

康敦  
医疗

Quantum  
Healthcare



ANNUAL  
REPORT  
2022



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The annual report has been reviewed by the Company's Sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"). This annual report 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 annual report, including the correctness of any of the statements or opinions made or reports contained in this annual report.

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

# CORPORATE PROFILE

Quantum Healthcare Limited (“We”, or the “Company”, “Quantum Healthcare” and together with its subsidiaries the “Group”) is a Singapore-based company listed on the Catalist Board of the Singapore Exchange Securities Trading Limited (“SGX-ST”) (Stock Code: V8Y.SI) since 29 July 2022.

Prior to 29 July 2022, The Group was previously known as QT Vascular Ltd (“QTV”), which underwent a scheme of arrangement to transfer its listing status to Quantum Healthcare on a 1:1 share arrangement, and QTV became a wholly owned subsidiary of Quantum Healthcare. The transfer of listing was completed on 28 July 2022, and the Company began trading on the Catalist Board 29 July 2022.

Prior to the restructuring, the Group is primarily engaged in the design, assembly, and distribution of advanced therapeutic solutions for the minimally invasive treatment of complex vascular diseases. The Company collaborates with industry specialists and physicians who are key opinion leaders to develop and offer physicians and patients new and differentiated devices to improve outcomes in complex peripheral and coronary interventions. The Group still retains its original vascular business under QTV.

Subsequent to the restructuring, the Group has also diversified its core business to include:

- (a) the Healthcare Business, which includes, inter alia, the following activities:
  - i. provision of dental services, and
  - ii. operations management and consultancy services to certain government entities and/or corporate clients,

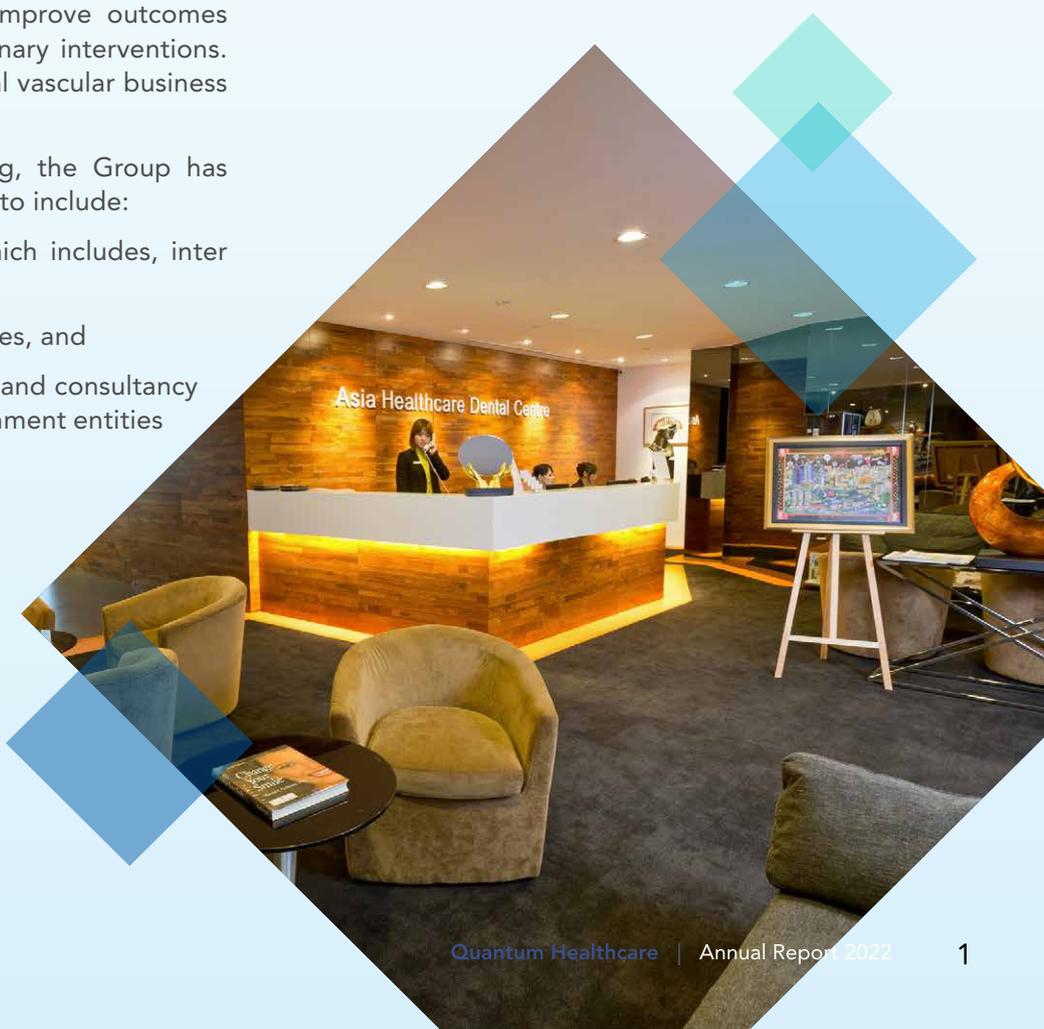
(collectively, the “Healthcare Business”);

- (b) the Medical Equipment Business, which includes, inter alia, the following activities:

- i. research, develop and design of medical equipment and other related products including but not limited to geriatric medical rehabilitation equipment and medical equipment for use in hospitals as well as for emergency and rescue (“Medical Equipment”); and
- ii. to engage in the trading, manufacturing, distributing and/or marketing of these Medical Equipment,

(collectively, the “Medical Equipment Business”)

- (c) the Medical and Wellness Business, which includes the provision of general and specialized medical care including but not limited to the fields of aesthetics and wellness services (“Medical and Wellness Business”).



# ORGANIZATION CHART

<sup>1</sup>Incorporated on 7 February 2023



## LETTER FROM THE CEO

*“Our unwavering commitment to our diversification plans has been the cornerstone of our success, and the acquisitions we have made this year have undoubtedly paved the way for greater things to come.”*



Dear Shareholders:

I am pleased to present Quantum Healthcare Limited's Annual Report for the financial year ended 31 December 2022 ("FY2022").

At the outset of the year, we are thrilled to announce that we have successfully concluded the acquisition of an impressive 60% shareholdings in the esteemed Asia Dental Group. As a forward-looking company, we are always exploring new avenues of growth and these acquisitions have been instrumental in allowing us to not only expand but also bolster our position in the healthcare industry.

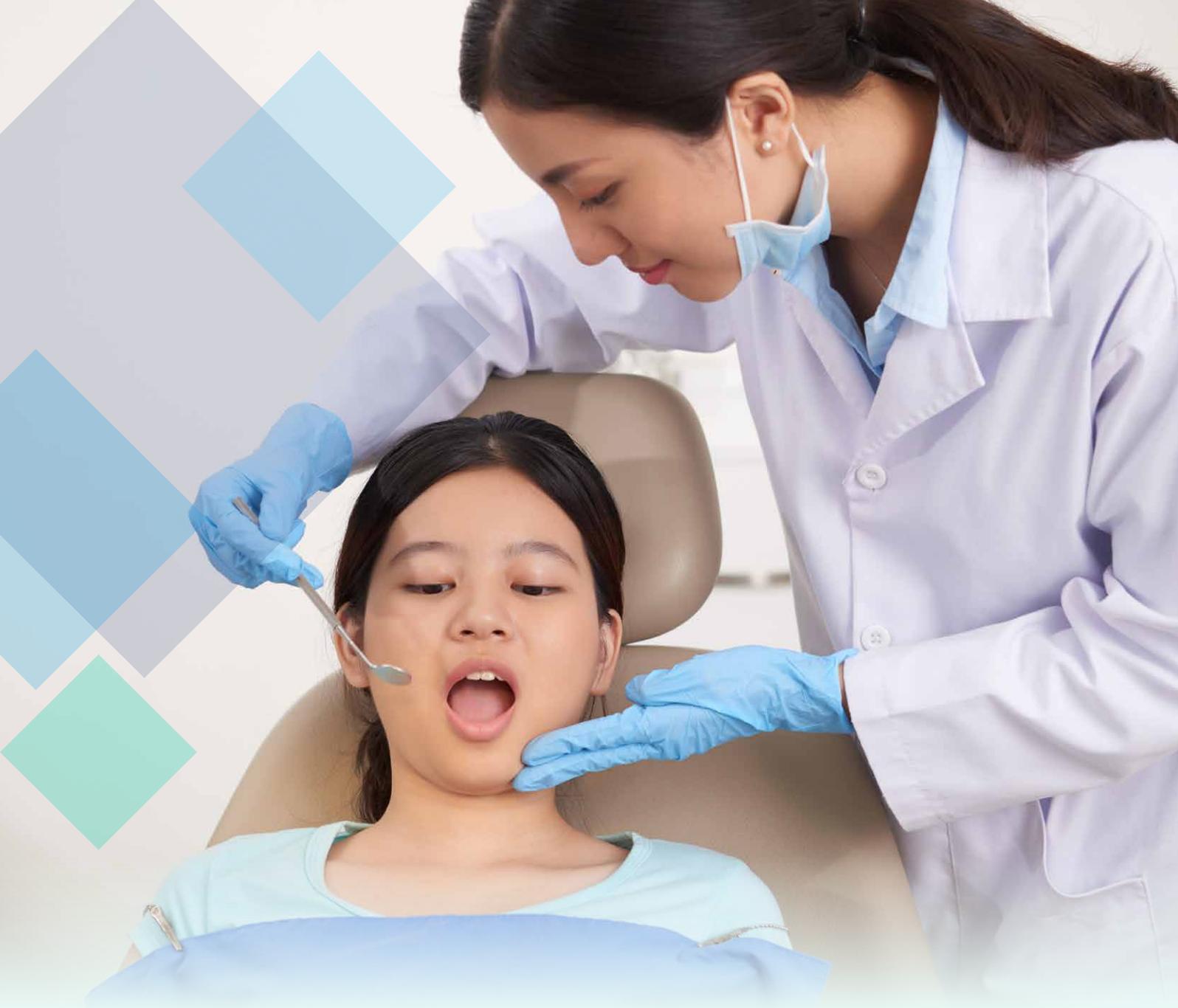
Subsequently, we also made a strategic bolt-on acquisition of the highly respected Eastern Dental Centre Pte Ltd in March 2022, aligning seamlessly with our mission to enhance our Healthcare Business. The synergies created by these acquisitions have given us a competitive edge in the industry, as we are now able to tap into new areas of businesses and pave the way for future growth.

In addition, we have completed the restructuring scheme and transfer of listing from QT Vascular to

Quantum Healthcare Limited on 29 July 2022. This strategic move has allowed us to better focus on our diversification plans into new business areas such as Healthcare Business, Medical Equipment Business, and Medical and Wellness Business.

Subsequent to the year end, we made progress in our strategic plans. In February 2023, we decided to scale back on the acquisition of dental businesses and proceed with the purchase of the businesses of three (3) clinics out of six (6) clinics for the Dental Hub Group. This was a carefully considered decision, based on a thorough evaluation of our available resources and long-term growth prospects, ensuring that we remain firmly on track to achieve our strategic objectives.

We have also entered into a strategic partnership agreement with Hatten Land Limited in March 2023, which will enable us to leverage their expertise in property development and expand our reach by developing a specialist outpatient care centre in Melaka, Malaysia. This exciting collaboration will



not only allow us to penetrate new markets, but will also enable us to offer innovative healthcare solutions to our customers, solidifying our position as a leading healthcare provider in the region.

Finally, we completed the proposed placement of S\$2M in March 2023, which will enable us to fund our growth plans and expand our business.

Our unwavering commitment to our diversification plans has been the cornerstone of our success, and the acquisitions we have made this year have undoubtedly paved the way for greater things to come. We remain focused on our goal of creating value for our shareholders and providing the highest quality of care to our patients, and we are excited to continue our journey towards success in the years ahead.

I would like to express my appreciation to my fellow directors on the Board for their guidance and contributions. To the management team and staff, thank you for your hard work and commitment to the Company. Finally, I would like to express our gratitude to our shareholders, investors, business partners, and associates for their continued support as we position Quantum Healthcare Limited for growth and success.

We look forward to delivering value to our shareholders and customers in the years to come.

**Thomas Tan Gim Chua**

Chief Executive Officer and Executive Director

# BOARD OF DIRECTORS

It should be noted that all Directors who were appointed to QTV prior to the restructuring have been subsequently re-appointed to Quantum Healthcare following the restructuring. Therefore, for the avoidance of doubt, QTV and Quantum Healthcare should be viewed as one group. This clarification is provided to avoid any ambiguity or confusion regarding the continuity of the directors' roles and responsibilities throughout the financial year.



**Ng Fook Ai Victor**  
Independent Chairman

Mr Ng Fook Ai Victor was appointed to our Board as an Independent Non-Executive Director and Chairman on 31 January 2022. Victor is currently the Chairman of the Board of Directors and the Chairman of the Remuneration Committee as well as a member of the Audit Committee and Nominating Committee.

Victor has over 36 years of experience in investment management including private equity fund management and seed funding, and has established several ventures and start-ups with exits including initial public offerings ("IPO"), trade sales and merger and acquisition ("M&A"). Victor is currently an independent non-executive director of SGX Mainboard listed The Place Holdings Limited and Soilbuild Construction Group Ltd, independent non-executive chairman of SGX Catalist listed HealthBanks Holdings Ltd, independent non-executive director of HKEX-Main Board listed Sunshine 100 China Holdings Ltd and independent non-executive chairman of 1Rockstead GIP Fund Ltd which is an approved fund under the Global Investor Program that invest in Singapore-based companies.

Victor holds BSc (Econs) (Hons), MSc (Econs) major in Econometrics, from Birkbeck College, University of London. He was awarded The University of London Convocation Book Prize (First) and the Lord Hailsham Scholarship, among other awards. In 1992, Victor was awarded the PBM (Community Services) by the President of the Republic of Singapore.



**Thomas Tan Gim Chua**  
Chief Executive Officer  
and Executive Director

Mr Thomas Tan Gim Chua was appointed to our Board as Chief Executive Officer and Executive Director and a member of the Nominating Committee on 13 January 2022.

Thomas's working experience includes appointment as engineer from 1997 to 2000 in Nokia (S) Pte Ltd which is in the business of telecommunications, managing director of Ridgeline Technology Pte Ltd since 2000 which is in the business of information technology info-communications and director and chief executive officer of Lifeline Corporation Pte Ltd since 2019, a company with a presence in Singapore, Malaysia, Philippines and Australia specialising in the manufacture, sale and distribution of certain medical rehabilitation devices such as wheelchairs and beds to hospitals.

Thomas graduated from the Nanyang Technological University in 1997 with a Bachelor of Engineering and is a full member of the Singapore Institute of Directors. Thomas also has more than 15 years' experience as a managing director of Ridgeline Technology Pte Ltd and five years as an executive director/chief executive officer of Lifeline Corporation Pte Ltd.

# BOARD OF DIRECTORS



**Sho Kian Hin**  
Independent Director

Mr Sho Kian Hin was appointed to our Board as an Independent Non-Executive Director on 25 September 2015. He is the Chairman of the Audit Committee as well as a member of the Remuneration Committee. He is currently also an Independent Director and Chairman of Audit Committee of OUE Lippo Healthcare Ltd., Choo Chiang Holdings Ltd., Sim Leisure Group Ltd. and Versalink Holdings Ltd.. All these companies are listed on Catalist Board of SGX-ST.

Kian Hin has over 20 years of experience in financial reporting and regulatory compliance and was involved in various financial related activities such as equity and pre-IPO fund raising, mergers and acquisitions, restructuring and group tax optimization.

Kian Hin started off his professional training with Victor & Company in 1990. From 1995, Kian Hin was with Ernst & Young as an Assurance and Advisory Business Service Manager and left in 2002.

In 2007, Kian Hin was appointed as Executive Director and Chief Financial Officer of China Farm Equipment Limited ("China Farm Equipment"), a company formerly listed on the Mainboard of the SGX-ST. He was responsible for, amongst other things, the planning and management of China Farm Equipment's financial and taxation matters. He acted as the key liaison person with the stock exchange, supervised compliance with corporate governance, and handled investor relations, regional roadshows as well as funding options for China Farm Equipment. After China Farm Equipment was privatised in 2013, Kian Hin remained involved in the corporate exercise to list China Farm Equipment's assets in China until 2017.

Kian Hin is a fellow member of the Association of Chartered Certified Accountants and a member of the Singapore Institute of Directors.



**Ng Boon Eng**  
Independent Director

Mr Ng Boon Eng was appointed to our Board as an Independent Non-Executive Director on 30 July 2021. Boon Eng is currently the Chairman of the Nominating Committee as well as a member of the Audit Committee and Remuneration Committee.

Boon Eng has been the Chief Executive Officer and a director of CEL Impetus Corporate Finance Pte. Ltd since 2017. He also formerly held the position of Director and Head of Corporate Finance in RHB Securities Pte. Ltd. (formerly known as DMG & Partners Securities Pte. Ltd.) and Executive Director and Head of Corporate Finance in Mitsubishi UFJ Securities (Singapore), Limited.

Boon Eng graduated from Nanyang Technological University with a Degree of Bachelor of Engineering (Electrical) with honours and is also a Chartered Valuer and Appraiser.

# KEY MANAGEMENT



**Fu Ching Xiong**  
Chief Financial Officer

Mr Fu Ching Xiong was appointed as the Group's Chief Financial Officer on 9 January 2023. As the Group's Chief Financial Officer, he oversees the accounting and finance function of the Group.

He is also responsible for the compliance and risk management functions of the Group and is responsible for internal audit, risk management and compliance with requirements under the Listing Manual Section B: Rules of Catalist and the Companies Act and advising the Group on its risk management and compliance processes.

