the date of these condensed interim consolidated financial statements and will be able to meet its obligations as and when they fall due within such period based on the Group's cash flow forecast for the next 12 months, which has been prepared, *inter alia*, on the premises as further elaborated below.

In the preparation of the Group's cash flow forecast, no provision has been made for (a) the final milestone payment of EUR500,000 and the arbitration related costs of US\$119,875 payable by TriReme Singapore (S) Pte Ltd ("**TriReme Singapore**") and Quattro Vascular Pte Ltd ("**Quattro**") to InnoRa GMBH ("**InnoRa**") and (b) outstanding legal fees of approximately S\$ 3.0 million in relation to the InnoRa arbitration ("**Arbitration**"), for the following reasons:

- a. A Sub-Licence Agreement dated 28 August 2020 was entered into between QT Vascular Ltd ("**QTV**"), TriReme Medical LLC ("**TriReme USA**"), and G Vascular Private Limited ("**G Vascular**") from The Genesis Group, where G Vascular agreed to pay a one-time milestone payment of EUR500,000 to InnoRa within 60 days upon receipt of FDA approval for Chocolate Touch®. The FDA approval was obtained on 4 November 2022. The Group will continue to follow up with G Vascular to ensure this obligation is fulfilled.
- b. The Genesis Group previously funded part of the QTV's legal fees in connection with the Arbitration. Under a letter agreement entered into in or around October 2022 between the QTV Group¹ and the Genesis Group, it was agreed that the Genesis Group would advance such legal fees and related costs as loans ("**Arbitration Loans**") that would be repaid from any amounts owed by the Genesis Group to QTV Group under the asset purchase agreement ("**APA**") dated 24 August 2020 and amendments to the APA dated 27 August 2020. Pursuant to the aforementioned letter agreement, the Arbitration Loans would bear 6% interest per annum from 30 June 2023 and the Genesis Group would not have any other recourse for repayment of the Arbitration Loans and/or accrued interest against the Company and the QTV Group.

Please refer to Company's announcement dated 29 July 2023 and Note 17 for further details of the Arbitration.

¹ QTV Group refers to QTV, TriReme USA, TriReme Singapore and Quattro.

- ii. Following the approval of the Company shareholders' at an extraordinary general meeting held on 8 February 2024, the proposed shares issuances were completed on 15 February 2024. The Company received gross proceeds of S\$0.8 million, with net proceeds of approximately S\$0.74 million used to partially settle the second tranche consideration payable for the acquisition of Asia Dental Group Pte. Ltd. ("**ADG**") group. In addition, the issuance of the settlement shares to Jimmy Gian Siong Lin ("**Dr. Jimmy**") with a total value of S\$0.3 million was part of the proposed shares issuances to settle the second tranche payment.
- iii. On 14 March 2024, the Company announced that it had completed the disposal of 11% shares in ADG to Dr. Jimmy for a consideration of S\$1,383,333 (the "**Disposal**"). It is agreed that this consideration shall be fully set off against the remaining contingent consideration (i.e. 3rd tranche) arising from the acquisition of ADG (notwithstanding that the contingent consideration is not yet determined or due as at the date of the Disposal).

Following the Disposal, notwithstanding that the Company will hold 49% of the shares in ADG, the Company will continue to have control over the board seats and the relevant activities via the shareholders agreement. In view of the foregoing, the management is in opinion that the Company shall continue to consolidate the ADG as a subsidiary following completion of the Disposal.

- iv. 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 other than those incurred in the ordinary course of business;
- v. Management continues to explore the possibility of corporate actions involving entering into new business opportunities to generate new sources of revenue and/or fund-raising exercises.

The above considerations are premised on future events which are inherently uncertain. In the event that the Group and the Company are unable to continue as going concerns, the Group and the 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 as current assets and current liabilities respectively. No such adjustments have been made to these interim condensed consolidated financial statements as at 30 September 2024.

2.2 New and amended standards adopted by the Group

The Group has adopted all the applicable new and revised SFRS(I) and Interpretations of SFRS(I) ("**INT SFRS(I)**") that are relevant to its operations and effective for annual periods beginning on 1 January 2024. The adoption of these new and revised SFRS(I) and INT SFRS(I) did not result in any substantial change to the Group's accounting policies or result in retrospective adjustments as a result of adopting those standards.

2.3 Use of judgement and estimates

In preparing the condensed interim consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited consolidated financial statements for the financial year ended 2023 ("FY2023").

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Management is of the opinion that there were no significant judgements made in applying the accounting policies in the condensed interim financial statements.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in the following notes:

Expected credit losses ("ECL") on trade receivables

ECL are unbiased probability-weighted estimates of credit losses which are determined by evaluating a range of possible outcomes and taking into account past events, current conditions and assessment of future economic conditions.

The Group has used relevant historical information and loss experience to determine the probability of default of the instruments and incorporated forward-looking information, including significant changes in external market indicators which involved significant estimates and judgements.

In determining the ECL, management has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to these receivables in estimating the probability of default of each of other receivables.

Notwithstanding the above, the Group evaluates the expected credit loss on customers in financial difficulties separately. No loss allowances on trade receivables are recognised by the Group for the financial period ended 30 September 2024.

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Operating segments

For management purposes and resource allocation, the Group is organised into business operating units based on reports reviewed by the management team that are used to make strategic decisions. This forms the basis of identifying the segments of the Group under *SFRS(I) 8 Operating segments* as follows:

i) Vascular business

The vascular business segment is in the business of development, manufacturing and distribution of medical devices.

ii) Healthcare business

The healthcare business segment is in the business of rendering of dental services.

iii) Corporate

Corporate segment consists of investment holding company which does not meet any of the quantitative threshold for determining a reportable operating segment.

Please refer to Note 1 for principal activities of the subsidiaries.

The Group's operations are mainly domiciled in Singapore.

4. Operating segments (cont'd)

Information about reportable segments

	Reportable Segments				Corporate		Total	
	Vascular Business		Healthcare Business		S\$'000	S\$'000	S\$'000	S\$'000
Group	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<u>Nine months ended</u>	9M2024	9M2023	9M2024	9M2023	9M2024	9M2023	9M2024	9M2023
External revenues	-	-	9,246	9,661	-	-	9,246	9,661
Segment profit/(loss) before tax	(49)	(2,417) ¹	(55)	516	(1,177)	(1,125)	(1,281)	(3,026)
<u>Three months ended</u>	3Q2024	3Q2023	3Q2024	3Q2023	3Q2024	3Q2023	3Q2024	3Q2023
External revenues	-	-	3,168	3,365	-	-	3,168	3,365
Segment profit/(loss) before tax	(19)	(410)	(34)	29	(286)	(220)	(339)	(601)
Group								
<u>As at</u>	30 Sep	30 Sep	30 Sep	30 Sep	30 Sep	30 Sep	30 Sep	30 Sep
	2024	2023	2024	2023	2024	2023	2024	2023
Segment assets	69	131	8,594	9,731	2,866	3,182	11,529	13,044
Segment liabilities	(5,981)	(5,958)	(6,484)	(6,736)	(964)	(2,930)	(13,429)	(15,623)

Note: 1) For the nine months ended 30 September 2023 ("9M2023"), excluding non-operating one-off arbitration legal expenses of S\$2.0 million attributed to InnoRa Dispute, the Group's total loss before tax would have been S\$1,026,000.

Geographical segments

The Group operates principally in Singapore after considering the deconsolidation of TriReme LLC which is an entity operating in United States of America.

5. Revenue from Contracts with Customers

Disaggregation of revenue from contract with customers

The Group's revenue is disaggregated by major product lines and timing of revenue recognition. This is consistent with the segment revenue information as disclosed in Note 4.

	Group			
	Three months ended		Nine months ended	
	30 September	30 September	30 September	30 September
	2024	2023	2024	2023
	S\$'000	S\$'000	S\$'000	S\$'000
<u>At a point of time</u>				
Rendering of dental services	3,078	3,270	8,976	9,331
<u>Over time</u>				
Rendering of consultancy services	90	95	270	330

6. Loss before taxation

The following significant items have been included in arriving at loss before taxation:

	Group			
	Three months ended		Nine months ended	
	30 September	30 September	30 September	30 September
	2024	2023	2024	2023
	S\$'000	S\$'000	S\$'000	S\$'000
Expenses				
Depreciation of plant and equipment	(81)	(55)	(206)	(143)
Depreciation of right-of-use assets	(287)	(210)	(895)	(613)
Exchange loss	-	(20)	-	(21)
Interest expenses	(64)	(118)	(256)	(362)

7. Net Asset / (Liability) Value

	Group		Company	
	30 September	31 December	30 September	31 December
	2024	2023	2024	2023
	S\$	S\$	S\$	S\$
Net asset / (liability) value per ordinary share ^{(1), (2)}	(0.00024)	(0.00041)	0.00021	(0.00067)

Notes:

- (1) The net liability value per ordinary share of the Group is calculated based on net liabilities of S\$1,900,000 as at 30 September 2024 (31 December 2023: net liabilities of S\$3,028,000). The net asset / (liability) value per ordinary share of the Company is calculated based on net assets of S\$1,710,000 as at 30 September 2024 (31 December 2023: net liabilities of S\$5,038,000).
- (2) The net liability value per ordinary share for Group and Company were calculated based on 8,014,501,108 ordinary shares in issue as at 30 September 2024 and 7,464,501,108 ordinary shares in issue as at 31 December 2023.