Ching Xiong, who has recently joined Quantum Healthcare, brings with him more than a decade of auditing and M&A experience gained from working at some of the top accounting firms in Singapore. Prior to joining Quantum Healthcare, he was a Senior Manager of Regional Investment at Una Brands, a leading ecommerce aggregator in the region. Before that, he was an Associate Director of Deloitte Singapore, where he mainly focused on M&A advisory work across diverse industries such as healthcare, education, engineering, startups, and consumer goods across Southeast Asia. Ching Xiong started his career at KPMG Singapore and Malaysia, where he was primarily involved in auditing.

Ching Xiong graduated from University of Queensland with a Bachelor of Commerce (Accounting and Finance) degree and is a Certified Practising Accountant of CPA Australia.



**Dr Gian Siong Lin Jimmy**  
Chief Operating Officer (Dental)

Dr Gian Siong Lin Jimmy was appointed as the Group's Chief Operating Office (Dental) on 13 January 2022. As the Group's Chief Operating Officer (Dental), Jimmy oversees the newly expanded Healthcare Business of the Group.

Jimmy graduated from the Bachelor of Dental Surgery, National University of Singapore with Dean's List Award in his Final Professional Examinations. He has been in private practice for more than 20 years and his interests is in Orthodontic and Implant Dentistry.

Jimmy is a Certified Invisalign Practitioner, Certified Incognito Lingual Braces Practitioner and Certified CEREC Practitioner.

He is also a member of the following associations:

- American Orthodontic Society – USA
- Chicago Dental Society - Michigan, USA
- Academy of General Dentistry - USA
- Society for The Advancement of Gnathology - Singapore
- Guild of Dental Graduates - Singapore
- Aesthetic Dentistry Society of Singapore
- Singapore Dental Association

# FINANCIAL AND OPERATIONS REVIEW

## Review Of Income Statement

The Group recorded revenue of S\$9.4 million and cost of sales of S\$5.0 million for the year ended 31 December 2022 ("FY2022"), which was mainly contributed by dental business under ADG Group.

In FY2022, the Group's loss before taxation increased by S\$3.2 million mainly due to the following reasons:

- Gross profit of S\$4.3 million in FY2022 as compared to Nil balance in FY2021, mainly attributed to contribution from ADG Group;
- Increase in administrative expenses by S\$3.9 million in FY2022 mainly due to i) increase in overall operation expenses resulting from acquisition of ADG Group and EDC clinics, and ii) legal fees of S\$777k for InnoRa arbitration case;
- Increase in S\$743k in research and development expenses mainly attributed to milestone payment for InnoRa of S\$713K upon obtaining pre-market approval by FDA, and research of S\$30k incurred under Kairogenix;
- Other income decreased mainly due to recharge of lease and services to Expanse Medical, Inc. ("Expanse Medical") since May 2021. The decrease was partially offset by the reduction in grants received as well as the service income charged to Teleflex, Inc.;
- Impairment loss on goodwill of S\$4.6 million refers to impairment loss recognised for ADG Group upon completion of PPA exercise.
- Increase in finance cost by S\$400k during FY2022 was mainly due to i) increase in interest expenses due to additional bank loans taken up by ADG Group to fund acquisitions and working capital purposes, and ii) imputed interest on contingent consideration payables to Dr Jimmy Gian due to fair value adjustments upon PPA exercise.

As a result of the above, the Group loss for the year increased from S\$5.3 million for FY2021 to S\$8.5 million for FY2022.



## Review Of Financial Position

Our non-current assets increased by S\$7.4 million mainly due to:

- Goodwill on acquisition of S\$7.5 million from ADG acquisition and S\$1.3 million from EDC acquisition, offset with impairment loss for ADG acquisition of S\$4.6 million;
- Increase in plant and equipment of S\$827k due to purchase of plant and equipment after the acquisition of ADG Group;
- Increase in intangible assets for customer relationship of S\$917k upon purchase price allocation exercise for ADG Group, offset by amortisation of S\$229k; and
- increase in right-of-use assets in relation to the office and clinics rental leases of S\$1.8 million relating to ADG Group.

Our current assets increased by S\$6.6 million mainly due to:

- Increase in cash and cash equivalents of S\$4.9 million due to reasons presented in the cashflow analysis below;
- Increase in inventories of S\$32k due to acquisition of ADG Group; and

# FINANCIAL AND OPERATIONS REVIEW

- Increase in trade and other receivables of S\$1.7 million mainly due to recognition of trade receivables from ADG Group.

Our non-current liabilities increased by S\$7.8 million mainly due to:

- Increase in loans and borrowings of approximately S\$4.2 million;
- Increase in amounts due to non-controlling interests of approximately S\$2.6 million which is mainly due to fair value of future payment commitments to a non-controlling interest following the completion of the acquisition of 60% interests in ADG Group in January 2022;
- Increase in deferred tax liabilities of S\$61k from ADG Group; and
- Increase in lease liabilities due to Group's rental leases of approximately S\$985k.

Our current liabilities increased by S\$5.2 million mainly due to:

- Increase in loans and borrowings of approximately S\$824k;
- Increase in amounts due to non-controlling interests of approximately S\$1.4 million which is mainly due to first instalment payment commitments to a non-controlling interest following the completion of the acquisition of 60% interests in ADG Group in January 2022;
- Increase in lease liabilities due to Group's rental leases of approximately S\$798k;
- Increase in trade and other payables of S\$2.0 million due to increase in trade payables due to acquisition of ADG Group; and
- Provision for reinstatement of S\$155k and provision of income tax of S\$56k mainly arising from ADG Group.

The Group has undertaken the following steps to address the Group's negative working capital of S\$1.4 million and deficit in shareholders' equity of S\$1.9 million as at 31 December 2022:

- (i) Management is of the view that the Group will have sufficient working capital for at least the next 12 months from the date of this financial statements and will be able to meet its obligations as and when they fall due based on the Group's cash flow forecast;
- (ii) Management will continue to implement comprehensive cost-containment measures and does not expect the Group to have any significant commitments that will require significant cash outflow in the next 12 months other than those incurred in the ordinary course of business;
- (iii) 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;
- (iv) 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
- (v) 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.

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 above-mentioned steps and continue to operate as a going concern.

# FINANCIAL AND OPERATIONS REVIEW

## Review Of Cash Flow

The Group recorded cash outflows from operating activities of approximately S\$1.2 million in FY2022 was mainly due to:

- Operation lost for the year after non-cash adjustments of S\$2.1 million;
- Increase in trade receivables and inventories recorded following the acquisition of ADG Group in January 2022 of approximately S\$507k; and
- Offset by decrease in non-current assets and movement of trade and other payables for approximately S\$1.4 million following the acquisition of ADG Group in January 2022.

Net cash used in investing activities for FY2022 of approximately S\$4.9 million was mainly due to:

- purchase of plant and equipment of approximately S\$926k; and

- acquisition of the 60% interests in ADG Group and ADG Group further acquired Eastern Dental business amounting to approximately S\$4.0 million.

Net cash from financing activities for FY2022 of approximately S\$11 million was mainly due to:

- proceeds from the share placement to 3 investors of approximately S\$7.3 million;
- proceeds from loans of approximately S\$6 million;
- offset by repayment of loan borrowings of S\$1.3 million; and
- offset by payment of lease liability of S\$1 million.



# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Non-Executive:

#### Ng Fook Ai Victor

Independent Director and Chairman of the Board of Directors (appointed on 30 May 2022)

#### Ng Boon Eng

Independent Director (appointed on 30 May 2022)

#### Sho Kian Hin

Independent Director (appointed on 30 May 2022)

### Executive:

#### Thomas Tan Gim Chua

Executive Director and Chief Executive Officer (appointed on 30 May 2022)

## AUDIT COMMITTEE

Sho Kian Hin (Chairman)

Ng Fook Ai Victor

Ng Boon Eng

## NOMINATING COMMITTEE

Ng Boon Eng (Chairman)

Thomas Tan Gim Chua

Ng Fook Ai Victor

## REMUNERATION COMMITTEE

Ng Fook Ai Victor (Chairman)

Sho Kian Hin

Ng Boon Eng

## COMPANY SECRETARY

Lee Pih Peng



## REGISTERED OFFICE

8 Temasek Boulevard,  
Level 42, Suntec Tower Three,  
Singapore 038988

## SHARE REGISTRAR

### Tricor Barbinder Share Registration Services

(a division of Tricor Singapore Pte. Ltd.)  
80 Robinson Road #02-00  
Singapore 068898

## AUDITORS

### Moore Stephens LLP

10 Anson Road #29-15  
International Plaza  
Singapore 079903  
Audit Partner-in-charge  
Ng Chiou Gee Willy  
Since Financial Year ended  
31 December 2020

## SPONSOR

### PrimePartners Corporate Finance Pte. Ltd.

16 Collyer Quay #10-00 Collyer Quay Centre  
Singapore 049318

## PRINCIPAL BANK

### CIMB Bank Berhad

30 Raffles Place #04-01, Singapore 048622

# SUSTAINABILITY REPORT

## Board Statement

Quantum Healthcare Limited ("**Quantum Healthcare**" or "**Company**", and together with its subsidiaries, the "**Group**") is pleased to present our Sustainability Report for the financial year ended 31 December 2022, which has been approved by the Board.

As a healthcare company, we aspire to improve the quality of lives of our customers and patients through the products and services that we offer. To realise this vision, we believe that comprehensive considerations for relevant environmental, social and governance ("**ESG**") risks and opportunities are fundamental to ensure the quality of our products, as well as the long-term sustainability of our operations.

In 2022, we have formalised our sustainability approach by reviewing our materiality assessment, performance indicators and setting targets. We aim to progressively enhance our sustainability strategies while growing our business in the long term.

The Board is responsible for Group's sustainability reporting and provides oversight over the identification of the Group's material environmental, social and governance ("**ESG**") factors. The Board is supported by the Sustainability Committee ("**SC**") and the Sustainability Task Force ("**STF**"), who monitors and manages sustainability performance and reporting of material ESG factors in its continuous efforts to integrate sustainability strategies into Quantum Healthcare's strategies formulation. The SC, comprising board members, develops sustainability objectives and strategies based on the Board's directions, manages Quantum Healthcare's overall sustainability performance, and reports to the Board on an ongoing basis. The STF, comprising senior management representatives from different business functions, implements sustainability practices and action plans across Quantum Healthcare based on the sustainability objectives and strategies formulated.

The Board, together with the SC and STF, makes sure that any issues raised regarding the Sustainability Reporting will be addressed.

We look forward to sharing our sustainability progress with you in this Sustainability Report.

## Board of Directors

Quantum Healthcare Limited



# SUSTAINABILITY REPORT

## About Quantum Healthcare

Following the completion of the Scheme of Arrangement entered into with QT Vascular Ltd. ("**QT Vascular**") on 28 July 2022, Quantum Healthcare was listed on the Singapore Exchange Limited's Catalist Board on 29 July 2022.

Prior to the completion of the Scheme of Arrangement, QT Vascular was engaged in the design, assembly and distribution of advanced therapeutic solutions for the minimally invasive treatment of complex vascular diseases.

As at the date of this report, Quantum Healthcare has diversified its business to focus on the following three core businesses:

- Healthcare business
- Medical Equipment business
- Medical and Wellness business

The Healthcare business currently focusses on the provision of multi-disciplinary dental healthcare to all our patients such as aesthetic dentistry, orthodontics, implant dentistry, paediatric dentistry, and preventive and restorative dentistry.

We currently operate 9 dental clinics in the western, southern and central regions of Singapore.

The Medical Equipment business aims to transform the Group into an integrated hub that conducts advanced research and develops dynamic designs for medical equipment and other related products including but not limited to geriatric medical rehabilitation equipment and medical equipment for use in hospitals as well as for emergency and rescue whilst also operating as an entity which oversees trading, manufacturing, distributing and marketing of medical equipment.

The Medical and Wellness business focuses on the provision of general and specialised medical care including but not limited to the fields of aesthetics and wellness services.

## About This Report

This Sustainability Report summarises Quantum Healthcare's sustainability policies, practices, and performance from 1 January 2022 to 31 December 2022 ("**FY2022**"), with a focus on its material ESG factors. The report covers the listed entity, Quantum Healthcare Limited and all its subsidiaries, including:

- QT Vascular Ltd
- Asia Dental Group Pte Ltd
- St. Andrews Dental Pte Ltd
- Asia Healthcare Dental Pte Ltd
- Corporate Dental Pte Ltd
- Seafarers Dental Pte Ltd
- Eastern Dental Centre Pte Ltd
- The Dental Hub Pte Ltd
- Kairogenix Pte Ltd

### Excluded Entities

- TriReme Medical LLC
- TriReme Medical (Singapore) Pte Ltd
- Quattro Vascular Pte Ltd

Excluded entities above refers to entities that are primarily involved in Vascular business, which the Group has not been actively involved in and does not form part of the new diversified core business of the Group post restructuring.

The report is prepared in accordance with the requirements of Rules 711A and 711B and Practice Note 7F: Sustainability Reporting Guide as specified in the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on a 'comply or explain' basis. The report also makes reference to the Global Reporting Initiative ("**GRI**") Standards, a globally recognised framework that covers a comprehensive range of sustainability disclosures to report on ESG issues.

We have yet to include climate-related disclosures in this Sustainability Report as this is the Company's first year of sustainability reporting subsequent to the diversification to new businesses and the Company is in the midst of setting up our processes for collecting and analysing data on our climate-

# SUSTAINABILITY REPORT

related risks and opportunities. Hence, there will be no quantitative targets set for material factors identified in this report.

In the coming years, we will progressively adopt the recommendations of the Task Force on Climate-related Financial Disclosures (“TCFD”) on climate-related financial information where appropriate for the Group’s disclosures.

This Report has undergone the internal review process by BDO LLP, internal auditors of the Group, and has been reviewed by the Board. The Sustainability Reporting processes will form part of the internal audit cycle and be included in the risk-based internal audit plan, as approved by the Audit Committee. The internal review shall be conducted in accordance with the Guide to Internal Review of Sustainability Report by Institute of Internal Auditors Singapore. The Group has not sought external assurance for FY2022, and may consider it for future periods.

All information is disclosed in good faith and to the best of our knowledge. No external assurance has been sought for this report. Please forward any enquiries or feedback to [ir@quantumhealthcare.com.sg](mailto:ir@quantumhealthcare.com.sg).

## Stakeholder Engagement

We recognize the importance of engaging our stakeholders to improve our sustainability practices and enhance our social and environmental impact. As part of our commitment, we implemented a stakeholder engagement process as follows:

Stakeholder	Method of Engagement	Topics of Engagement
<b>Patients</b>	<ul style="list-style-type: none"> <li>• Meetings – Physical or virtual</li> <li>• Service quality feedback</li> <li>• Telephone calls</li> <li>• Email communications</li> </ul>	<ul style="list-style-type: none"> <li>• Quality, safety, and hygiene clinical services</li> <li>• Privacy and data protection</li> <li>• Health and safety regulations compliance</li> </ul>
<b>Employees, including dentists and nurses</b>	<ul style="list-style-type: none"> <li>• Regular staff meetings</li> <li>• Training and development program</li> </ul>	<ul style="list-style-type: none"> <li>• Remuneration and benefits</li> <li>• Safe, fair, and equal working environment</li> <li>• Training and development</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>• Meetings – Physical or virtual</li> <li>• Telephone calls</li> <li>• Email communications</li> </ul>	<ul style="list-style-type: none"> <li>• Supplier quality assurance</li> <li>• Pricing and payment terms</li> </ul>
<b>Shareholders and Investors</b>	<ul style="list-style-type: none"> <li>• AGM / EGM</li> <li>• SGX-ST announcement and circulars</li> <li>• Annual Report</li> </ul>	<ul style="list-style-type: none"> <li>• Corporate governance</li> <li>• Financial performance</li> </ul>
<b>Government and Regulators</b>	<ul style="list-style-type: none"> <li>• Direct communication and meetings</li> <li>• SGX-ST announcement</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance with relevant laws and regulations</li> </ul>
<b>Financier</b>	<ul style="list-style-type: none"> <li>• Annual Report</li> <li>• Telephone calls</li> <li>• Email communications</li> </ul>	<ul style="list-style-type: none"> <li>• Financial covenants</li> <li>• Financial performance</li> </ul>

# SUSTAINABILITY REPORT

## Materiality Assessment

The materiality assessment is a process of identifying and prioritizing sustainability issues that are of significant importance to a company's stakeholders and business operations, in accordance with the GRI Standards. The aim of this assessment is to identify the key sustainability issues that are most relevant to the Quantum Healthcare, as well as its stakeholders, and to develop strategies to improve its sustainability performance.

For this materiality assessment, Quantum Healthcare engaged a range of stakeholders, including patients, employees, suppliers, shareholders, regulators, and financier, to identify their concerns and expectations regarding the company's sustainability performance. The assessment also took into consideration the key sustainability issues that are relevant to the dental industry and the broader Singapore context.

The findings of this materiality assessment will be used to guide Quantum Healthcare's sustainability strategies and to ensure that its sustainability practices are aligned with the expectations of its stakeholders and the requirements of the GRI Standards. We considered the following in identifying potential material ESG factors:

Categories	Material Topics	GRI Disclosure
<b>Environmental</b>	<ul style="list-style-type: none"> <li>• Water use and conservation practices</li> <li>• Energy consumption</li> <li>• Waste management</li> </ul>	<ul style="list-style-type: none"> <li>• GRI 303: Water</li> <li>• GRI 302: Energy</li> <li>• GRI 306: Effluents and Waste</li> </ul>
<b>Social</b>	<ul style="list-style-type: none"> <li>• Occupational health and safety</li> <li>• Diversity and inclusion in the workforce and leadership</li> <li>• Training and education</li> </ul>	<ul style="list-style-type: none"> <li>• GRI 403: Occupational Health and Safety</li> <li>• GRI 405: Diversity and Equal Opportunity</li> <li>• GRI 404: Training and Education</li> </ul>
<b>Governance</b>	<ul style="list-style-type: none"> <li>• Customer privacy</li> <li>• Anti-corruption</li> <li>• Compliance</li> </ul>	<ul style="list-style-type: none"> <li>• GRI 418: Customer Privacy</li> <li>• GRI 205: Anti Corruption</li> <li>• GRI 2-27: Compliance with Laws and Regulations</li> </ul>

Quantum Healthcare reviewed the above material ESG factors in FY2022 and found that they are relevant. Quantum Healthcare will regularly review and assess its material ESG factors to ensure their pertinence.