8. Plant and equipment

	<u>Dental machinery</u> S\$'000	<u>Dental equipment and instrument</u> S\$'000	<u>Renovation</u> S\$'000	<u>Furniture, fixtures and office equipment</u> S\$'000	<u>Computer, network and software</u> S\$'000	<u>Machinery and equipment</u> S\$'000	<u>Motor vehicles</u> S\$'000	<u>Total</u> S\$'000
Group								
<u>Cost</u>								
At 1 January 2023	516	85	78	217	163	1,018	131	2,208
Additions due to acquisition	–	101	–	2	12	–	–	115
Additions	90	169	5	10	24	–	–	298
At 31 December 2023	606	355	83	229	199	1,018	131	2,621
Additions	78	116	146	1	2	–	–	343
At 30 September 2024	684	471	229	230	201	1,018	131	2,964
<u>Accumulated depreciation</u>								
At 1 January 2023	28	8	13	211	89	1,008	24	1,381
Depreciation for the year	55	35	26	5	38	5	26	190
At 31 December 2023	83	43	39	216	127	1,013	50	1,571
Depreciation for the period	49	56	40	4	31	2	24	206
At 30 September 2024	132	99	79	220	158	1015	74	1,777
<u>Net book value</u>								
At 31 December 2023	523	312	44	13	72	5	81	1,050
At 30 September 2024	552	372	150	10	43	3	57	1,187

9. Intangible assets

	<u>Intellectual property</u> S\$'000	<u>Developed technology in progress</u> S\$'000	<u>Customer relationship*</u> S\$'000	<u>Total</u> S\$'000
Group				
<u>Cost</u>				
At 1 January 2023	501	1,922	917	3,340
Additions due to acquisition	-	-	285	285
As at 31 December 2023 / 30 September 2024	<u>501</u>	<u>1,922</u>	<u>1,202</u>	<u>3,625</u>
<u>Accumulated amortisation and impairment loss</u>				
At 1 January 2023	501	1,922	229	2,652
Amortisation for the year	-	-	287	287
At 31 December 2023	<u>501</u>	<u>1,922</u>	<u>516</u>	<u>2,939</u>
Amortisation for the period	-	-	219	219
At 30 September 2024	<u>501</u>	<u>1,922</u>	<u>735</u>	<u>3,158</u>
<u>Net book value</u>				
At 31 December 2023	-	-	686	686
At 30 September 2024	<u>-</u>	<u>-</u>	<u>467</u>	<u>467</u>

* Arose from the acquisition of ADG Group

10. Investment in Subsidiaries

	Company	
	30 September 2024	31 December 2023
	S\$'000	S\$'000
Unquoted equity shares, at cost		
- QT Vascular Ltd	5,516	5,516
- Asia Dental Group Pte. Ltd.	8,129	8,129
- Kairogenix Pte. Ltd.	#	#
- Quantum Healthcare Holdings Sdn. Bhd.	#	#
	<u>13,645</u>	<u>13,645</u>
Less: Disposal of 11% in Asia Dental Group Pte. Ltd.	<u>(466)</u>	<u>-</u>
	<u>13,179</u>	<u>13,645</u>
Less: Allowance for impairment loss		
At 1 January	(10,234)	(6,072)
Additions	-	(4,162)
At 30 September 2024 / 31 December 2023	<u>(10,234)</u>	<u>(10,234)</u>
	<u>2,945</u>	<u>3,411</u>

denotes below S\$1,000

10. Investment in Subsidiaries (cont'd)

Interest in a subsidiary with material non-controlling interests

The Group has the following subsidiaries that have material non-controlling interests:

Name of subsidiary	Place of incorporation and principal place of business	Effective equity interest held by Group	
		30 September 2024	31 December 2023
Asia Dental Group Pte. Ltd. ("ADG")	Singapore	49%*	60%
Kairogenix Pte Ltd ("Kairogenix")	Singapore	70%	70%
Quantum Healthcare Holdings Sdn. Bhd. ("QHHSB")	Malaysia	60%	60%

Note: *On 14 March 2024, the Company announced that it had completed the disposal of 11% shares in ADG to Dr. Jimmy for a consideration of S\$1,383,333. It is agreed that this consideration shall be fully set off against the third tranche earn-out amount (for details please refer to the announcement dated 14 March 2024). Following this Disposal, notwithstanding that the Company will hold 49% of the shares in ADG, the Company will continue to have control over the board seats and the relevant activities via the shareholders' agreement. In view of the foregoing, the management is of the opinion that the Company should continue to consolidate ADG as a subsidiary following completion of the Disposal.