# SUSTAINABILITY REPORT

## Environmental

### Water use and conservation practices

Water is a vital resource, and its scarcity and quality are becoming increasingly important sustainability issues. In the dental industry, water is used for a range of activities, including cleaning, sterilization, and dental procedures. Therefore, it is important for dental clinics to manage their water usage in an efficient and sustainable manner to reduce their environmental impact and to ensure the availability of this resource for future generations.

Our Group emphasised the importance of water conservation through following planned initiatives:

- **Conduct a water audit:** A water audit is an assessment of a company's water usage and identifies areas where water can be conserved. Quantum Healthcare will conduct a water audit to identify leaks, inefficient equipment, and other areas where water can be saved.
- **Implement water conservation policies:** Quantum Healthcare will implement policies to encourage employees to conserve water, such as turning off faucets when not in use and reporting leaks.
- **Educate employees and patients:** Quantum Health will educate their employees and patients about the importance of water conservation and encourage them to take steps to reduce their water usage.

By taking these qualitative steps, we can improve the water usage and reduce the environmental impact, while also demonstrating our commitment to sustainability.

As this is the first year of reporting, we do not have prior year water consumption data for comparison. However, we are committed to closely monitoring our water consumption for the next year's reporting period.

### Energy Consumption

We recognize that energy consumption is a significant contributor to greenhouse gas emissions and climate change, and we are committed to manage our energy usage in an efficient and sustainable manner. Our main source of energy consumption is in the dental clinics and offices.

There are several key steps that we are taking to reduce our energy consumption and improve our energy efficiency, including:

- **Conducting an energy audit:** We will conduct an energy audit to identify areas where we can conserve energy, such as identifying equipment or appliances that consume excessive energy.
- **Implementing energy-efficient equipment:** We will invest in energy-efficient equipment and appliances, such as LED lighting and Energy Star-rated appliances.
- **Establishing energy-saving policies:** We will implement policies and procedures to reduce energy consumption, such as setting thermostats to appropriate temperatures, regular maintenance to ensure maximum efficiency, and turning off equipment when not in use.
- **Educating employees and patients:** We will educate our employees and patients about the importance of energy conservation and encourage them to take steps to reduce their energy usage.

While we do not have prior year energy consumption data for comparison, we are committed to closely monitoring our energy consumption for the next reporting period. By taking these steps, we aim to improve our energy efficiency and reduce our environmental impact, while also demonstrating our commitment to sustainability. We will continue to report on our progress towards our energy usage goals in future reports.

# SUSTAINABILITY REPORT

## Waste management

For Quantum Healthcare, typical waste include biomedical waste, such as sharps and contaminated materials, as well as non-biomedical waste, such as paper, plastic, and other materials used in our daily operations. Improper management of these wastes can have negative impacts on the environment, public health, and safety, such as contributing to landfills and pollution.

We are committed to managing our waste in a responsible and sustainable manner, and to reducing the amount of waste that we generate. Below are the steps that we are taking to reduce our waste generation and to ensure that our waste is managed safely and responsibly:

- **Segregating waste:** Segregating waste at the point of generation into different categories such as biomedical waste, recyclable waste, and non-biodegradable waste can make it easier to manage and dispose of waste in an appropriate and sustainable manner.
- **Recycling and reusing:** Implementing a recycling and reusing program can help to reduce the amount of waste that goes to landfills. This can include recycling paper, plastic, and other materials, as well as repurposing and reusing items where possible.
- **Properly disposing of biomedical waste:** Properly disposing of biomedical waste, such as sharps and contaminated materials, is critical to ensure public health and safety. We have engaged licensed waste disposal from NEA's approved list of medical waste contractors to collect and dispose sharps and biohazardous waste.
- **Educating employees:** Educating employees on proper waste management practices can help to ensure that waste is handled and disposed of correctly, and that everyone is aware of the importance of waste reduction and sustainability.

We will continue to monitor and evaluate our waste management practices to identify areas for improvement and to ensure that we are meeting our sustainability goals. By taking these steps, we hope to set an example for others in the industry and to contribute to a more sustainable future for our patients, employees, and the community.

# SUSTAINABILITY REPORT

## Social

### Occupational health and safety

Occupational hazards in dental practices include exposure to infectious diseases, musculoskeletal disorders, and exposure to hazardous substances. We are committed to mitigating these hazards and creating a safe and healthy workplace for all.

By reporting on our occupational health and safety practices and taking steps to continuously improve workplace safety, we hope to reduce the risk of workplace accidents and illnesses, and contribute to a safer and healthier workplace for our employees and patients.

We recognize the importance of promoting a culture of safety in our workplace and ensure that our employees are properly trained and equipped to work safely, the following measures will be implemented:

- **Conducting risk assessments:** Conducting regular risk assessments can help identify potential hazards and implement measures to prevent accidents or incidents from occurring.
- **Providing training and education:** Providing employees with the necessary training and education on workplace hazards and safety measures can help to ensure that they are equipped with the necessary skillsets to work safely.
- **Implementing safety protocols and procedures:** Implementing safety protocols and procedures, such as safe distancing during Covid-19, infection control procedures, and the use of personal protective equipment (PPE), can help to minimize occupational hazards.
- **Monitoring and reporting incidents:** Regular monitoring and reporting of workplace incidents can help to identify trends and areas for improvement in our occupational health and safety practices.

In FY2022, there has been no incidence of occupational disease, work injury or fatality. We are committed to continuously improving our performance and ensuring a safe and healthy workplace for our employees, patients, and visitors and target to achieve the same result for next year.

### Diversity and inclusion in the workforce and leadership

We believe that embracing diversity and creating an inclusive workplace is not only the right thing to do but also essential for our long-term success.

Diversity and inclusion in the workforce are crucial for creating a fair and equitable society. By ensuring that individuals from all backgrounds have equal access to opportunities, resources, and support, companies can help reduce social inequalities and promote social justice. This can also improve employee satisfaction, engagement, and retention, which can lead to a more stable and productive workforce.

We have taken the following approach to achieve our goals in promoting diversity and inclusion in our workforce:

- **Recruitment and hiring practices:** We have implemented recruitment and hiring practices that promote diversity and inclusivity. We actively seek out a diverse pool of candidates for all open positions and ensure that our hiring process is fair, non-discriminative and unbiased.

# SUSTAINABILITY REPORT

- **Employee Feedback and Engagement:** We regularly seek feedback from our employees to understand their experiences, perspectives, and suggestions for improving diversity and inclusion in the workplace. We also encourage open communication and dialogue through regular employee engagement surveys and open-door policies.
- **Flexible work arrangements:** We understand that women in diversity may face unique challenges when it comes to balancing work and personal responsibilities. As such, we offer flexible work arrangements, such as telecommuting and flexible schedules, to help our female employees achieve a healthy work-life balance.

As at 31 December 2022, our Group has a total of 76 employees in the following categories:

## Employees by gender

	Number of Employees
Male	19
Female	57
Total	76

## Employees by Age Group

	Number of Employees
<30 years old	17
30-50 years old	31
>50 years old	28
Total	76

## Board of directors

The current Board of directors has no female representation. To ensure a more inclusive and diverse approach to decision-making, the Company is looking to diversify its board by actively seeking female participation. This move towards gender diversity aligns with the company's commitment to sustainability and responsible business practices. By including a more diverse range of perspectives and experiences, the board will be better equipped to tackle the challenges and opportunities that lie ahead. As the Company prepares for its next sustainability report, it recognizes the importance of creating a more inclusive and diverse board and is taking active steps towards achieving this goal.

The Board has taken the following steps in FY2022 to maintain or enhance its balance and diversity:

- Annual review by the NC to assess if the existing attributes and core competencies of the Board are complementary and enhance the efficacy of the Board; and
- Annual evaluation by the Directors of the skill sets the other Directors possess, inter alia, based on the Board Skills Matrix, with a view to understand the range of expertise which is lacking by the Board.

Based on the foregoing, the Board is reasonably satisfied that the Board as a whole generally has the relevant combination of skills, experience, and diversity to serve the needs and plans of the Company and the Group but will continue to focus its efforts in FY2023 in optimising the Board composition based on

# SUSTAINABILITY REPORT

the Board Skills Matrix. Accordingly, the Board is of the view that its current practices are consistent with the aim of Principle 2 of the Code and the requirements of Catalist Rule 710A.

In addition, the Group target to achieve gender diversity by having at least 25% female participation on the Board by year 2030.

At Quantum Healthcare, we believe that diversity and inclusion are crucial for our success, and we are committed to creating a workplace where everyone feels valued, respected, and supported. We understand that promoting diversity and inclusion is an ongoing process, and we will continue to work towards our goals and take action to create a more inclusive workplace for all.

## Training and Education

Having a committed workforce is a key component to our sustainable growth, and we believe it to be one of our most valuable assets. The Group is committed to developing our employees through training and continuous development programs to build a competitive and sustainable workforce.

### ***New employees on-the-job training***

For new employees, the Group ensures that all employees are provided with the necessary training to assist them in acquiring the right skills and knowledge needed to perform their jobs effectively. All new employees undergo an orientation pre-job training and mandatory probation period. During this period, their abilities and experience as well as work attitude, ethics, and efficiency will be evaluated. Besides on-the-job training, our new hires are required to shadow an experienced employee to familiarise themselves with the Group's operations, and their specific job scopes.

### ***Regular training and career development for existing employees***

For existing employees, they will also be provided with training to improve their skills, knowledge and abilities. The main training programmes for existing employees included internal training and training by external experts. Most of the training conducted in FY2022 are internal trainings. We are optimistic and hopeful to conduct more in-person training in FY2023 to better engage our employees.

### ***Internship program***

We offer internships to students to have hands-on experience to work along with our dental professionals and learn about our dental practices. These internships are a valuable opportunity for students and professionals to gain practical skills, testimonials and contribute to meaningful sustainability initiatives in the future.

### ***Dental professionals***

Customised training models have been developed to nurture our employees and improve the quality of our services. We take pride in having the necessary resources to organize internal training programs for our employees throughout the year to ensure our dental professionals' continued education.

We frequently encourage our dental professionals to share their experiences or challenges to exchange ideas, in addition to providing basic training and coaching classes. To ensure that our quality of our services and professionalism of our dental professionals remains high, we have their performance and career development reviewed on a regular basis. As part of the CPE requirement for dental professionals in Singapore, all dentists are required to obtain 70 CPE hours within a cycle period of 2 years. We understand that these targets were met for FY2022 as we do not have any dentists that are unable to renew their practicing certificates due to non-compliance.

# SUSTAINABILITY REPORT

## Governance

### Customer Privacy

We are committed to protecting the privacy and security of our customers' personal information. We recognize the importance of customer privacy and are dedicated to safeguarding our customers' personal information in compliance with all applicable laws and regulations.

For our dental practices, there are several risks involved in customer privacy, including the potential for data breaches, unauthorized access to personal information, and inappropriate use or disclosure of customer information. These risks can lead to reputational damage, legal and regulatory penalties, and financial losses. We take these risks seriously and have implemented the following measures to mitigate them:

- **Privacy Policy:** Our dental group has developed a comprehensive privacy policy that outlines our commitment to protecting customer privacy and the steps we take to ensure compliance with all applicable laws and regulations.
- **IT Security:** We have implemented robust IT security measures to protect customer data from unauthorized access, such as firewalls, encryption, and two-factor authentication. In addition, all our patients' data are being safeguarded with our third party vendor which have implemented robust and stringent security.
- **Data Privacy Impact Assessments:** We conduct regular data privacy impact assessments to identify potential risks and vulnerabilities in our data management practices and take action to address them.
- **Data Protection Officer:** We have appointed a Data Protection Officer ("DPO") to oversee our data privacy practices and ensure compliance with the PDPA.
- **Data Protection Policy:** We have developed a comprehensive data protection policy in our Data Protect Notice ("DPN") that outlines our commitment to protecting customer privacy and the steps we take to ensure compliance with the Personal Data Protection Act 2012 ("PDPA").
- **Third-Party Vendors:** We carefully vet our third-party vendors to ensure that they meet our data privacy and security standards and comply with all applicable laws and regulations.

In FY2022, we have not received any complaint in regards to breaches of customer privacy or losses of customer data. We target to achieve the same result for next year.

At Quantum Healthcare, we take data privacy seriously and are committed to complying with the PDPA. We recognize the risks involved in data privacy and have implemented measures to mitigate those risks. We are dedicated to maintaining the trust of our customers by safeguarding their personal information and complying with all applicable laws and regulations.

# SUSTAINABILITY REPORT

## Anti Corruption

Operating fairly and ethically is fundamental in maintaining our stakeholders' trust in us. At Quantum Healthcare, we uphold high standards of business ethics and independence in all areas of our business practices.

We are committed to maintaining our independence in our interactions with healthcare professionals in all business settings, including research or development, and marketing and sales. We set clear policies on the provision of gift, entertainment or anything of value, to healthcare professionals. All interactions with healthcare professionals are properly recorded and verified in accordance with regulatory requirements. These independence precautions help us prevent any perceived or actual breach of independence, as well as safeguard the impartiality of research results and the provision of healthcare services.

As part of our business ethics monitoring and assurance process, the Group has established a whistle-blowing policy, which stipulates clear channels for employees to anonymously report any suspected ethical issues. Please refer to page 45 for more details on the Group's whistle-blowing policy. In FY2022, no whistle-blowing reports were received. The Independent Directors of the Group have been listed as the contact points, with their contact details disclosed to all employees.

Performance Measures	2021	2022	2023 Target
Number of confirmed incidents of corruption	0	0	Maintain zero confirmed incidents of corruption and no significant findings from internal or external audits conducted in relation to business ethics and independence
Significant findings of internal and external audits conducted in relation to business ethics and independence	0	0	

# SUSTAINABILITY REPORT

## Regulatory Compliance

We believe our reputation is built by being responsible and accountable. We view regulatory compliance as the baseline for our continued operation, and we are committed to adhering to all relevant laws and regulations, including those concerning customer health and safety, independence and anti-corruption, marketing and labelling, taxation, product pricing, as well as a range of audit and reporting requirements.

The Group did not pay any fine or penalties for non-compliance of any regulatory audit in FY2022. In addition to regulatory audits, we strive to continuously strengthen our internal controls. Quantum Healthcare actively identifies and manages its enterprise risks. We have established a risk management system as well as a suite of SOPs to address all essential elements of risk management, including:

- The development of a risk management plan
- Risk assessment (including hazard identification and analysis, risk estimation, and evaluation of risk acceptability)
- Risk minimisation and risk control
- Risk-based decision making
- Risk monitoring, review and reporting

To ensure that we stay abreast with new developments of relevant laws and regulations, our team communicates regularly with regulators and industry associations for updates. When changes occur, we modify our policies and procedures accordingly, maintain strict documentation control, and promptly communicate changes in internal policies and procedures or regulatory requirements with our employees. No changes were made to our policies and procedures in FY2022. Each employee is required to read up on the changes and sign off as evidence of review.

In case of any non-conformance with relevant laws and regulations, Quantum Healthcare will duly report to relevant government agencies in compliance with its corresponding reporting obligations under various jurisdictions. Quantum Healthcare will also conduct an internal investigation to identify root causes of non-conformance and develop corresponding risk controls.