	Loss allocated to non-controlling interests 30 September 2024 S\$'000	Accumulated non-controlling interests 31 December 2023 S\$'000
ADG	(31)	854
Kairogenix	(2)	(15)
QHHSB	(1)	(2)
	<u>(34)</u>	<u>837</u>

11. Investment in associate

Name of associate	Place of incorporation and principal place of business	Proportion of ownership interests	
		30 September 2024	31 December 2023
TriReme Medical LLC ("TMI USA")*	United States of America	20.19%	20.19%

Note: *Following shareholders' approval for the purported dilution of QTV's shareholdings interest in TriReme USA from 50% plus one share to approximately 20.19% at an extraordinary general meeting convened on 8 February 2024, the Board has on 28 February 2024, after due and careful deliberations, decided and resolved that it would be in the interests of the Group to accept the purported dilution, particularly as any further uncertainty on the actual level of QTV's shareholding interest in TriReme USA would have an impact on the preparation of the unaudited and audited financial statements of the Company and Group.

12. Loans and borrowings

Group	Secured	
	30 September 2024 S\$'000	31 December 2023 S\$'000
Amount repayable within one year or less or on demand	1,475	1,804
Amount repayable after one year	2,928	2,758
	<u>4,403</u>	<u>4,562</u>

Details of loans and borrowings

Loan from a related party

The loan from a related party is secured by way of a share charge over the 60% shareholding in ADG and bears a fixed interest rate of 5.5% per annum (p.a.). The disbursed loan amount was S\$2 million and is repayable in 42 monthly instalments commencing in April 2022. As at 30 September 2024, the loan outstanding was S\$1.5 million.

Bank loans

Other than the above loan, the subsidiaries also entered into several loans arrangements with banks for total loan amount of S\$4.4 million which bears interest rate ranging between 4.75% - 8.5% p.a. and repayable over 48 - 60 months with starting range from July 2022 to September 2024. These bank loans are secured through corporate guarantee by the Company for 49% of the loan amount and personal guarantee by Dr Jimmy Gian, the Chief Operating Officer (Dental) of the Company for 51% of the loan amount, in proportion to their respective shareholdings in ADG. As at 30 September 2024, the outstanding bank loans amounted to S\$2.9 million.

13. Trade and other payables

	Group		Company	
	30 September 2024 S\$'000	31 December 2023 S\$'000	30 September 2024 S\$'000	31 December 2023 S\$'000
Trade payables	786	958	-	-
Accrued operating expenses	5,314	4,809	126	213
Other payables	568	382	737	146
GST payables	229	220	-	-
Amount due to director	121*	-	75*	-
Amount due to subsidiary	-	-	319	5,439
Amount due to related parties	19	-	-	-
	<u>7,037</u>	<u>6,369</u>	<u>1,257</u>	<u>5,798</u>

*These are interest free advances from directors and repayable on demand.

14. Share capital

	Group and Company			
	30 September 2024		31 December 2023	
	Number of ordinary shares '000	S\$'000	Number of ordinary shares '000	S\$'000
Issued and fully paid:				
At 1 January	7,464,501	236,163	6,893,073	234,230
Share issued pursuant to share placement	550,000	1,100	571,428	2,000
Shares issued expenses	-	-	-	(67)
At 30 September 2024 / 31 December 2023	<u>8,014,501</u>	<u>237,263</u>	<u>7,464,501</u>	<u>236,163</u>

The Group and Company does not hold any treasury shares and subsidiary holdings as at 30 September 2024 and 31 December 2023. As at 30 September 2024, the issued and paid-up share capital excluding treasury shares of the Company comprised 8,014,501,108 ordinary shares. No changes in share capital since 30 June 2024.

15. Share options

Share option programme

In September 2005 ("2005 Stock Plan"), November 2010 ("2010 Stock Plan") and September 2013 ("2013 Stock Plan"), QTV had established share option plans that entitle certain employees, directors and consultants to purchase ordinary shares in QTV. Further, in April 2014, QTV adopted the 2014 QTV Employee Share Option Scheme ("2014 Stock Plan") which had become effective upon the listing of QTV on the Catalist of the SGX-ST in April 2014.

As part of the corporate restructuring, all liabilities and obligations in connection with the outstanding share options ("Options") granted under QTV's 2005, 2010, 2013 and 2014 Stock Plans (collectively, the "Option Schemes") are assumed by the Company ("Options Variation"). The Options Variation do not involve any changes made to the terms of the share options granted or the rules of the Option Schemes except the outstanding Options will be exercisable into shares of the Company.

The above schemes are administered by the remuneration committee of the Company authorised and appointed by the board of directors and are available to all employees and non-executive directors of the Group.

15. Share options (cont'd)

Share option programme (cont'd)

At 30 September 2024, the Option Schemes have 11 Option holders with 4,219,000 outstanding Options. Details of the outstanding Options are set out below.

<u>Options</u>	<u>Exercise price per share (S\$)</u>	<u>Options outstanding at 30 September 2024</u>	<u>Number of Option holders</u>	<u>Option period</u>
2014 Stock Option	0.095	4,219,000	11	Ten years from date of grant

The Company does not intend to issue additional Options under the Option Schemes.

Restricted share awards

The QT Vascular Restricted Share Plan 2015 ("Award Scheme") was adopted to allow QTV to grant share awards ("Awards") to employees and directors of the Company or its subsidiaries, including controlling shareholders and their associates.

As part of the corporate restructuring, all liabilities and obligations in connection with the outstanding Awards granted under the Award Scheme are assumed by the Company ("Awards Variation"). The Awards Variation do not involve any changes made to the terms of the Awards granted or the rules of the Award Scheme except the outstanding Awards shall be referenced to shares of the Company.

At 30 September 2024, the Award Scheme has 5 share awards holders with an aggregate of 1,091,544 outstanding Awards. The Company does not intend to grant additional Awards under the Award Scheme.

Maximum number of Shares that may be issued on conversion of all outstanding convertibles ("**Maximum Issuable Shares**")

	As at 30 September 2024	As at 30 September 2023
(A) Options		
Number of unexercised Options	4,219,000	12,186,536
Maximum number of shares that may be issued on exercise of all unexercised Options (" Maximum Issuable Option Shares ")	4,219,000	12,186,536
Maximum Issuable Option Shares as a % of Company's issued share capital as at the end of the respective financial periods	0.05%	0.16%
(B) Share Awards		
Number of Share Awards granted but not yet vested (" Unvested Share Awards ")	1,091,544	1,241,544
Total number of shares which are the subject of Unvested Share Awards (" Maximum Issuable Awards Shares ")	1,091,544	1,241,544
Maximum Issuable Awards Shares as a % of Company's issued share capital as at the end of the respective financial periods	0.01%	0.02%

	As at 30 September 2024	As at 30 September 2023
Maximum number of Shares that may be issued on conversion of all outstanding convertibles (“Maximum Issuable Shares”)	5,310,544	13,428,080
Maximum Issuable Shares as a % of Company’s issued share capital as at the end of the respective financial periods	0.07%	0.18%

16. Loss per share

Group	Three months ended		Nine months ended	
	30 September 2024	30 September 2023	30 September 2024	30 September 2023
Loss for the period attributable to owners of the Company (S\$’000) used to compute:				
- Basic loss per share	(316)	(596)	(1,255)	(3,323)
- Diluted loss per share	(316)	(596)	(1,255)	(3,323)
Weighted average number of ordinary shares (’000) used to compute:				
- Basic loss per share	7,924,173	7,280,304	7,924,173	7,280,304
- Diluted loss per share	7,924,173	7,280,304	7,924,173	7,280,304
Loss per share (cents)				
(a) Based on the weighted average number of ordinary shares	(0.0040)	(0.0082)	(0.0158)	(0.0456)
(b) On a fully diluted basis	(0.0040)	(0.0082)	(0.0158)	(0.0456)

Note: For the three / nine months ended 30 September 2024 and 30 September 2023, the basic and diluted loss per share were the same as the outstanding options and warrants are anti-dilutive as the effect of the share conversions for any outstanding options and warrants would be to decrease the loss per share.

17. Legal proceedings

In August 2021, InnoRa GmbH (“**InnoRa**”), a licensor to TriReme USA, was a subsidiary of the Group and became an associate of the Group at the beginning of the financial year ended 31 December 2022, was seeking to claim for an amount of (i) US\$1,200,000 in royalties, being 30% of the initial payment made to TriReme USA and QTV (collectively, the “**Sellers**”), under the APA between the Sellers and G Vascular Private Limited (“**Purchaser**”) and Genesis MedTech International Private Limited (“**Genesis MedTech**”) in relation to the disposal of the Chocolate Touch® (“**Product**”) by Sellers to the Purchaser as announced in 27 August 2020, as well as (ii) 30% of all future payments received by Sellers in connection with the aforesaid disposal (“**InnoRa Dispute**”).

In October 2021, TriReme Singapore Pte Ltd (“**TriReme SG**”) and Quattro Vascular Pte Ltd (“**Quattro**”) (collectively, “**Claimants**”), subsidiaries of the Group, filed for a demand for arbitration against InnoRa with the American Arbitration Association seeking declaratory judgements and certain damages from InnoRa. InnoRa had responded via counterclaims to claims made by Claimants in November 2021. Subsequently, in March 2022, Claimants responded to the statement of counterclaims made by InnoRa.

17. Legal proceedings (cont'd)

On 26 August 2022, InnoRa had filed a complaint with a state court in California involving allegations similar to those made in the InnoRa Dispute (“**Complaint**”). The Complaint made by InnoRa now includes QTV, TriReme USA, and the Genesis Group as parties to the Complaint (collectively, the “**Respondent**”).