Performance Measures	2021	2022	2023 Target
Number of non-compliant incidents with laws and regulations in the social and economic area that results in significant fines and non-monetary sanctions	0	0	Maintain zero non-compliance with all laws and regulations

# SUSTAINABILITY REPORT

## GRI Content Index

<b>Statement of use</b>	Quantum Healthcare Limited has reported the information cited in this GRI content index for the period from 1 January 2022 to 31 December 2022 with reference to the GRI Standards.
<b>GRI 1 used</b>	GRI 1: Foundation 2021

Gri Standard	Disclosure	Location
<b>GRI 2: General Disclosures 2021</b>	2-1 Organizational details	Pg 13
	2-2 Entities included in the organization's sustainability reporting	Pg 13
	2-3 Reporting period, frequency and contact point	Pg 13
	2-4 Restatements of information	No restatement of information
	2-5 External assurance	This Report has undergone the internal review process by Internal Auditors, and was reviewed by the Board. The Group has not sought external assurance for FY2022, and may consider it for future periods.
	2-1 Organizational details	Pg 13
	2-2 Entities included in the organization's sustainability reporting	Pg 13
	2-3 Reporting period, frequency and contact point	Pg 13
	2-4 Restatements of information	No restatement of information
	2-5 External assurance	This Report has undergone the internal review process by Internal Auditors, and was reviewed by the Board. The Group has not sought external assurance for FY2022, and may consider it for future periods.
	2-6 Activities, value chain and other business relationships	Pg 13
	2-7 Employees	Pg 19
2-8 Workers who are not employees	No workers who are not employees	
2-9 Governance structure and composition	Pg 29 to 50	
2-10 Nomination and selection of the highest governance body	Pg 13 to 14	
2-11 Chair of the highest governance body	Pg 13 to 14	
2-12 Role of the highest governance body in overseeing the management of impacts	Pg 13 to 14	

# SUSTAINABILITY REPORT

Gri Standard	Disclosure	Location	
<b>GRI 2: General Disclosures 2021</b>	2-13 Delegation of responsibility for managing impacts	Pg 13 to 14	
	2-14 Role of the highest governance body in sustainability reporting	Pg 13 to 14	
	2-15 Conflicts of interest	Pg 23	
	2-16 Communication of critical concerns	Pg 14	
	2-17 Collective knowledge of the highest governance body	Pg 29 to 50	
	2-18 Evaluation of the performance of the highest governance body	Pg 29 to 50	
	2-19 Remuneration policies	Pg 29 to 50	
	2-20 Process to determine remuneration	Pg 29 to 50	
	2-21 Annual total compensation ratio	Pg 29 to 50	
	2-22 Statement on sustainable development strategy	Pg 13	
	2-23 Policy commitments	Pg 16 to 23	
	2-24 Embedding policy commitments	Pg 16 to 23	
	2-25 Processes to remediate negative impacts	Pg 13	
	2-26 Mechanisms for seeking advice and raising concerns	Pg 13	
	2-27 Compliance with laws and regulations	Pg 23	
	2-28 Membership associations	None	
	2-29 Approach to stakeholder engagement	Pg 14	
	2-30 Collective bargaining agreements	None	
	<b>GRI 3: Material Topics 2021</b>	3-1 Process to determine material topics	Pg 14
		3-2 List of material topics	Pg 14
3-3 Management of material topics		Pg 14	
<b>GRI 205: Anti-corruption 2016</b>	205-1 Operations assessed for risks related to corruption	Pg 22	
	205-2 Communication and training about anti-corruption policies and procedures	Pg 22	
	205-3 Confirmed incidents of corruption and actions taken	Pg 22	

# SUSTAINABILITY REPORT

Gri Standard	Disclosure	Location
<b>GRI 302: Energy 2016</b>	302-1 Energy consumption within the organization	Not applicable for first year reporting
	302-2 Energy consumption outside of the organization	Not applicable as the Group does not have energy consumption outside of the organization.
	302-3 Energy intensity	Not applicable for first year reporting
	302-4 Reduction of energy consumption	Pg 16
	302-5 Reductions in energy requirements of products and services	Not applicable as the Group does not sell products / services in relation to energy requirement.
<b>GRI 303: Water and Effluents 2018</b>	303-1 Interactions with water as a shared resource	Pg 16
	303-2 Management of water discharge-related impacts	Not applicable as the Group does no discharge water that contains Total Dissolved Solids or Total Suspended Solids that exceed legal limits of the country.
	303-3 Water withdrawal	Not applicable as the Group does not operate in country under water stress.
	303-4 Water discharge	Not applicable as daily water discharged into public sewerage system and open drains, canals, and rivers is negligible.
	303-5 Water consumption	Not applicable for first year reporting
<b>GRI 306: Waste 2020</b>	306-1 Waste generation and significant waste-related impacts	Pg 17
	306-2 Management of significant waste-related impacts	Pg 17
	306-3 Waste generated	Pg 17
	306-4 Waste diverted from disposal	Not applicable as the Group does not divert any waste from / to disposal
	306-5 Waste directed to disposal	Not applicable as the Group does not divert any waste from / to disposal
<b>GRI 403: Occupational Health and Safety 2018</b>	403-1 Occupational health and safety management system	Pg 18
	403-2 Hazard identification, risk assessment, and incident investigation	Pg 18
	403-3 Occupational health services	Pg 18

# SUSTAINABILITY REPORT

Gri Standard	Disclosure	Location
<b>GRI 403:</b> Occupational Health and Safety 2018	403-4 Worker participation, consultation, and communication on occupational health and safety	Pg 18
	403-5 Worker training on occupational health and safety	Pg 18
	403-6 Promotion of worker health	Pg 18
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Not applicable as the Group does not have any occupational health and safety issue linked by business relationships.
	403-8 Workers covered by an occupational health and safety management system	Not applicable as the Group's principal activities are not legally required to implement such system.
	403-9 Work-related injuries	Pg 18
	403-10 Work-related ill health	Pg 18
<b>GRI 404:</b> Training and Education 2016	404-1 Average hours of training per year per employee	Pg 20
	404-2 Programs for upgrading employee skills and transition assistance programs	Pg 20
	404-3 Percentage of employees receiving regular performance and career development reviews	Pg 20, Percentage not applicable for first year reporting.
<b>GRI 405:</b> Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Pg 18 to 19
	405-2 Ratio of basic salary and remuneration of women to men	Confidentiality constraints due to intense competition for talent in the industry.
<b>GRI 418:</b> Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Pg 21

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# CORPORATE GOVERNANCE

## DISCLOSURE TABLE FOR ANNUAL REPORT IN COMPLIANCE TO THE CODE OF CORPORATE GOVERNANCE 2018 AND CATALIST RULES

The Board of Directors (the “**Board**”) of Quantum Healthcare Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) are committed to maintaining high standards of corporate governance and places importance on its corporate governance processes and systems so as to ensure greater transparency, accountability and maximisation of long-term shareholder value.

This report outlines the Company’s corporate governance practices that were in place during the financial year ended 31 December 2022 (“**FY2022**”), with specific reference made to the principles and provisions of the Code of Corporate Governance 2018 (the “**Code**”), the accompanying Practice Guidance in February 2020 (the “**PG**”) as well as the disclosure guide developed by the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) in January 2015 (the “**Guide**”).

Provision	Code and/or Provision Description	Company’s Compliance or Explanation																														
General	(a) Has the Company complied with all the principles and provisions of the Code?  If not, please state the specific deviations and alternative corporate governance practices adopted by the Company in lieu of the recommendations in the Code.	The Company has complied with the principles and provisions as set out in the Code and the Guide, where applicable.  Appropriate explanations have been provided in the relevant sections below where there are deviations from the Code and/or the Guide.																														
	(a) In what respect do these alternative corporate governance practices achieve the objectives of the principles and conform to the guidelines of the Code?	Not applicable. The Company did not adopt any alternative corporate governance practices in FY2022.																														
<b>BOARD MATTERS</b>																																
<b>The Board’s Conduct of Affairs</b>																																
1.1 4.2 6.2 10.2 Catalist Rule 406(3)(e) Catalist Rule 1204(10B)	What is the role of the Board?	As at the date of this report, the Board has 4 members and comprises the following:  <b>Table 1.1 – Board and Board committees composition</b>  <table border="1"> <thead> <tr> <th colspan="2">Composition of the Board</th> <th colspan="3">Composition of the Board Committees</th> </tr> <tr> <th>Name of Director</th> <th>Designation</th> <th>AC <sup>(1)</sup></th> <th>NC <sup>(2)</sup></th> <th>RC <sup>(3)</sup></th> </tr> </thead> <tbody> <tr> <td>Thomas Tan Gim Chua</td> <td>Chief Executive Officer (“<b>CEO</b>”) and Executive Director</td> <td>-</td> <td>M</td> <td>-</td> </tr> <tr> <td>Ng Fook Ai Victor</td> <td>Independent Chairman</td> <td>M</td> <td>M</td> <td>C</td> </tr> <tr> <td>Ng Boon Eng</td> <td>Independent Director</td> <td>M</td> <td>C</td> <td>M</td> </tr> <tr> <td>Sho Kian Hin</td> <td>Independent Director</td> <td>C</td> <td>-</td> <td>M</td> </tr> </tbody> </table> Notes: (1) The Audit Committee (“ <b>AC</b> ”) comprises three (3) members, all of whom are independent. All members of the AC are non-executive Directors. (2) The Nominating Committee (“ <b>NC</b> ”) comprises three (3) members, the majority of whom, including the Chairman, are independent. Majority of the members of the NC are non-executive Directors. (3) The Remuneration Committee (“ <b>RC</b> ”) comprises three (3) members, all of whom are independent. All members of the RC are non-executive Directors.	Composition of the Board		Composition of the Board Committees			Name of Director	Designation	AC <sup>(1)</sup>	NC <sup>(2)</sup>	RC <sup>(3)</sup>	Thomas Tan Gim Chua	Chief Executive Officer (“ <b>CEO</b> ”) and Executive Director	-	M	-	Ng Fook Ai Victor	Independent Chairman	M	M	C	Ng Boon Eng	Independent Director	M	C	M	Sho Kian Hin	Independent Director	C	-	M
Composition of the Board		Composition of the Board Committees																														
Name of Director	Designation	AC <sup>(1)</sup>	NC <sup>(2)</sup>	RC <sup>(3)</sup>																												
Thomas Tan Gim Chua	Chief Executive Officer (“ <b>CEO</b> ”) and Executive Director	-	M	-																												
Ng Fook Ai Victor	Independent Chairman	M	M	C																												
Ng Boon Eng	Independent Director	M	C	M																												
Sho Kian Hin	Independent Director	C	-	M																												

# CORPORATE GOVERNANCE

Provision	Code and/or Provision Description	Company's Compliance or Explanation
		<p>The terms of reference of the AC, NC and RC are set out in Sections 10.1, 4.1 and 6.1 respectively.</p> <p>The Board is entrusted to lead and oversee the Group, with the fundamental principle to act in the best interests of the Group and hold management accountable for performance. In addition to its statutory duties, the Board's principal functions are, <i>inter alia</i>:</p> <ul style="list-style-type: none"> <li>• overseeing the Group, including its control and accountability systems;</li> <li>• monitoring and reviewing senior management's performance and implementation of strategy;</li> <li>• satisfying itself that senior management has developed and implemented a sound system of risk management and internal controls in relation to financial reporting risks and has reviewed the effectiveness of the operation of that system;</li> <li>• assessing the effectiveness of senior management's implementation of systems for managing material business risks, including the making of additional enquiries and to request assurances regarding the management of material business risks, as appropriate;</li> <li>• ensuring compliance with all laws and regulations as may be relevant to the business;</li> <li>• formulating and approving financial objectives of the Group and monitoring its performance such as reviewing and approving of financial results announcements and financial statements; and</li> <li>• providing overall corporate governance of the Group.</li> </ul> <p>The Company has put in place practices to address potential conflicts of interest. All Directors are required to notify the Company promptly of all conflicts of interest as soon as it is practicable after the relevant facts become known to him as well as refreshing the required declaration annually. Directors are required to recuse themselves from all deliberations/voting in relation to the matters which he has a conflict of interest in, unless the Board is of the opinion that the participation of the conflicted Director is in the best interest to the Company. Nonetheless, he will abstain from voting in relation to the conflict-related matters.</p>
1.2 Catalist Rule 406(3)(a)	(a) Are new Directors given formal training? If not, please explain why.	<p>Newly appointed Directors will receive comprehensive and tailored induction upon joining the Board, including their duties as directors and how to discharge those duties. An orientation program including site visits to the Group's operations will be held where required to ensure that the Directors are familiar with and understand the Group's business, organisation structure, corporate strategies and policies, and governance practices. The Company will also provide training for newly appointed Directors who have no prior experience as a director of a Singapore public listed company as prescribed by the SGX-ST under Rule 406(3)(a) and Practice Note 4D of the SGX-ST Listing Manual Section B: Rules of Catalist (the "<b>Catalist Rules</b>"). Such training must be completed within one year of the newly appointed Directors' initial appointment. The training of Directors will be arranged and funded by the Company.</p>
	(a) What are the types of information and training provided to (i) new Directors and (ii) existing Directors to keep them up-to-date?	<p>The Board values on-going professional development and recognises that it is important that all Directors receive regular training so as to be able to serve effectively on and contribute to the Board. The Board will consider adopting a policy on continuous professional development for Directors.</p> <p>To ensure Directors can fulfil their obligations and to continually improve the performance of the Board, all Directors are encouraged to undergo continual professional development during the term of their appointment. Professional development may relate to a particular subject area, committee membership, or key developments in the Company's environment, market or operations which may be provided by accredited training providers such as the Singapore Institute of Directors. Directors are encouraged to consult the Chairman if they consider that they personally, or the Board as a whole, would benefit from specific education or training regarding matters that fall within the responsibility of the Board or relate to the Company's business. Such trainings costs are borne by the Company.</p> <p>Briefings and updates for the Directors in FY2022 include:</p> <ul style="list-style-type: none"> <li>• the external auditors ("<b>EA</b>") had briefed the AC on changes or amendments to accounting standards;</li> <li>• the Sponsors and Company Secretary had briefed the Board on regulatory changes, such as changes to the Companies Act and/or the SGX-ST Listing Manual Section B: Rules of Catalist; and</li> <li>• the Directors are regularly briefed by the CEO and Chief Financial Officer ("<b>CFO</b>") on the business activities of the Group.</li> </ul>

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		Thomas Tan Gim Chua who had no prior experience as a director of a listed company prior to his appointment as Executive Director and Chief Executive Officer of the Company, has completed his mandatory training for first-time directors conducted by the Singapore Institute of Directors. All of the Directors have completed their sustainability training as prescribed by SGX-ST.																																								
1.3	What are the types of material transactions which require approval from the Board?	<p>Matters and transactions that require the Board's approval are clearly communicated to the Management in writing and it includes, amongst others, the following:</p> <ul style="list-style-type: none"> <li>major capital expenditure, capital management and acquisitions and divestitures;</li> <li>Chapter 9 and Chapter 10 transactions in the Catalist Rules ;</li> <li>the Company's control and accountability systems;</li> <li>share issuance, dividend release or changes in capital;</li> <li>the Company's policies on risk oversight and management, internal compliance and control, Code of Conduct, and legal compliance;</li> <li>the Company's financial statements, financial results announcements, budgets; and</li> <li>all matters which cross the relevant thresholds stipulated in the Catalist Rules or which the Board considers material for announcement. The Board will consider materiality in the context that reflects the stage of development of the Company and also takes into consideration the guidelines provided in the Catalist Rules</li> </ul>																																								
1.4	Has the Board delegated certain responsibilities to committees? If yes, please provide details.	The Board has delegated certain responsibilities to the AC, the NC and the RC (collectively, the " <b>Board Committees</b> "). The compositions of the Board Committees have been set out in Section 1.1 of this report.																																								
1.5	Have the Board and Board Committees met in the last financial year?	<p>The Board meets at least two (2) times a year, and as and when circumstances require. Directors with multiple Board representations ensure that sufficient time and attention are given to the affairs of each company. During 2022, the number of the Board and Board Committee meetings held and the attendance of each Board member are shown below:</p> <table border="1"> <thead> <tr> <th colspan="5"><b>Table 1.5 – Attendance of Board and Board Committee Meetings in FY2022/2023</b></th> </tr> <tr> <th></th> <th><b>Board</b></th> <th><b>AC</b></th> <th><b>NC</b></th> <th><b>RC</b></th> </tr> </thead> <tbody> <tr> <td>Number of Meetings Held</td> <td>2</td> <td>2</td> <td>1</td> <td>1</td> </tr> <tr> <th><b>Name of Director</b></th> <th colspan="4"><b>Number of Meetings Attended</b></th> </tr> <tr> <td>Eric Sho Kian Hin</td> <td>2</td> <td>2</td> <td>1*</td> <td>1</td> </tr> <tr> <td>Ng Fook Ai Victor</td> <td>2</td> <td>2</td> <td>1</td> <td>1</td> </tr> <tr> <td>Thomas Tan Gim Chua</td> <td>2</td> <td>2*</td> <td>1</td> <td>1*</td> </tr> <tr> <td>Ng Boon Eng</td> <td>2</td> <td>2</td> <td>1</td> <td>1</td> </tr> </tbody> </table> <p>* By invitation</p> <p>Note:</p> <p>(1) The Company and its wholly owned subsidiary, QT Vascular Ltd underwent a restructuring pursuant to a scheme of arrangement under Section 210 of the Companies Act, which was carried out on the terms of the scheme document dated 1 June 2022 ("Scheme") pursuant to which there was a transfer of the listing from QT Vascular Ltd to Quantum Healthcare Limited with effect from 29 May 2022, and the NC and RC meeting and one of the Board and AC meetings were held by the board and board committees of QT Vascular Ltd prior to the completion of the Scheme.</p> <p>The Company's Constitution (the "Constitution") allows for Board meetings to be held through teleconferencing and/or videoconferencing.</p>	<b>Table 1.5 – Attendance of Board and Board Committee Meetings in FY2022/2023</b>						<b>Board</b>	<b>AC</b>	<b>NC</b>	<b>RC</b>	Number of Meetings Held	2	2	1	1	<b>Name of Director</b>	<b>Number of Meetings Attended</b>				Eric Sho Kian Hin	2	2	1*	1	Ng Fook Ai Victor	2	2	1	1	Thomas Tan Gim Chua	2	2*	1	1*	Ng Boon Eng	2	2	1	1
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1.6	What types of information does the Company provide to Non-Executive Directors to enable them to understand its business and financial environment as well as the risks faced by the Company? How frequently is the information provided?	<p>It is the aim of the Board to provide shareholders with a balanced and understandable assessment of the Company's performance, position, and prospects. This responsibility extends to the interim and full-year financial results announcements, other price-sensitive public reports, and reports to regulators (if required).</p> <p>Management provides the Board with key information that is complete, adequate, and timely. The types of information which are provided by Management to the Board are set out in the table below:</p> <table border="1"> <caption><b>Table 1.6 – Types of information provided by Management</b></caption> <thead> <tr> <th></th> <th>Information</th> <th>Frequency</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Board papers (with background or explanatory information relating to the matters brought before the Board, where necessary)</td> <td>Half-yearly</td> </tr> <tr> <td>2.</td> <td>Updates to the Group's operations and the markets in which the Group operates in</td> <td>Half-yearly</td> </tr> <tr> <td>3.</td> <td>Reports on on-going or planned corporate actions</td> <td>Half-yearly</td> </tr> <tr> <td>4.</td> <td>Internal auditors' ("IA") report(s)</td> <td>Yearly</td> </tr> <tr> <td>5.</td> <td>Regulatory updates and implications</td> <td>As and when required</td> </tr> <tr> <td>6.</td> <td>Significant project updates</td> <td>As and when required</td> </tr> <tr> <td>7.</td> <td>External Auditors' reports</td> <td>Yearly</td> </tr> </tbody> </table>		Information	Frequency	1.	Board papers (with background or explanatory information relating to the matters brought before the Board, where necessary)	Half-yearly	2.	Updates to the Group's operations and the markets in which the Group operates in	Half-yearly	3.	Reports on on-going or planned corporate actions	Half-yearly	4.	Internal auditors' ("IA") report(s)	Yearly	5.	Regulatory updates and implications	As and when required	6.	Significant project updates	As and when required	7.	External Auditors' reports	Yearly
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		<p>Management recognises the importance of circulating information on a timely basis to ensure that the Board has adequate time to review the materials to facilitate a constructive and effective discussion during the scheduled meetings. As such, Management endeavours to circulate information for the Board meetings at least one week prior to the meetings to allow sufficient time for the Directors' review.</p> <p>Key management personnel will also provide any additional material or information that is requested by Directors or that is necessary to enable the Board to make a balanced and informed assessment of the Group's performance, position and prospects. Directors are also provided with the contact details of key management personnel to facilitate direct and independent access to Management.</p>																								
1.7	Do the Directors have separate and independent access to Management, the Company Secretary and professional advisers?	<p>All Directors have separate and independent access to the Management and Company Secretary at all times.</p> <p>The role of the Company Secretary, the appointment and removal of whom is a matter for the Board as a whole, is as follows:</p> <ul style="list-style-type: none"> <li>• Ensuring that board procedures are followed and that the Company's Constitution, applicable rules and regulations, including requirements of the Securities and Futures Act 2001 of Singapore, the Companies Act 1967 of Singapore and the Catalist Rules, are complied with;</li> <li>• Ensuring good information flows within the Board and its board committees and between the senior management and the Directors,</li> <li>• Advising the Board on all corporate governance matters,</li> <li>• Facilitating orientation and assisting with professional developments;</li> <li>• Attending all board and committee meetings;</li> <li>• Ensuring coordination and liaison between the Board, the Board Committees and key management personnel; and</li> <li>• Assisting the Chairman, the Chairman of each Board Committee and key management personnel in the development of agendas for the various Board and Board Committee meetings.</li> </ul> <p>Individually or collectively, in order to execute their duties, Directors are able to obtain independent professional advice at the Company's expense as and when required. The appointment of such independent professional advisors is subject to approval of the Board.</p>																								

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<b>Board Composition and Guidance</b>		
2.1 2.2 2.3	Does the Company comply with the provisions on the proportion of Independent Directors and/or Non-Executive Directors on the Board? If not, please state the reasons for the deviation and the remedial action taken by the Company.	<p>As at the date of this Annual Report, the Board comprises one Executive Director and three Independent Non-Executive Directors.</p> <p>In view that the Chairman of the Company is an Independent Non-Executive Director and the Independent Directors make up more than one-third of the Board, there is a strong and independent element on the Board which provide independence of thought when making decisions which are in the best interest of the Company. The Company has complied with the relevant provisions as a majority of the Board members are Independent Non-Executive Directors.</p> <p>As the Chairman of the Company, Mr Ng Fook Ai Victor, is an Independent Non-Executive Director, no Lead Independent Director was appointed in the Company. Mr Ng Fook Ai Victor makes himself available to shareholders if they have any concerns relating to matters that contact through the CEO or CFO has failed to resolve, or where such contact is inappropriate, as well as at the Company's general meetings.</p>
2.1 4.4	Has the independence of the Independent Directors been reviewed in the last financial year?	Independent Directors make up the majority of the Board members. In determining the independence of the Independent Directors, the Board takes into account the existence of relationships or circumstances, including those identified by the Code, that are relevant in its determination as to whether a Director is independent. The NC has reviewed and confirmed the independence of the Independent Directors in accordance with the Code, PG and Catalist Rules. The Independent Directors have also confirmed their independence in accordance with the Code, PG and Catalist Rules.
	<p>(a) Is there any Director who is deemed to be independent by the Board, notwithstanding the existence of a relationship as stated in the Code that would otherwise deem him not to be independent? If so, please identify the Director and specify the nature of such relationship.</p> <p>(b) What are the Board's reasons for considering him independent? Please provide a detailed explanation.</p>	There is no Director who is deemed independent by the Board, notwithstanding the existence of a relationship as stated in the Code that would otherwise deem him not to be independent.
Catalist Rule 406(3)(d)	Has any Independent Director served on the Board for more than nine years since the date of his first appointment? If so, please identify the Director and set out the Board's reasons for considering him independent.	<p>Pursuant to Rule 406(3)(d)(iv) of the Catalist Rules, an Independent Director who has held his or her position for an aggregate period of more than nine (9) years (whether before or after listing) will cease to be independent thereafter. However, such director may continue to be considered independent until the conclusion of the next annual general meeting of the Company.</p> <p>As at the date of this annual report, there is no Independent Director who has served beyond nine (9) years since the date of his first appointment by the Company. Mr Sho Kian Hin, an Independent Non-Executive Director was first appointed to the board of directors of QT Vascular Ltd, the Company's wholly owned subsidiary, on 25 September 2015, and will be serving his eighth year as a director within the Group if he were to be re-elected at the upcoming annual general meeting ("AGM") of the Company.</p>
2.4	(a) What is the Board's policy with regard to diversity in identifying director nominees?	<p>The Board understands and believes that a diverse Board enhances the Board's decision-making capability and is more effective in dealing with business and industry challenges or developments and organizational changes faced by the Company and its subsidiaries (the "Group"). A diverse Board would comprise Directors with a balanced and diversified set of skills, experiences and perspectives, to ensure that decisions made by the Board have been considered from all points of view, and to foster or continue to foster robust or constructive debate.</p> <p>To that end, the Company has adopted a Board Diversity Policy that sets out a framework for promoting diversity in respect of the composition of the Board, including in identifying new Director appointees where applicable.</p>

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Provision	Code and/or Provision Description	Company's Compliance or Explanation																																							
	(b) Please state whether the current composition of the Board provides diversity on each of the following – skills, experience, gender and knowledge of the Company, and elaborate with numerical data where appropriate.	<p>The current Board composition provides a diversity of skills, experience and knowledge to the Company as follows:</p> <table border="1"> <thead> <tr> <th colspan="3"><b>Table 2.4 – Balance and Diversity of the Board</b></th> </tr> <tr> <th></th> <th>Number of Directors</th> <th>Proportion of Board (%)</th> </tr> </thead> <tbody> <tr> <td colspan="3"><b>Core Competencies</b></td> </tr> <tr> <td>- Accounting or finance</td> <td>3</td> <td>75</td> </tr> <tr> <td>- Business management</td> <td>4</td> <td>100</td> </tr> <tr> <td>- Legal or corporate governance</td> <td>4</td> <td>100</td> </tr> <tr> <td>- Relevant industry knowledge or experience</td> <td>4</td> <td>100</td> </tr> <tr> <td>- Strategic planning experience</td> <td>4</td> <td>100</td> </tr> <tr> <td>- Customer based experience or knowledge</td> <td>3</td> <td>75</td> </tr> <tr> <td>- Information Technology</td> <td>3</td> <td>75</td> </tr> <tr> <td colspan="3"><b>Gender</b></td> </tr> <tr> <td>- Male</td> <td>4</td> <td>100</td> </tr> <tr> <td>- Female</td> <td>-</td> <td>-</td> </tr> </tbody> </table>	<b>Table 2.4 – Balance and Diversity of the Board</b>				Number of Directors	Proportion of Board (%)	<b>Core Competencies</b>			- Accounting or finance	3	75	- Business management	4	100	- Legal or corporate governance	4	100	- Relevant industry knowledge or experience	4	100	- Strategic planning experience	4	100	- Customer based experience or knowledge	3	75	- Information Technology	3	75	<b>Gender</b>			- Male	4	100	- Female	-	-
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	(c) What steps have the Board taken to achieve the balance and diversity necessary to maximise its effectiveness?	<p>In designing, determining or assessing (as the case may be) the Board's composition, Board diversity has been considered from a wide range of aspects, including but not limited to skills, experience, educational background, profession, length of service, gender, age and any other factors that the Board may consider relevant and applicable from time to time. High emphasis is placed on ensuring a balanced composition of skills and experience at the Board level in order to provide a range of core competencies, knowledge, perspectives and insights that will enable the Board to discharge its duties and responsibilities effectively, support good decision-making in view of the core businesses and strategy of the Company and the Group, and support succession planning and development of the Board. The Board is of the view that, while it is important to promote boardroom diversity in terms of gender or age, where the opportunity arises, the normal selection criteria based on an effective blend of skills and experience, including meeting a matrix of skills, competencies and knowledge in areas such as accounting and finance, law, information technology (IT), human resources (HR) and business and industry knowledge (collectively the "<b>Board Skills Matrix</b>") to strengthen the decision-making capabilities of the Board should remain a priority. The Board would take into consideration the following measures:</p> <p><b>a) Skills and Experience diversity</b> The Committee will evaluate from time to time the existing attributes and core competencies of the Board based, <i>inter alia</i>, on the Board Skills Matrix, so as to assess and understand the range of expertise which is lacking by the Board (if applicable) and/or the necessary skills and experiences required on the Board. By using the Board Skills Matrix that sets out the mix of skills, knowledge and experience that the Board currently has or is looking for from its members from time to time, this will help identify any gaps in the collective skills of the Board that should be addressed as part of the Company's professional development initiatives for its directors or as part of its Board succession planning.</p> <p><b>b) Gender diversity</b> The Company is committed to maintaining an environment of respect for people regardless of their gender in all business dealings and achieving a workplace environment free of harassment and discrimination on the basis of gender or family status. The same principle is applied to the selection of potential candidates for appointment to the Board in order to attract and retain women participation on the Board.</p> <p><b>c) Age diversity</b> The Company does not fix an age limit for its Directors given that there is no longer a statutory age limit requirement for Directors and senior Directors are generally more experienced and able to contribute or share their wealth of knowledge and experience with the rest of the Board. The Board is fully committed to promoting age diversity, but at the same time, valuing the contribution of its members regardless of age, and seek to eliminate age stereotyping and discrimination based on age.</p>																																							

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		<p>The Board has taken the following steps in FY2022 to maintain or enhance its balance and diversity:</p> <ul style="list-style-type: none"> <li>Annual review by the NC to assess if the existing attributes and core competencies of the Board are complementary and enhance the efficacy of the Board; and</li> <li>Annual evaluation by the Directors of the skill sets the Directors possess, <i>inter alia</i>, based on the Board Skills Matrix, with a view to understand the range of expertise which is lacking by the Board.</li> </ul> <p>Based on the foregoing, and considering the Company has just diversified into new business, the Board is reasonably satisfied that the Board as a whole generally has the relevant combination of skills, experience, and diversity to ensure smooth transition of new business, serve the needs and plans of the Company and the Group but will continue to focus its efforts in FY2023 in optimising the Board composition based on the Board Skills Matrix.</p> <p>In addition, the Group target to achieve gender diversity by having at least 25% female participation on the Board by year 2025.</p> <p>The NC will consider the results of these exercises in its recommendation for the appointment of new directors and/or the re-appointment of incumbent directors.</p> <p>As mentioned above, Mr Sho Kian Hin, who is currently the Chairman of the Audit Committee and a member of the Remuneration Committee was first appointed to the board of directors of QT Vascular Ltd, the Company's wholly owned subsidiary, on 25 September 2015, and will be serving his eighth year as a director within the Group if he were to be re-elected at the upcoming AGM of the Company. The Company intends to identify suitable candidate(s) with the relevant accounting and audit experience or diverse skills set to be appointed to take over the role and position of Mr Sho, <i>inter alia</i>, as Chairman of the Audit Committee to promote and enhance Board renewal and succession planning.</p>
2.5	Have the Non-Executive Directors and/or Independent Directors met in the absence of management in the last financial year?	<p>The Non-Executive Directors and/or Independent Directors, led by the Independent Non-Executive Chairman, are scheduled to meet regularly, and as warranted, either via physical meetings or other means of communication such as email correspondence, to discuss concerns or matters such as the effectiveness of Management. Such discussions are conducted where appropriate in the absence of management.</p> <p>The Non-Executive Directors and/or Independent Directors have met once in the absence of management in FY2022. The Chairman of such meetings provide feedback to the Board and/or Chairman as appropriate.</p>
<b>Chairman and Chief Executive Officer</b>		
3.1 3.2 3.3	Are the duties between Chairman and CEO segregated?	<p>The roles of the Chairman and CEO are separate to ensure a clear division of their responsibilities, increased accountability and greater capacity of the Board for independent decision making. The Chairman is not related to the CEO.</p> <p>The responsibilities of the Chairman are as follows:</p> <ol style="list-style-type: none"> <li>to lead the Board to ensure its effectiveness on all aspects of its role;</li> <li>to promote a culture of openness and debate at the Board;</li> <li>to facilitate the effective contribution of non-executive directors in particular; and</li> <li>to promote high standards of corporate governance.</li> </ol> <p>The responsibilities of the CEO are as follows:</p> <ol style="list-style-type: none"> <li>to progress and advance the strategic direction provided by the Board;</li> <li>the operational running of the Company, pursuant to the Board delegating to the CEO certain of the Board's powers, authorities and discretions;</li> <li>to set the agenda of Board meetings and ensure that adequate time is available for discussion of all agenda items, in particular strategic issues;</li> <li>to ensure that the directors receive complete, adequate and timely information;</li> <li>to ensure effective communication with shareholders; and</li> </ol>

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		<p>(f) to encourage constructive relations within the Board and between the Board and Management.</p> <p>The Board is satisfied that there is sufficient transparency and accountability in view of the distinction of responsibilities. Mr Ng Fook Ai Victor is an Independent Director and is also the Chairman of the Board and he is also available to shareholders at the Company's general meetings and can be contacted at <a href="mailto:victor@nextrevolutionnow.com">victor@nextrevolutionnow.com</a>. Hence, the Board is of the view that there is no need to appoint a lead independent director as there is a sufficiently strong independent element on the Board which enables the exercise of judgement with regards to the corporate affairs of the Group.</p>				
<b>Board Membership</b>						
4.1	What are the duties of the NC?	<p>The NC is guided by key terms of reference as follows:</p> <ul style="list-style-type: none"> <li>(a) the review of board succession plans for directors, in particular, the Chairman, the CEO and key management personnel;</li> <li>(b) the development of a process and criteria for evaluation of the performance of the Board, its board committees and directors;</li> <li>(c) the review of training and professional development programs for the Board;</li> <li>(d) to decide whether or not a director of the Company is able to and has been adequately carrying out his duties as a director;</li> <li>(e) board appointments and re-nominations of existing directors for re-election in accordance with the Company's Constitution (including alternate directors, if applicable) after having considered important issues, as part of the process for the selection, appointment and re-appointment of directors, as to composition and progressive renewal of the Board and each director's competencies, commitment, contribution and performance (e.g. attendance, preparedness, participation, candour) including, if applicable, as an independent director as well as ensuring all directors submit themselves for re-nomination and re-appointment at regular intervals and at least once every three years;</li> <li>(f) setting the policy and objectives for achieving board diversity and reviewing the Company's progress towards achieving these objectives;</li> <li>(g) to review updates or changes to the board diversity policy, where appropriate, from time to time; and</li> <li>(h) reviewing the composition of the Board of Directors to ensure that the Board of Directors and Board committees are of an appropriate size, comprise Directors who as a group provide an appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate, and function competently and efficiently</li> </ul>				
4.3	Please describe the board nomination process for the Company in the last financial year for (i) selecting and appointing new directors and (ii) re-electing incumbent directors.	<table border="1"> <thead> <tr> <th colspan="2"><b>Table 4.3(a) – Process for the Selection and Appointment of New Directors</b></th> </tr> </thead> <tbody> <tr> <td>1. Determination of selection criteria</td> <td> <ul style="list-style-type: none"> <li>• The NC, in consultation with the Board, would identify the current needs of the Board in terms of expertise and skills that are required in the context of the strengths and weaknesses of the existing Board to complement and strengthen the Board.</li> <li>• In reviewing Board composition, the NC will consider the benefits of all aspects of diversity including, but not limited to, those described the Board Diversity Policy, in order to maintain an appropriate range, balance and diversity of skills, experience, and background on the Board.</li> <li>• In identifying suitable candidates for appointment to the Board, the NC will consider candidates on merit against objective criteria and with due regard for the benefits of diversity on the Board.</li> </ul> </td> </tr> </tbody> </table>	<b>Table 4.3(a) – Process for the Selection and Appointment of New Directors</b>		1. Determination of selection criteria	<ul style="list-style-type: none"> <li>• The NC, in consultation with the Board, would identify the current needs of the Board in terms of expertise and skills that are required in the context of the strengths and weaknesses of the existing Board to complement and strengthen the Board.</li> <li>• In reviewing Board composition, the NC will consider the benefits of all aspects of diversity including, but not limited to, those described the Board Diversity Policy, in order to maintain an appropriate range, balance and diversity of skills, experience, and background on the Board.</li> <li>• In identifying suitable candidates for appointment to the Board, the NC will consider candidates on merit against objective criteria and with due regard for the benefits of diversity on the Board.</li> </ul>
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# CORPORATE GOVERNANCE