On 13 January 2023, a case management conference was held by the State Court to discuss the status of the Complaint. Considering that Claimants has an arbitration hearing for the InnoRa Dispute scheduled in March 2023, of which the outcome of the arbitration will have the same effect for this Complaint, the State Court agreed for the case management conference to be deferred to 16 May 2023.

On 26 July 2023, Claimants have received the award of the arbitration proceedings for the InnoRa Dispute (the “**Award**”). The key terms of the Award are summarized below:

- The Arbitrator appointed by American Arbitration Association International Centre for Dispute Resolution (“**Arbitrator**”) denied all claims made by either party, except for the payment of the Final Milestone Payment of EUR500,000 originally contracted to be paid by Claimants, which was due within 6 weeks of receipt of FDA approval for the Product. The Arbitrator also requires Claimants to accrue for a simple interest of 10% per annum from the due date of 16 December 2022 until the date the payment is made.
- The Arbitrator also ruled that InnoRa does not have any valid claims for royalties for any sales of the Product in the United States by Claimants or the Purchaser.
- Further, Claimants were not required to assign the Development and Licensing Agreement to Purchaser in conjunction with the entry of the APA.
- As InnoRa is the only party which obtained monetary relief for final milestone payment, Arbitrator ordered Claimants to reimburse InnoRa with the sum of US\$119,875, covering the administrative fees paid to American Arbitration Association (“**AAA**”), within 30 days of the receipt of the Award.
- Other than the reimbursement and final milestone payment, each party shall bear their respective legal fees and any other relevant costs incurred during the Arbitration.

Based on the Award, the Group has made a provision of S\$762,000 (equivalent to EUR 500,000) for the final milestone payment and 10% of interest per annum, S\$158,000 (equivalent to US\$119,875) of administrative fees payables to AAA and a legal fee of S\$2,860,000 (equivalent to US\$2,168,879) as at 31 December 2023.

With respect to the Complaint, the State Court granted QTV’s motion to compel arbitration on 24 April 2023. However, no demand for arbitration has been filed by InnoRa to date. Based on the Group’s US legal counsel’s advice, the Board of Directors of the Company are of the opinion that should InnoRa proceed with any demand for arbitration, the Respondents may object to the demand for arbitration on the ground that the arbitration is an attempt by InnoRa to reopen the InnoRa Dispute, despite the finality of the Award for the InnoRa Dispute. Hence, no provision needs to be provided as at 30 September 2024.

18. Subsequent events

There are no known subsequent events which have led to adjustments to this set of financial statements.

Other Information Required by Catalyst Rule Appendix 7C

A. Review

The condensed consolidated statement of financial position of the Company and its subsidiaries as at 30 September 2024 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the nine-month period then ended and explanatory notes have not been audited or reviewed.

The Company's auditors for the financial year ended 31 December 2023 ("FY2023"), Mazars LLP (now known as Forvis Mazars LLP), had issued a disclaimer of opinion on the Group's financial statements for FY2023 as highlighted from pages 61 to 63 of the Company's Annual Report for FY2023.

Update on efforts to resolve accounting issue arising from the latest audited financial statements for FY2023

Efforts taken to resolve the going concern assumption audit issue can be found in Note 2.1, which details the steps taken by management to address the going concern assumption of the Group as at 30 September 2024.

The Board confirms that the impact of the outstanding audit issues on the financial statements has been adequately disclosed.

B. Review of performance of the Group

Condensed interim consolidated statement of profit or loss and other comprehensive income

Nine months ended 30 September 2024 ("9M2024") vs nine months ended 30 September 2023 ("9M2023")

The Group recorded revenue of S\$9,246,000 and a cost of sales of S\$5,179,000 for 9M2024, showcasing resilience in a challenging market environment. This led to a decrease in gross profit by S\$177,000, from S\$4,244,000 in 9M2023 to S\$4,067,000 in 9M2024. This decline mainly attributed to slower growth from newly commenced clinics such as TDH Canberra, TDH Jurong West and TDH Sengkang, coupled with slowdown in business volume due to market condition from The Dental Hub Pte Ltd ("TDH") and Corporate Dental Pte Ltd under the ADG Group, the Group has strategically focused on enhancing operational efficiencies and exploring new growth opportunities.

In 9M2024, the Group's loss before taxation improved by S\$1,745,000 mainly attributed to:

- a) Decrease in gross profit by S\$177,000 mentioned above;
- b) Decrease in administrative expenses by S\$1,710,000 in 9M2024 was mainly due to (i) the absence of legal expenses incurred for the InnoRa Arbitration case during FY2023, amounting to S\$2,000,000, which is non-operating and one-off in nature, and partially offset by (ii) increase in overall operation expenses for ADG Group due to the commencement of new dental clinics;
- c) Increase in other income of S\$85,000 due to additional government grants received; and
- d) Decrease in finance costs of S\$106,000 due to repayment of bank loans.