Provision	Code and/or Provision Description	Company's Compliance or Explanation																		
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		<p>Pursuant to Article 110 of the Constitution, at least one-third of the Directors for the time being (or if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation (excluding Directors appointed as causal vacancies who are required to retire at the AGM pursuant to Article 114 of the Constitution). Rule 720(4) of the Catalist Rules also requires all Directors to submit themselves for re-nomination and re-appointment at least once every three (3) years. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re-election or appointment or have been in office for three (3) years since their last election.</p> <p>After assessing their contribution and performance, the NC, with the respective Director interested in the discussion having abstained from the deliberations, has recommended the following Directors be nominated for re-election. The Board has accepted the NC's recommendation to seek the approval of Shareholders at the upcoming AGM for the re-election of the following Directors:</p> <table border="1"> <tr> <td colspan="3"><b>Table 4.3(c) – Re-election of Directors retiring at the forthcoming AGM</b></td> </tr> <tr> <th>Name</th> <th>Designation</th> <th>Roles</th> </tr> <tr> <td>Sho Kian Hin</td> <td>Independent Director</td> <td>AC Chairman and RC member</td> </tr> <tr> <td>Thomas Tan Gim Chua</td> <td>Chief Executive Officer and Executive Director</td> <td>NC member</td> </tr> <tr> <td>Ng Fook Ai Victor</td> <td>Independent Chairman</td> <td>RC Chairman and AC, NC member</td> </tr> <tr> <td>Ng Boon Eng</td> <td>Independent Director</td> <td>NC Chairman and AC, RC member</td> </tr> </table> <p>Sho Kian Hin, Ng Boon Eng, and Ng Fook Ai Victor are considered independent for the purpose of Rule 704(7) of the Catalist Rules.</p> <p>Further details on Sho Kian Hin, Ng Boon Eng, Ng Fook Ai Victor and Thomas Tan Gim Chua as per Appendix 7F of the Catalist Rules are set out from pages 150 to 160 of the Annual Report.</p> <p>Article 114 of the Constitution requires Directors who were appointed to fill a causal vacancy to hold office only until the next annual general meeting of the Company and as all the existing Directors of the Company were appointed in conjunction with the incorporation of the Company on 30th May 2022 and the upcoming AGM is the first AGM of the Company, all the existing Directors of the Company will be retiring and seeking re-election pursuant to Article 114 of the Constitution. In addition, Sho Kian Hin and Ng Boon Eng will be seeking re-election pursuant to Article 110 of the Constitution which provides for retirement and re-election of Directors by rotation on an annual basis at each annual general meeting of the Company.</p>	<b>Table 4.3(c) – Re-election of Directors retiring at the forthcoming AGM</b>			Name	Designation	Roles	Sho Kian Hin	Independent Director	AC Chairman and RC member	Thomas Tan Gim Chua	Chief Executive Officer and Executive Director	NC member	Ng Fook Ai Victor	Independent Chairman	RC Chairman and AC, NC member	Ng Boon Eng	Independent Director	NC Chairman and AC, RC member
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# CORPORATE GOVERNANCE

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4.5	(a) What is the maximum number of listed company board representations that the Company has prescribed for its directors? What are the reasons for this number?	<p>The Board has set the maximum number of listed company board representations as 8.</p> <p>As of date of this report, none of the directors have directorship in more than 8 listed companies.</p> <p>Having assessed the capacity of the Directors based on factors disclosed in Section 4.5(c) below, the Board is of the view that this number would allow Directors to have increased exposure to different Boards and broaden their experience and knowledge in relation to Board matters, hence ultimately benefiting the Company.</p>
	(b) If a maximum has not been determined, what are the reasons?	Not applicable.
	(c) What are the specific considerations in deciding on the capacity of directors?	<p>The considerations in assessing the capacity of Directors include the following:</p> <ul style="list-style-type: none"> <li>• Expected and/or competing time commitments of Directors, including whether such commitment is a full-time or part-time employment capacity;</li> <li>• Geographical location of Directors;</li> <li>• Size and composition of the Board;</li> <li>• Nature and scope of the Group's operations and size; and</li> <li>• Capacity, complexity and expectations of the other listed directorships and principle commitments held.</li> </ul> <p>The measures and evaluation tools in place to assess the performance and consider competing time commitments of the Directors include the following:-</p> <ul style="list-style-type: none"> <li>• Declarations by individual Directors of their other listed company board directorships and principal commitments;</li> <li>• Annual confirmations by each Director on his/her ability to devote sufficient time and attention to the Company's affairs, having regard to his/her other commitments; and</li> <li>• Assessment of the individual Directors' performance based on the criteria set out in Section 5 of this report.</li> </ul>
	(d) Have the Directors adequately discharged their duties?	The NC has reviewed the time spent and attention given by each of the Directors to the Company's affairs, taking into account the multiple directorships and other principal commitments of each of the Directors (if any) and is satisfied that all Directors holding office in FY2022 have discharged their duties adequately for FY2022.
PG 4	Are there alternate Directors?	The Company does not have any alternate directors currently. Alternate Directors will be appointed as and when the Board deems necessary.

## Board Performance

5.1 5.2	What are the performance criteria set to evaluate the effectiveness of the Board as a whole and its board committees, and for assessing the contribution by each Director to the effectiveness of the Board?	<p>Table 5 sets out the performance criteria, as recommended by the NC and approved by the Board, to be relied upon to evaluate the effectiveness of the Board as a whole and its Board Committees, and for assessing the contribution by each Director to the effectiveness of the Board to address how the Board has enhanced long-term shareholders' value:</p> <table border="1"> <thead> <tr> <th colspan="3">Table 5 – Performance Criteria for Evaluating Board Effectiveness</th> </tr> <tr> <th>Performance Criteria</th> <th>Board and Board Committees</th> <th>Individual Directors</th> </tr> </thead> <tbody> <tr> <td><b>Qualitative</b></td> <td> <ol style="list-style-type: none"> <li>1. Size and composition</li> <li>2. Access to information</li> <li>3. Board processes</li> <li>4. Inputs to strategic planning</li> <li>5. Board accountability</li> <li>6. CEO/Top Management interaction</li> <li>7. Standards of Conduct</li> <li>8. Board Committee' performance in relation to discharging their responsibilities set out in their respective terms of reference</li> </ol> </td> <td> <ol style="list-style-type: none"> <li>1. Commitment of time</li> <li>2. Knowledge and abilities</li> <li>3. Teamwork</li> <li>4. Overall effectiveness</li> <li>5. Engagement with Management</li> <li>6. Independence and objectivity</li> </ol> </td> </tr> <tr> <td><b>Quantitative</b></td> <td colspan="2">1. Attendance at Board and Board Committee meetings</td> </tr> </tbody> </table>	Table 5 – Performance Criteria for Evaluating Board Effectiveness			Performance Criteria	Board and Board Committees	Individual Directors	<b>Qualitative</b>	<ol style="list-style-type: none"> <li>1. Size and composition</li> <li>2. Access to information</li> <li>3. Board processes</li> <li>4. Inputs to strategic planning</li> <li>5. Board accountability</li> <li>6. CEO/Top Management interaction</li> <li>7. Standards of Conduct</li> <li>8. Board Committee' performance in relation to discharging their responsibilities set out in their respective terms of reference</li> </ol>	<ol style="list-style-type: none"> <li>1. Commitment of time</li> <li>2. Knowledge and abilities</li> <li>3. Teamwork</li> <li>4. Overall effectiveness</li> <li>5. Engagement with Management</li> <li>6. Independence and objectivity</li> </ol>	<b>Quantitative</b>	1. Attendance at Board and Board Committee meetings	
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# CORPORATE GOVERNANCE

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		<p>The evaluations are designed to assess the Board's effectiveness to enable the NC Chairman and Board to identify the areas of improvement or enhancement which can be made to the Board. No external facilitator was used in the evaluation process.</p> <p>The NC would review the criteria on a periodic basis to ensure that the criteria is able to provide an accurate and effective performance assessment taking into consideration industry standards and the economic climate with the objective to enhance long term shareholders value, thereafter propose amendments if any, to the Board for approval.</p> <p>The NC has reviewed and adopted the same performance criteria for evaluation of the Board after the completion of the Scheme as the performance criteria for evaluation of the board of directors of QT Vascular Ltd prior to the completion of the Scheme, since the Board composition remained the same since the transfer of the listing from QT Vascular Ltd on 29 May 2022 to Quantum Healthcare Limited.</p>
	(a) What was the process upon which the Board reached the conclusion on its performance for the financial year?	<p>The review of the performance of the Board and the Board Committees is conducted by the NC annually via a performance evaluation questionnaire to be completed by each Director and each Board Committee member. The review of the performance of each Director is also conducted at least annually and when the individual Director is due for re-election.</p> <p>For FY2022:</p> <ol style="list-style-type: none"> <li>All Directors individually completed a board evaluation questionnaire on the effectiveness of the Board and Board Committees, and the individual Directors based on criteria disclosed in Table 5 above.</li> <li>The questionnaire results are collated for the NC's discussion and the NC concluded the performance results during the NC meeting; and</li> <li>All NC members have abstained from the voting or review process of any matters in connection with the assessment of his performance.</li> </ol> <p>No external facilitator was used in the evaluation process.</p>
	(b) Has the Board met its performance objectives?	Yes, the Board Committees and the Directors have met their performance objectives for FY2022.
<b>REMUNERATION MATTERS</b>		
<b>Procedures for Developing Remuneration Policies</b>		
6.1 6.3	What is the role of the RC?	<p>The RC is guided by key terms of reference which include, amongst others, the following:</p> <ol style="list-style-type: none"> <li>Review and recommend to the Board a general framework of remuneration for the Board and key management personnel, as well as specific remuneration packages for each Director and key management personnel of the Company;</li> <li>Review annually the remuneration of the key management personnel and the Executive Director(s) including the terms of renewal for their service agreements;</li> <li>Review the Company's obligations arising in the event of termination of the Executive Director(s) and key management personnel's contracts of service and to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous; and</li> <li>Oversee the allotment and issue of Shares pursuant to the Varied Options granted under the Option Schemes and the Varied Awards granted under the Share Plan. Please refer to page 43, or relevant page of this annual report for further details of the Varied Options and Varied Awards.</li> </ol> <p><b>Termination Clause</b></p> <p>There is currently no amount for termination, retirement and post-employment benefits granted to the Executive Director and the top key management personnel (who are not Executive Directors).</p>

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		<p><b>Claw-back mechanism</b></p> <p>The Company does not use contractual provisions to allow the Company to reclaim incentive components of remuneration from the Executive Director and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company. The Executive Director owes a fiduciary duty to the Company. The Company will avail itself to remedies against the Executive Director in the event of such breach of fiduciary duties.</p> <p>The Board is of the view that as the Group pays performance bonuses based on the actual performance of the Group and/or Company (and not on forward-looking results) as well as the actual results of its Executive Director and key management personnel, hence, "claw-back" provisions in the service agreements may not be relevant or appropriate.</p>								
6.4	Were remuneration consultants engaged in the last financial year?	In FY2022, the Company did not engage any remuneration consultants.								
<b>Level and Mix of Remuneration</b>										
7.1 7.3	What is the Company's remuneration policy?	The Company's remuneration policy, which covers all aspects of remuneration, including but not limited to directors' fees, salaries, allowances, benefits-in-kind, bonuses, options, share-based incentives and awards, is one that seeks to attract, retain and motivate talent to achieve the Company's business vision and create sustainable value for its stakeholders. The policy articulates to staff the link that total compensation has to the achievement of organisational and individual performance objectives and benchmarked against relevant and comparative compensation in the market.								
	(a) Please describe how the remuneration received by Executive Directors and key management personnel has been determined by the performance criteria.	<p>The remuneration received by the Executive Director and key management personnel are based on the terms of service contracts or employment letters entered into between the Company and the Executive Director and key management personnel respectively. Their remuneration is made up of fixed and variable compensation. The fixed compensation consists of an annual base salary, fixed allowance and annual wage supplement. The variable compensation is determined based on the level of achievement of corporate and individual performance objectives, at the sole discretion of the Board on the recommendation of the RC.</p> <p>There was no variable compensation paid to the Executive Director and key management personnel for FY2022.</p>								
	(b) What were the performance conditions used to determine their entitlement under the short term and long term incentive schemes?	<p>The following performance conditions were chosen for the Group to remain competitive and to motivate the Executive Director(s) to provide good stewardship of the Group and for key management personnel to work in alignment with the long term goals of all stakeholders:</p> <table border="1"> <thead> <tr> <th colspan="2"><b>Table 7 – Incentive Performance Conditions</b></th> </tr> <tr> <th><b>Performance Conditions</b></th> <th><b>Short-term Incentives</b> (such as performance bonus)</th> </tr> </thead> <tbody> <tr> <td><b>Qualitative</b></td> <td> <ol style="list-style-type: none"> <li>Leadership</li> <li>People development</li> <li>Commitment</li> <li>Teamwork</li> </ol> </td> </tr> <tr> <td><b>Quantitative</b></td> <td>The Company currently does not have in place any profit-sharing or performance incentive arrangements for the Executive Director or the key management personnel which is based on the Company or the Group meeting a prescribed financial performance or financial condition target or condition. The RC will monitor and evaluate whether to provide for such quantitative performance conditions depending, <i>inter alia</i>, on the business and plans of the Company and the Group.</td> </tr> </tbody> </table>	<b>Table 7 – Incentive Performance Conditions</b>		<b>Performance Conditions</b>	<b>Short-term Incentives</b> (such as performance bonus)	<b>Qualitative</b>	<ol style="list-style-type: none"> <li>Leadership</li> <li>People development</li> <li>Commitment</li> <li>Teamwork</li> </ol>	<b>Quantitative</b>	The Company currently does not have in place any profit-sharing or performance incentive arrangements for the Executive Director or the key management personnel which is based on the Company or the Group meeting a prescribed financial performance or financial condition target or condition. The RC will monitor and evaluate whether to provide for such quantitative performance conditions depending, <i>inter alia</i> , on the business and plans of the Company and the Group.
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	(c) Were all of these performance conditions met? If not, what were the reasons?	Yes, the RC has reviewed and is satisfied that the performance conditions were met for FY2022.																																								
7.2	Please describe how the remuneration received by Non-Executive Directors has been determined by the performance criteria.	<p>The Non-Executive Directors do not have any service agreements with the Company. Except for directors' fees, which have to be approved by shareholders at AGMs, the Non-Executive Directors do not receive any other forms of remuneration from the Company.</p> <p>The fees for the financial year in review are determined in the current financial year, proposed by the Management, submitted to the RC for review and thereafter recommended to the Board for approval.</p> <p>The RC has reviewed and assessed that the remuneration of the Non-Executive Directors for FY2022 is appropriate, considering the effort, time spent and responsibilities of the said Directors.</p>																																								
<b>Disclosure on Remuneration</b>																																										
8.1	(a) Has the Company disclosed each Director's and the CEO's remuneration as well as a breakdown (in percentage) into base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?	<p>The breakdown for the remuneration of the Directors for FY2022 is as follows:</p> <table border="1"> <caption><b>Table 8.1 – Directors' Remuneration</b></caption> <thead> <tr> <th>Name</th> <th>Remuneration Bands<sup>(1)</sup></th> <th>Salary (%)</th> <th>Bonus (%)</th> <th>Directors Fees (%)</th> <th>Benefits-in-kind (%)</th> <th>Share awards (%)</th> <th>Total (%)</th> </tr> </thead> <tbody> <tr> <td>Thomas Tan Gim Chua</td> <td>B</td> <td>100</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>100</td> </tr> <tr> <td>Ng Fook Ai Victor</td> <td>A</td> <td>-</td> <td>-</td> <td>100</td> <td>-</td> <td>-</td> <td>100</td> </tr> <tr> <td>Ng Boon Eng</td> <td>A</td> <td>-</td> <td>-</td> <td>100</td> <td>-</td> <td>-</td> <td>100</td> </tr> <tr> <td>Sho Kian Hin</td> <td>A</td> <td>-</td> <td>-</td> <td>100</td> <td>-</td> <td>-</td> <td>100</td> </tr> </tbody> </table> <p>Notes:</p> <p>(1) Remuneration Bands:</p> <p>Band "A" refers to remuneration of up to S\$250,000 per annum; and</p> <p>Band "B" refers to remuneration from S\$250,001 to S\$500,000 per annum.</p> <p>As the Directors including the Executive Director and CEO have been newly appointed to the Board and Management in FY2022, and given the highly competitive environment and nature of the business and industry that the Group is in, for which specialised skill sets are required, the Company will disclose the full details of Directors' and the CEO's remuneration in due course after the business of the Group is more stabilised.</p> <p>There were no termination, retirement and post-employment benefits that may be granted to Directors, the CEO and the top key management personnel (who are not Directors or the CEO).</p>	Name	Remuneration Bands <sup>(1)</sup>	Salary (%)	Bonus (%)	Directors Fees (%)	Benefits-in-kind (%)	Share awards (%)	Total (%)	Thomas Tan Gim Chua	B	100	-	-	-	-	100	Ng Fook Ai Victor	A	-	-	100	-	-	100	Ng Boon Eng	A	-	-	100	-	-	100	Sho Kian Hin	A	-	-	100	-	-	100
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Sho Kian Hin	A	-	-	100	-	-	100																																			