Condensed statements of financial position

Group	As at 30 September 2024 S\$'000	As at 31 December 2023 S\$'000	Change %
Non-current assets	8,480	9,311	(9%)
Current assets	3,049	3,720	(18%)
Total assets	<u>11,529</u>	<u>13,031</u>	(12%)
Total equity	(1,900)	(3,028)	(37%)
Non-current liabilities	(3,669)	(5,150)	(29%)
Current liabilities	<u>(9,760)</u>	<u>(10,909)</u>	(11%)
Total liabilities	<u>(13,429)</u>	<u>(16,059)</u>	(16%)

Our non-current assets decreased by S\$831,000 mainly due to:

- (i) Decrease in goodwill of S\$348,000 due to disposal of 11% of shareholdings in ADG;
- (ii) Increase in plant and equipment mainly due to additions of dental equipment, renovation, machinery for new dental clinics for S\$343,000, offset by depreciation of S\$206,000;
- (iii) Decrease in intangible assets mainly due to amortisation of S\$219,000; and
- (iv) Decrease in right-of-use assets in relation to the office and clinics rental leases of S\$406,000.

Our current assets decreased by S\$671,000 mainly due to:

- (i) Decrease in cash and cash equivalents of S\$466,000 due to reasons presented in the cashflow analysis below; and
- (ii) Decrease in trade and other receivables of S\$218,000 mainly due to slowdown in business volume due to market condition.

Our non-current liabilities decreased by S\$1,481,000 mainly due to:

- (i) Decrease in lease liabilities due to Group's rental leases of approximately S\$335,000;
- (ii) Decrease in amount due to non-controlling interest of S\$1,314,000 due to offsetting of last milestone payment to Dr Jimmy Gian via disposal of 11% shareholdings in ADG to Dr Jimmy Gian; partially offset by
- (iii) Increase in loans and borrowings of S\$170,000 due to additional loan secured.

Our current liabilities decreased by S\$1,149,000 mainly due to:

- (i) Increase in trade and other payables of S\$670,000 mainly due to negotiations to stretch extended payment terms with creditors;
- (ii) Increase in provision of reinstatement of S\$33,000 for new clinics; partially offset by
- (iii) Decrease in loans and borrowings and lease liabilities of S\$395,000 due to repayment made; and
- (iv) Decrease in amount due to non-controlling interest of S\$1,383,000 due to payment of second tranche milestone payment to Dr Jimmy Gian.

The Group has undertaken the steps highlighted in Note 2.1 to address the Group's negative working capital of S\$6,711,000 and deficit in shareholders' equity of S\$1,900,000 as at 30 September 2024.

Based on the foregoing, the Board confirms that the Group will be able to meet its short-term debt obligations when they fall due based on the implementation of the aforementioned steps and continue to operate as a going concern and confirmed that all material disclosures have been provided for trading of the Company's shares to continue in an orderly manner.

Condensed consolidated statement of cash flows

The Group recorded cash generated from operating activities of approximately S\$1,132,000 in 9M2024 mainly due to:

- (i) Operating profit for the period after non-cash adjustments of S\$331,000;
- (ii) Decrease in trade receivables of approximately S\$417,000 due to slow down in business activities;
- (iii) Increase in overall movement of trade and other payables for approximately S\$668,000 due to extended payment terms; partially offset by
- (iv) Tax and interest expense payment of S\$269,000.

Net cash used in investing activities for 9M2024 of approximately S\$1,427,000 was mainly due to:

- (i) purchase of plant and equipment of approximately S\$344,000; and
- (ii) Partial repayment of second tranche milestone payment for contingent consideration to Dr Jimmy Gian for the acquisition of ADG in January 2024 of S\$1,083,000

Net cash used in financing activities for 9M2024 of approximately S\$170,000 was mainly due to:

- (i) Proceeds from the placement exercise in February 2024 of approximately S\$800,000;
- (ii) Proceeds received from disposal of ADG's subsidiary of S\$280,000;
- (iii) Proceeds from additional drawdown of loans and borrowings of S\$450,000; partially offset by
- (iv) Dividend received from subsidiary attributed to minority interest of S\$200,000;
- (v) repayment of loan borrowings of S\$610,000; and
- (vi) payment of lease liability of S\$890,000.

C. **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not applicable. No forecast or prospect statement had been issued for the current financial reporting period.

D. **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

Barring any unforeseen circumstances, there are no known significant changes in the trends and competitive conditions of the industry in which the Group operates and no other major known factors or events that may adversely affect the Group in the next 12 months.

The Company continues to actively explore various strategic options, fund raising opportunities and is continuously looking to grow its dental business.

E. **Dividend information**

(1) IF A DECISION REGARDING DIVIDEND HAS BEEN MADE:

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

No dividends have been declared or recommended for the current reporting period.