# CORPORATE GOVERNANCE

Provision	Code and/or Provision Description	Company's Compliance or Explanation																					
	(b) Has the Company disclosed each key management personnel's remuneration, in bands of S\$250,000 or more in detail, as well as a breakdown (in percentage) into base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?	<p>The Company only had two (2) top key management personnel during FY2022.</p> <p>The breakdown for the remuneration of the Company's key management personnel (who are not Directors or the CEO) for FY2022 is as follows:</p> <table border="1"> <caption><b>Table 8.2 – Remuneration of Key Management Personnel</b></caption> <thead> <tr> <th>Name</th> <th>Remuneration Bands<sup>(1)</sup></th> <th>Salary (%)</th> <th>Bonus (%)</th> <th>Benefits-in-kind (%)</th> <th>Share awards (%)</th> <th>Total (%)</th> </tr> </thead> <tbody> <tr> <td>Dr Gian Siong Lin Jimmy</td> <td>B</td> <td>100</td> <td>-</td> <td>-</td> <td>-</td> <td>100</td> </tr> <tr> <td>Kelvin Tong<sup>(2)</sup></td> <td>A</td> <td>100</td> <td>-</td> <td>-</td> <td>-</td> <td>100</td> </tr> </tbody> </table> <p>Notes:</p> <p>(1) Band "A" refers to remuneration of up to S\$250,000 per annum.</p> <p>(2) Kelvin Tong has resigned and his last day with the Company was on 13 January 2023.</p> <p>After reviewing the industry practice and analysing the advantages and disadvantages in relation to the disclosure of remuneration of each key management personnel to the nearest thousand dollars, the Company is of the view that such disclosure would be prejudicial to its business interest given the highly competitive environment and the nature of the industry for which specialised skill sets are required.</p> <p>There were no termination, retirement and post-employment benefits that may be granted to the top key management personnel (who are not Directors or the CEO).</p>	Name	Remuneration Bands <sup>(1)</sup>	Salary (%)	Bonus (%)	Benefits-in-kind (%)	Share awards (%)	Total (%)	Dr Gian Siong Lin Jimmy	B	100	-	-	-	100	Kelvin Tong <sup>(2)</sup>	A	100	-	-	-	100
Name	Remuneration Bands <sup>(1)</sup>	Salary (%)	Bonus (%)	Benefits-in-kind (%)	Share awards (%)	Total (%)																	
Dr Gian Siong Lin Jimmy	B	100	-	-	-	100																	
Kelvin Tong <sup>(2)</sup>	A	100	-	-	-	100																	
	(c) Please disclose the aggregate remuneration paid to the top five key management personnel (who are not Directors or the CEO).	<p>The Company only had two key management personnel (excluding the Executive Director and CEO) in FY2022. The total aggregate remuneration of the key management personnel in FY2022 was S\$ 604,000. The specific disclosure of remuneration of the key management personnel is not disclosed in this annual report as the Board is of the opinion that such disclosure would be prejudicial to the Company's' business interests, given the highly competitive conditions in the industry and the fact that the management team consists of only two key executive personnel (excluding the Directors and CEO). After taking into account the reasons for non-disclosure state above, the Board is of the view that the current disclosure of the remuneration presented herein in this report is reasonably sufficient to provide shareholders with information on the Group's remuneration policies, as well as the level and mix of remuneration. Accordingly, the Board is of the view that the Company complies with Principle 8 of the Code.</p>																					
8.2	Is there any employee who is substantial shareholder of the Company or is an immediate family member of a Director or the CEO or is immediate family of substantial shareholder of the Company, and whose remuneration exceeds S\$100,000 during the last financial year? If so, please identify the employee and specify the relationship with the relevant Director or the CEO.	<p>There is no employee who is a substantial shareholder or employee of the Group who is an immediate family member of a Director, substantial shareholder or the CEO whose remuneration exceeded S\$100,000 in FY2022.</p>																					

# CORPORATE GOVERNANCE

Provision	Code and/or Provision Description	Company's Compliance or Explanation
8.3	Please provide details of the employee share scheme(s).	<p>The Company does not have any employee share scheme(s).</p> <p>Under the Scheme:</p> <p>a) the Company had assumed all liabilities and obligations of QT Vascular Ltd, its wholly-owned subsidiary, in connection with the outstanding options ("<b>Varied Options</b>") granted by QT Vascular Ltd to the holders of the options under the 2014 QTV Employee Share Option Scheme, QT Vascular Ltd 2013 Share Plan and the TriReme Medical, LLC 2005 Stock Plan (collectively, the "<b>Option Schemes</b>").</p> <p>b) the Company had assumed all liabilities and obligations of QT Vascular Ltd, its wholly-owned subsidiary in connection with the outstanding awards ("<b>Varied Awards</b>") granted by QT Vascular Ltd to the holders of the awards under the QT Vascular Restricted Share Plan 2015 (the "<b>Share Plan</b>").</p> <p>pursuant to which the Company shall be liable to allot and issue new ordinary shares in the capital of the Company pursuant to the exercise of the Varied Options and/or the vesting of the Varied Awards.</p> <p>There are no participants who received 5% or more of the total number of outstanding Varied Options that have been granted under the Option Schemes.</p> <p>Save for Kelvin Tong, the previous CFO of the Company, there are no participants who received 5% or more of the total number of outstanding Varied Awards that have been granted under the Share Plan.</p>
<b>ACCOUNTABILITY AND AUDIT</b>		
<b>Risk Management and Internal Controls</b>		
9.1 9.2 Catalist Rule 1204(10)	(a) In relation to the major risks faced by the Company, including financial, operational, compliance, information technology and sustainability, please state the bases for the Board's view on the adequacy and effectiveness of the Company's internal controls and risk management systems.	<p>The Board is responsible for the overall risk governance, risk management and internal control framework of the Group and is fully aware of the need to put in place a system of internal controls within the Group to safeguard shareholders' interests and the Group's assets, and to manage risks.</p> <p>The CEO meets with key management personnel on a regular basis to discuss operational, business and strategic matters. During these meetings, key projects and operational risks are identified and discussed, along with proposed mitigating measures to address these risks to ensure residual risks are mitigated to an acceptable level. Follow-ups are then performed in subsequent meetings to ensure mitigating actions are executed. Any significant issues identified from these meetings are brought to the attention of the Board.</p> <p>The Group has in place a structured and systematic approach to risk management and aims to mitigate the exposures through appropriate risk management strategies and internal controls. Risk management in the Group is a continuous, iterative and integrated process which has been incorporated into various planning, approval, execution, monitoring, review and reporting systems. The Group adopts a top-down as well as bottom-up approach on risk management to ensure strategic, business, operational, financial, reporting, compliance and information technology risk exposures are identified and appropriately managed.</p> <p>The Board and the AC is of the view that the Company's internal controls (including financial, operational, compliance and information technology controls) and risk management systems were adequate and effective for FY2022.</p> <p>The bases for the Board's view are as follows:</p> <ol style="list-style-type: none"> <li>1. Assurance has been received from the CEO and CFO (refer to Section (b) below);</li> <li>2. An internal audit has been done by the internal auditors and significant matters highlighted to the AC and key management personnel were appropriately addressed;</li> <li>3. Key management personnel regularly evaluates, monitors and reports to the AC on material risks;</li> </ol>

# CORPORATE GOVERNANCE

Provision	Code and/or Provision Description	Company's Compliance or Explanation
		<p>4. Discussions were held between the AC and auditors in the absence of the key management personnel to review and address any potential concerns;</p> <p>5. An enterprise risk management framework was established to identify, manage and mitigate significant risks; and</p> <p>6. Risk appetite statements with tolerance limits have been approved by the Board to contain risks within acceptable levels.</p> <p>The Company is gradually placing emphasis on sustainability and would implement appropriate policies and programmes when the opportunities arise.</p>
	(b) In respect of the past 12 months, has the Board received assurance from the CEO and the CFO as well as the IA that: (i) the financial records have been properly maintained and the financial statements give true and fair view of the Company's operations and finances; and (ii) the Company's risk management and internal control systems are effective? If not, how does the Board assure itself of points (i) and (ii) above?	<p>The Board has received assurance from the CEO and CFO (a) that the financial records have been properly maintained and the financial statements for the financial year ended 31 December 2022 give a true and fair view of the Group's operations and finances; and (b) that the Group's risk management and internal control systems are adequate and effective to address the financial, operational, compliance and information technology risks in the context of the current scope of the Group's business operations.</p> <p>Based on the assurance from the CEO and CFO referred to in the preceding paragraph, the framework of risk management and internal controls established and maintained by the Group, the review performed by the Management and the AC, the work performed by the internal auditors and the review undertaken by the external auditors as part of their statutory audit, the Board, with the concurrence of the AC, is satisfied with the adequacy and effectiveness of the Group's internal controls, including financial, operational, compliance and information technology controls, and risk management systems as at 31 December 2022.</p>
<b>Audit Committee</b>		
10.1	What is the composition and role of the AC?	<p>All members of the AC are Independent, Non-Executive Directors who do not have any management and business relationships with the Company or any substantial shareholder of the Company. None of the AC members were previous partners or directors of the Company's external audit firm within the last twelve months and none of the AC members hold any financial interest in the external audit firm.</p> <p>The AC is guided by the following key terms of reference:</p> <p>(a) reviewing the significant financial reporting issues and judgements to ensure the integrity of the financial statements of the Company and any formal announcements relating to the Group's financial performance;</p> <p>(b) considering the appointment, re-appointment or removal of the external auditors, the level of their remuneration and matters relating to resignation or removal of the external auditors, and reviewing with the external auditors the audit plans, their evaluation of the system of internal accounting controls, their audit reports, their management letter and the Company's management's response before submission of the results of such review to the Board for approval;</p> <p>(c) considering the appointment, re-appointment or removal of the internal auditors, the level of their remuneration and matters relating to resignation or removal of the internal auditors, and reviewing with the internal auditors the internal audit plans and their evaluation of the adequacy of the Company's system of internal accounting controls and accounting system before submission of the results of such review to the Board for approval prior to the incorporation of such results in the Company's annual report (where necessary);</p> <p>(d) reviewing the system of internal accounting controls and procedures established by management and discussing problems and concerns, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss (in the absence of management where necessary);</p> <p>(e) overseeing the development of the Company's risk framework to manage the current risk exposures and future risk strategy of the Company;</p> <p>(f) reviewing the annual and half yearly financial statements and results announcements, where applicable, before submission to the Board for approval, focusing in particular, on changes in accounting policies and practices, major areas of judgement, significant adjustments resulting from the audit, the going concern statement, compliance with accounting standards as well as compliance with any stock exchange and statutory/ regulatory requirements;</p>

# CORPORATE GOVERNANCE

Provision	Code and/or Provision Description	Company's Compliance or Explanation															
		<p>(g) reviewing the effectiveness and adequacy of the Company's administrative, operating, internal accounting, financial control procedures and risk management system;</p> <p>(h) reviewing the scope and results of the external and internal audit, and the independence and objectivity of the external and internal auditors;</p> <p>(i) reviewing the assurance from the CEO and CFO on the financial records and financial statements; and</p> <p>(j) reviewing whistleblowing reports by which the staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting and to ensure that arrangements are in place for the independent investigations of such matter and for appropriate follow-up.</p>															
	Does the Company have a whistleblowing policy?	<p>Yes. The Company's staff and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters by submitting a whistle blowing report to the following Independent Directors:</p> <table border="1"> <thead> <tr> <th>Name</th> <th>Email Address</th> </tr> </thead> <tbody> <tr> <td>Sho Kian Hin</td> <td>eshokh88@yahoo.com</td> </tr> <tr> <td>Ng Boon Eng</td> <td>booneng.ng@cicf.com.sg</td> </tr> <tr> <td>Ng Fook Ai Victor</td> <td>victor@nextrevolutionnow.com</td> </tr> </tbody> </table> <p>The AC, upon receipt of complaints or allegations from any employee, determines if an investigation is necessary. If an investigation should be carried out, it will direct an independent investigation to be conducted on the complaint received. The independent investigation has a well-defined process which ensures independent investigation of issues/concerns raised and appropriate follow-up action and provides assurance that employees will be protected from reprisal within the limits of the law or victimisation for whistle blowing in good faith. Anonymous reporting will also be attended to, and anonymity honoured.</p> <p>The whistle blowing policy and procedures are reviewed by the AC from time to time to ensure that they remain relevant.</p> <p>The AC reports to the Board on such matters at the Board meetings. Should the AC receive reports relating to serious offences and/or criminal activities in the Group, the AC and the Board have access to the appropriate external advice where necessary. Where appropriate or required, a report will be made to the relevant government authorities for further investigation or action.</p> <p>In FY2022, there were no whistle-blowing reports received by the whistle-blowing committee.</p>	Name	Email Address	Sho Kian Hin	eshokh88@yahoo.com	Ng Boon Eng	booneng.ng@cicf.com.sg	Ng Fook Ai Victor	victor@nextrevolutionnow.com							
Name	Email Address																
Sho Kian Hin	eshokh88@yahoo.com																
Ng Boon Eng	booneng.ng@cicf.com.sg																
Ng Fook Ai Victor	victor@nextrevolutionnow.com																
Catalist Rules 1204 (6)(a) and 1204(6)(b)	Has the AC reviewed the independence of the EA?	<p>The AC has reviewed the non-audit services provided by the EA and is satisfied that the nature and extent of such services would not prejudice the independence of the EA, and has recommended the re-appointment of the EA at the forthcoming AGM.</p>															
	(a) Please provide a breakdown of the fees paid in total to the EA for audit and non-audit services for the financial year.	<table border="1"> <thead> <tr> <th colspan="3"><b>Table 10.1 – Fees Paid/Payable to the EA for FY2022</b></th> </tr> <tr> <th></th> <th><b>S\$'000</b></th> <th><b>% of total</b></th> </tr> </thead> <tbody> <tr> <td><b>Audit fees</b></td> <td>156</td> <td>100</td> </tr> <tr> <td><b>Non-audit fees</b></td> <td>-</td> <td>-</td> </tr> <tr> <td><b>Total</b></td> <td><b>156</b></td> <td><b>100</b></td> </tr> </tbody> </table>	<b>Table 10.1 – Fees Paid/Payable to the EA for FY2022</b>				<b>S\$'000</b>	<b>% of total</b>	<b>Audit fees</b>	156	100	<b>Non-audit fees</b>	-	-	<b>Total</b>	<b>156</b>	<b>100</b>
<b>Table 10.1 – Fees Paid/Payable to the EA for FY2022</b>																	
	<b>S\$'000</b>	<b>% of total</b>															
<b>Audit fees</b>	156	100															
<b>Non-audit fees</b>	-	-															
<b>Total</b>	<b>156</b>	<b>100</b>															
	(b) If the EA have supplied a substantial volume of non-audit services to the Company, please state the bases for the AC's view on the independence of the EA.	<p>The Audit Committee is satisfied with the independence and objectivity of the external auditors and has recommended to the Board of Directors that the auditors, Moore Stephens LLP, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.</p>															

# CORPORATE GOVERNANCE

Provision	Code and/or Provision Description	Company's Compliance or Explanation
10.2	Qualification of the AC members	<p>Yes. The Board considers Mr Sho Kian Hin, who has extensive and practical accounting and financial management knowledge and experience, well qualified to chair the AC. Mr Ng Boon Eng and Mr Ng Fook Ai Victor of the AC are also well versed in financial management.</p> <p>Further details on the key information and profile of the AC members, including academic and professional qualifications, are presented under the Director's Profile section of this Annual Report.</p> <p>The members of the AC collectively have many years of strong accounting and related financial management expertise and experience and are appropriately qualified to discharge their responsibilities.</p>
10.3	Exclusion from membership of AC	None of the AC members are a former partner or director of the Company's existing auditing firm or audit corporation within the last two years and none of the AC members hold any financial interest in the external audit firm.
10.4	Please provide details of the Company's internal audit function, if any.  Catalist Rules 719(3) and 1204(10C)	<p>The Company's internal audit function is outsourced to BDO LLP that reports directly to the AC Chairman and administratively to the CEO and CFO. The AC is responsible for the hiring, removal, evaluation and compensation of the accounting or auditing firm or corporation which the internal audit function of the Company is outsourced to. The AC is satisfied that internal auditor is able to discharge its duties effectively as the internal auditor:</p> <ul style="list-style-type: none"> <li>• is independent, given that the internal auditor reports directly to the AC and not to the management of the Company;</li> <li>• has the appropriate standing in the Company, given, inter alia, its involvement in certain AC meetings and its unfettered access to all the Group's documents, records, properties and personnel, including direct access to the AC, which allows the internal auditors to be effective in their audit of the Group's internal controls;</li> <li>• is adequately qualified, given that the partner and staff assigned to the internal audit of the Company are members of the Institute of Internal Auditors and it adheres to the Standards for the Professional Practice of Internal Auditing laid down in the International Professional Practices Framework issued by the Institute of Internal Auditors; and</li> <li>• is adequately resourced as there is a team of between 2 to 5 members assigned to the Company's internal audit, led by Willy Leow who has more than 15 years of diverse audit experience.</li> </ul> <p>Pursuant to the requirement under Rule 711B(3) of the Catalist Rules for the Group's sustainability reporting to be subject to internal review, the Company has expanded the Internal Audit function to include the review and coverage of material ESG areas in the annual internal audit plan. The Board will continue to monitor and assess if external assurance is required for the subsequent sustainability reports.</p>
10.5	Has the AC met with the External and Internal Auditors in the absence of key management personnel?	Yes, the AC has met with the IA and the EA once in the absence of key management personnel in FY2022.
<b>SHAREHOLDER RIGHTS AND RESPONSIBILITIES</b>		
<b>Shareholder Rights and Conduct of General Meetings</b>		
11.1	Shareholders' Participation at General Meetings  Appointment of Proxies	<p>Shareholders are encouraged to attend the general meetings to ensure a greater level of shareholders' participation and for them to be kept up to date with the strategies and goals of the Group. All shareholders of the Company receive a copy of the Annual Report, the notice of AGM, circular and notice pertaining to any extraordinary general meetings of the Company.</p> <p>To facilitate participation by the shareholders, the Constitution allows the shareholders to attend and vote at general meetings of the Company or to appoint not more than two proxies, other than a relevant intermediary (as defined in section 181(6) of the Companies Act) to attend and vote on their behalf. A relevant intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the general meetings.</p>
11.2	Bundling of Resolutions	Separate resolutions on each distinct issue are requisite unless they are closely related and are more appropriately tabled together. Reasons, and implications of why resolutions are bundled will be set out in the circulars sent out.