(b) (i) Amount per share (cents)

Not applicable.

(ii) Previous corresponding period (cents)

Not applicable.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of the shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable

Not applicable.

(e) Books closure date

Not applicable.

(2) IF NO DIVIDEND HAS BEEN DECLARED/RECOMMENDED, A STATEMENT TO THAT EFFECT AND THE REASON(S) FOR THE DECISION

No dividends have been declared or recommended for the current reporting period as the Board of Directors deems it appropriate to conserve funds for the Group's business activities and working capital requirements.

F. Interested person transactions

There were no interested persons transactions which are S\$100,000 or more entered into during the current financial period reported on. The Group does not have a general mandate for recurrent interested persons transactions.

G. Use of proceeds from share subscription

On 28 March 2023, the Company announced the completion of the placement of 571,428,600 new ordinary shares of the Company at the issue price of S\$0.0035 per share, which took place on 29 March 2023. The estimated net proceeds were approximately S\$1.9 million ("**March 2023 Placement Net Proceeds**").

On 8 February 2024, the Company announced the completion of the placement of 400,000,000 new ordinary shares and settlement share issuance of 150,000,000 new ordinary shares at the issue price of S\$0.002 per share. The estimated net cash proceeds were approximately S\$740,000 ("**February 2024 Placement Net Proceeds**") which was used for partial payment of the remaining balance of S\$1,083,000 of second tranche earn-out amount payable to Dr. Jimmy.

As at the date of this announcement, the March 2023 Placement Net Proceeds and the February 2024 Placement Net Proceeds have been fully utilised.

A breakdown of the March 2023 Placement Net Proceeds utilised for general working capital purposes is as follows:

	S\$'000
Payment of salaries and wages	765
Payment to professional fees	605
Repayment of working capital loan	262
Operating costs	288
Total	<u>1,920</u>

The above utilisations are in accordance with the intended use of proceeds as stated in the Company's circular dated 11 March 2023 and 24 January 2024.

H. Disclosures on incorporation, acquisition and realization of shares pursuant to Catalist Rule 706A

a) Disposal of 11% shareholdings in Asia Dental Group Pte. Ltd.

On 14 March 2024, the Company announced that it had completed the disposal of 11% shares in ADG to Dr. Jimmy for a consideration of S\$1,383,333. It is agreed that this consideration shall be fully set off against the contingent consideration arising from the prior year acquisition of 60% shares in ADG Group. Following the disposal, notwithstanding that the Company will hold 49% of the shares in ADG, the Company will continue to have control over the board seats in ADG and the relevant activities via the shareholders agreement entered on 13 January 2022. In view of the foregoing, the Company continues to consolidate ADG as a subsidiary following completion of the disposal.

b) Disposal of 48% shareholdings in three subsidiaries under ADG Group

On 30 September 2024, the Company's 49% owned subsidiary, ADG, had disposed a total of 48% of its shareholdings in three subsidiaries under ADG Group, The Dental Hub (Sengkang) Pte. Ltd., The Dental Hub (Jurong West) Pte. Ltd., and The Dental Hub (Canberra) Pte. Ltd. in two separate disposal transactions to two doctors employed by ADG Group, for a combined total cash consideration of S\$480,000.

The combined net assets of these three subsidiaries, based on the unaudited management accounts as at 30 September 2024, amounted to S\$532,000. The consideration of S\$480,000 was arrived at after negotiations on an arm's length basis and on a willing-buyer and willing-seller basis, taking into account the future business prospects of the dental business.

Other than the disposal above, the Company does not have any other acquisition or disposal of any shares resulting in any of the prescribed situations under Rule 706A during 9M2024.

As at the date of this report, the Group had incorporated the following subsidiary, through ADG, details of which are set out in the table below:

Name of Entity	Date of Incorporation	Country of Incorporation	% Held by the Group	Paid-Up Capital	Principal Activity
The Dental Hub (Sengkang) Pte. Ltd.	20 March 2024	Singapore	49	S\$1,000	Dental services

The above incorporation was funded through internal resources and is not expected to have any material impact on the net tangible assets per share or earnings per share of the Group for the financial year ending 31 December 2024.

I. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7H) under Catalist Rule 720(1)

The Company has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Catalist Rule 720(1) of the Catalist Listing Manual.

J. Confirmation by the Board pursuant to Rule 705(5) of the Listing Manual

On behalf of the Board of Directors of the Company, we the undersigned, hereby confirm to the best of our knowledge that nothing has come to our attention of the Board of Directors of the Company which may render the unaudited condensed interim financial statements of the Company and the Group for the nine months ended 30 September 2024 to be false or misleading in any material aspect.

By Order of the Board of Directors

Thomas Tan Gim Chua
Executive Director
Chief Executive Officer

Ng Fook Ai Victor
Independent Director
Chairman

Singapore
14 November 2024

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.