# CORPORATE GOVERNANCE

Provision	Code and/or Provision Description	Company's Compliance or Explanation
11.3	Directors' Attendance	<p>At all general meetings, all Directors (including the respective chairman of the Board Committee) are present to attend and to answer queries from shareholders. Shareholders are given the opportunity at the general meetings of the Company to air their views and query the Directors and the Management on matters relating to the Group and its operations. The EA is also required to be present to address shareholders' queries about the conduct of audit and the preparation and content of the independent auditor's report.</p> <p>All the Directors and the EA attended the AGM for the financial year ended 31 December 2021 held on 29 April 2022.</p> <p>The Company views the AGM as a principal forum of dialogue and interaction with all shareholders. The Company will consider the use of other forums set out in the Code as and when such needs arise.</p>
11.4	Absentia Voting	<p>Voting in absentia such as voting via mails, electronic mails or facsimile at the general meetings may only be possible following careful study to ensure that integrity of the information and authentication of the identity of shareholders through the web is not compromised.</p>
11.5	Publication of Minutes	<p>The Company prepares minutes of general meetings which include substantial and relevant comments and queries from shareholders relating to the agenda of the general meetings together with responses from the Board and Management.</p> <p>For the general meetings held during FY2022, all minutes of such meetings were announced on the Company's corporate website and SGXNET. The minutes to the Company's upcoming AGM will be published on SGXNET and the Company's corporate website within one month after the AGM.</p>
11.6	Does the Company have a dividend policy?	<p>The Company does not have a fixed dividend policy. Nonetheless, key management personnel will review, <i>inter alia</i>, the Group's performance in the relevant financial period, projected capital needs and working capital requirements and make appropriate recommendations to the Board on dividend declaration.</p>
	Is the Company paying dividends for the financial year? If not, please explain why.	<p>The Board has not declared or recommended any dividends for FY2022 as the Company was not profitable and intends to retain all available funds for working capital requirements.</p>
<b>Engagement with Shareholders</b>		
12.1 12.2 12.3	Please disclose if the Company has an investor policy in place.	<p>In line with continuous disclosure obligations, the Company is committed to provide regular and proactive communication with its shareholders but considers advice from its corporate lawyers and professionals on appropriate disclosure requirements before announcing material information to shareholders.</p> <p>All announcements are released via SGXNET including the quarterly/half yearly and full year financial results, distribution of notices, press releases and other major developments. Price sensitive information to shareholders is publicly released on an immediate basis where required under the Catalyst Rules. All shareholders will receive the annual report which is made available on the SGXNET.</p> <p>The Company solicits feedback from and addresses the concerns of shareholders via the following:</p> <ul style="list-style-type: none"> <li>• an investor relations contact whose contact details can be found on the Investor Relations page of the Company's website, <a href="https://quantumhealthcare.com.sg/investor/">https://quantumhealthcare.com.sg/investor/</a>;</li> <li>• media publications; and</li> <li>• investor/analyst briefings.</li> </ul> <p>The Company's investor relations website at <a href="https://www.quantumhealthcare.com.sg/company-reports/">https://www.quantumhealthcare.com.sg/company-reports/</a>, is a key resource of information for the investment community. It contains comprehensive information on the Company, including annual reports, past financial results, shares and dividend information.</p>
	(a) Does the Company regularly communicate with shareholders and attend to their questions? How often does the Company meet with institutional and retail investors?	<p>The Company strives to communicate regularly with its shareholders and meets shareholders, investors and media who wish to seek a better understanding of the Group's operations as and when necessary and appropriate.</p>

# CORPORATE GOVERNANCE

Provision	Code and/or Provision Description	Company's Compliance or Explanation
	(b) Is this done by a dedicated investor relations team (or equivalent)? If not, who performs this role?	The Company does not have an internal investor relations team. The Company's CEO and CFO performs the role of investor relations.
	(c) How does the Company keep shareholders informed of corporate developments, apart from SGXNET announcements and the annual report?	Apart from the SGXNET announcements and its annual report, the Company updates shareholders on its corporate developments through its corporate website and its investor relations webpage at <a href="http://www.quantumhealthcare.com.sg">www.quantumhealthcare.com.sg</a> .

## MANAGING STAKEHOLDERS RELATIONSHIP

### Engagement with Stakeholders

13.1 13.2 13.3		<p>The Company undertakes an annual review in identifying its material stakeholders through various medium and channels to understand their needs and expectations, and to address their concerns so as to improve product standards, as well as to align the business interest with those of the stakeholders and ultimately to generate sustainable value in the long-run. It assesses the material environmental, social and governance factors that affects the Group.</p> <p>Please refer to the Company's latest sustainability report set out on pages 12 to 27 of this Annual Report for the assessment process and how such relationships with stakeholders are managed.</p>
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## COMPLIANCE WITH APPLICABLE CATALIST RULES

Catalist Rule	Rule Description	Company's Compliance or Explanation
712, 715	Appointment of Auditors	The Company confirms its compliance to the Catalist Rules 712 and 715.
1204(8)	Material Contracts	There were no material contracts entered into by the Group involving the interest of the CEO, any Director, or controlling shareholder, which are either still subsisting at the end of FY2022 or if not then subsisting, entered into since the end of the previous financial year.
1204(10)	Confirmation of adequacy of internal controls	<p>The Board and the AC are of the opinion that the internal controls are adequate to address the financial, operational and compliance and information technology risks which the Group considers relevant and material to its current business scope and environment for FY2022 based on the following:</p> <ul style="list-style-type: none"> <li>internal controls and the risk management system established by the Company;</li> <li>work performed by the internal and external auditors;</li> <li>assurances from the CEO and CFO; and</li> <li>reviews done by the various Board Committees and key management personnel.</li> </ul>
1204(17)	Interested Persons Transaction ("IPT")	<p>The Group has procedures governing all IPTs to ensure that they are properly documented and reported on a timely manner to the AC and that they are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders.</p> <p>In FY2022, there were no other interested person transactions which were S\$100,000 and above entered into during the current financial period reported on.</p>
1204(19)	Dealing in Securities	<p>The Company has adopted an internal policy which prohibits the Directors and officers from dealing in the securities of the Company while in possession of price-sensitive information.</p> <p>The Company, its Directors and officers are also discouraged from dealing in the Company's securities on short term considerations and are prohibited from dealing in the Company's securities during the period beginning two weeks before the announcement of the Company's quarterly financial statements and one month before the announcement of the Company's full-year financial statements respectively, and ending on the date of the announcement of the relevant results.</p>
1204(21)	Non-sponsor fees	The total amount of non-sponsor fees paid to the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd for FY2022 was S\$50,000.

# CORPORATE GOVERNANCE

Catalist Rule	Rule Description	Company's Compliance or Explanation																																			
1204(22)	Use of Proceeds	<p><b>Share subscription</b></p> <p>On 25 May 2021, the Company announced that it had entered into a subscription agreement with three investors to subscribe for an aggregate of 4,055,555,556 new shares in the capital of the Company at an issue price of S\$0.0018 per share amounting to a total cash consideration of S\$7.3 million ("<b>January 2022 Subscription Gross Proceeds</b>") subject to the satisfaction of the terms and conditions in the subscription agreement. On 13 January 2022, the Company announced the completion of the proposed share subscription.</p> <p>As at the date of this annual report, the utilisation of the gross proceeds are as follows :</p> <table border="1"> <thead> <tr> <th></th> <th>Allocation of January 2022 Subscription Gross Proceeds S\$'000</th> <th>Re-allocation amount<sup>(2)</sup> S\$'000</th> <th>Amount utilised S\$'000</th> <th>Balance S\$'000</th> </tr> </thead> <tbody> <tr> <td>General working capital purposes<sup>(1)</sup></td> <td>4,300</td> <td>(1,233)</td> <td>(3,067)*</td> <td>-</td> </tr> <tr> <td>Partial payment to Dr Jimmy Gian for the first instalment of the Earn-Out Amount in relation to the Proposed Acquisition<sup>(2)</sup></td> <td>-</td> <td>1,233</td> <td>(1,233)</td> <td>-</td> </tr> <tr> <td>Partial financing of the acquisition of dental group</td> <td>3,000</td> <td>-</td> <td>(3,000)</td> <td>-</td> </tr> <tr> <td><b>Total</b></td> <td><b>7,300</b></td> <td><b>-</b></td> <td><b>(7,300)</b></td> <td><b>-</b></td> </tr> </tbody> </table> <p>*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 Company's circular dated 24 December 2021.</p> <p>(1) A breakdown on the January 2022 Subscription Gross Proceeds utilised for general working capital purposes is as follows:</p> <table border="1"> <thead> <tr> <th></th> <th>Balance S\$'000</th> </tr> </thead> <tbody> <tr> <td>Payment of salaries and wages</td> <td>654</td> </tr> <tr> <td>Payment to suppliers</td> <td>1,653</td> </tr> <tr> <td>Repayment of loan</td> <td>760</td> </tr> <tr> <td><b>Total</b></td> <td><b>3,067</b></td> </tr> </tbody> </table>		Allocation of January 2022 Subscription Gross Proceeds S\$'000	Re-allocation amount <sup>(2)</sup> S\$'000	Amount utilised S\$'000	Balance S\$'000	General working capital purposes <sup>(1)</sup>	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 <sup>(2)</sup>	-	1,233	(1,233)	-	Partial financing of the acquisition of dental group	3,000	-	(3,000)	-	<b>Total</b>	<b>7,300</b>	<b>-</b>	<b>(7,300)</b>	<b>-</b>		Balance S\$'000	Payment of salaries and wages	654	Payment to suppliers	1,653	Repayment of loan	760	<b>Total</b>	<b>3,067</b>
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# CORPORATE GOVERNANCE

Catalist Rule	Rule Description	Company's Compliance or Explanation																				
1204(22)	Use of Proceeds	<p><b>Share Placement</b></p> <p>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 shall take place on 29 March 2023.</p> <p>As at the date of this annual report, the utilisation of the net proceeds from the placement of S\$1.9 million ("<b>March 2023 Placement Net Proceeds</b>") are as follow:</p> <table border="0" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th style="text-align: right;"><b>Allocation of March 2023 Placement Net Proceeds S\$'000</b></th> <th style="text-align: right;"><b>Amount utilised S\$'000</b></th> <th style="text-align: right;"><b>Balance S\$'000</b></th> </tr> </thead> <tbody> <tr> <td>General working capital purposes <sup>(1)</sup></td> <td style="text-align: right;">1,920*</td> <td style="text-align: right;">675</td> <td style="text-align: right;">1,245</td> </tr> </tbody> </table> <p>*excluding expenses of approximately S\$80,000 (including listing and application fees, the placement commission payable to the Placement Agent, professional fees and other miscellaneous expenses).</p> <p>A breakdown on the March 2023 Placement Net Proceeds utilised for general working capital purposes is as follows:</p> <table border="0" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th style="text-align: right;"><b>S\$'000</b></th> </tr> </thead> <tbody> <tr> <td>Payment of salaries and wages</td> <td style="text-align: right;">148</td> </tr> <tr> <td>Payment to professional fees</td> <td style="text-align: right;">305</td> </tr> <tr> <td>Repayment of loan</td> <td style="text-align: right;">157</td> </tr> <tr> <td>Operating costs</td> <td style="text-align: right;">65</td> </tr> <tr> <td><b>Total</b></td> <td style="text-align: right;"><b>675</b></td> </tr> </tbody> </table> <p>The above utilisation is in accordance with the intended use of proceeds as stated in the Company's circular dated 11 March 2023. The Company will continue to make periodic announcements via SGXNET on the utilisation of the balance of the March 2023 Placement Net Proceeds as and when such proceeds are materially disbursed.</p>		<b>Allocation of March 2023 Placement Net Proceeds S\$'000</b>	<b>Amount utilised S\$'000</b>	<b>Balance S\$'000</b>	General working capital purposes <sup>(1)</sup>	1,920*	675	1,245		<b>S\$'000</b>	Payment of salaries and wages	148	Payment to professional fees	305	Repayment of loan	157	Operating costs	65	<b>Total</b>	<b>675</b>
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Practice Note 7F	Update on Sustainability Report	<p>The Group recognises the importance of sustainability that creates long-term value to our stakeholders by embracing opportunities and managing risks derived from social developments and governance. The Group is committed towards implementing sustainable practices in order to achieve the right balance between the needs of the wider community and the requirements of stakeholders and business growth.</p> <p>The Company's sixth sustainability report has been prepared in accordance with the Global Reporting Initiative Standards and in line with the requirements of the Catalist Rules on sustainability reporting. The report will highlight the key factors such as product quality, business ethics and regulatory compliance. The Company's Sustainability Report is set out on pages 12 to 27 of this Annual Report.</p>																				

# DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

The directors present their statement to the members of Quantum Healthcare Limited (the "Company") together with the audited consolidated financial statements of the Company and its subsidiaries (collectively, the "Group") for the financial year ended 31 December 2022 and the statement of financial position of the Company as at 31 December 2022.

In the opinion of the directors:

- (a) the consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2022 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year then ended; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Group and the Company will be able to pay the debts as and when they fall due. The financial statements have been prepared on a going concern basis, after taking into consideration the factors as disclosed in Note 3(b) to the financial statements.

## 1 Directors

The directors of the Company in office at the date of this statement are:

Ng Fook Ai Victor	Independent Director and Chairman of the Board (Appointed on 30 May 2022)
Thomas Tan Gim Chua	Executive Director and Chief Executive Officer (Appointed on 30 May 2022)
Sho Kian Hin	Independent Director (Appointed on 30 May 2022)
Ng Boon Eng	Independent Director (Appointed on 30 May 2022)

## 2 Arrangements to Enable Directors to Acquire Shares or Debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other corporate body, except as disclosed in Note 4 of this statement.

# DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 3 Directors' Interests in Shares or Debentures

According to the register of directors' shareholdings kept by the Company under section 164 of the Singapore Companies Act 1967 (the "Act"), the directors of the Company who held office at the end of the financial year had no interests in the shares or debentures of the Company and its related corporations except as stated below.

Name of directors	Direct interest		Deemed interest	
	At the date of incorporation* /date of appointment	At the end of the year	At the beginning of the year	At the end of the year
<b>The Company</b>				
<i>Number of ordinary shares</i>				
Ng Fook Ai Victor	–	2,000,000	–	–
Thomas Tan Gim Chua	–	1,671,296,804	–	27,424,658**
Sho Kian Hin	–	60	–	–

\* The Company was incorporated on 30 May 2022.

\*\* Thomas Tan Gim Chua is deemed to be interested in 27,424,658 shares ("the shares") held in Emerald Apex Pte. Ltd. and MDIE Pte. Ltd. pursuant to Section 7 of Companies Act 1967, as he has entered into an sale and purchase agreement with Emerald Apex Pte. Ltd. and MDIE Pte. Ltd. to purchase the shares. The shares have yet to be transferred pending payment and processing of the transfer.

There was no change in any of the above-mentioned interests between the end of the financial year and 21 January 2023.

Except as disclosed in this statement, no directors who held office at the end of the financial year had interests in shares or debentures of the Company and its related corporations, either at the beginning of the financial year, or at the date of appointment, if later, or at the end of the financial year.

## 4 Share Options and Share Awards

### Share option programme

In September 2005 ("2005 Stock Plan"), November 2010 ("2010 Stock Plan") and September 2013 ("2013 Stock Plan"), QT Vascular Ltd. ("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 as disclosed in Note 3(a) to the financial statements, 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.

# DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 4 Share Options and Share Awards (cont'd)

### Share option programme (cont'd)

As at 31 December 2022, the Option Schemes have 21 Optionholders with 12,186,536 outstanding Options, the details of which are set out in Note 26 to the financial statements.

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

As at 31 December 2022, no directors who held office at the end of the financial year have outstanding 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 as disclosed in Note 3(a) to the financial statements, 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 reference to shares of the Company.

As at 31 December 2022, the Award Scheme has 6 share awards holders with an aggregate of 1,241,544 outstanding Awards the details of which are set out in Note 26 to the financial statements. The Company does not intend to grant additional Awards under the Award Scheme.

As at 31 December 2022, other than Sho Kian Hin who has 331,631 outstanding Awards, no directors who held office at the end of the financial year have outstanding Awards under the Award Scheme.

Except as disclosed above,

### Options Granted

During the financial year, there were no share options granted to subscribe for unissued shares of the Company or any corporation in the Group.

### Options Exercised

During the financial year, there were no shares issued by virtue of the exercise of options to take up unissued shares of the Company or any corporation in the Group.

### Options Outstanding

As at the end of the financial year, there were no unissued shares of the Company or any corporation in the Group under option.

# DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 5 Audit Committee

The Audit Committee ("AC") comprises the following independent directors at the date of this statement:

Sho Kian Hin (Chairman)  
Ng Boon Eng  
Ng Fook Ai Victor

The AC carried out its functions in accordance with Section 201B(5) of the Act, the SGX-ST Listing Manual and the Code of Corporate Governance and assists the Board of Directors of the Company (the "Board") in the execution of its corporate governance responsibilities within its established terms of reference.

The duties of the AC, amongst other things, include:

- (a) review the audit plans of the internal and external auditors of the Company, and review the internal auditors' evaluation of the adequacy of the Group's/Company's system of internal accounting controls and the assistance given by the Group's/Company's management to the external and internal auditors;
- (b) review the quarterly announcement of financial statements and annual financial statements and the auditors' report on the annual consolidated financial statements of the Company and its subsidiaries before their submission to the Board;
- (c) review the effectiveness of the Group's/Company's material internal controls, including financial, operational, compliance and information technology controls and risk management via reviews carried out by the internal auditors;
- (d) meet with the external and internal auditors, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC;
- (e) review legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programs and any reports received from regulators;
- (f) review the cost effectiveness and the independence and objectivity of the external auditors;
- (g) review the nature and extent of non-audit services provided by the external auditors;
- (h) recommend to the Board the external auditors to be nominated, approve the compensation of the external auditors and review the scope and results of the audit;
- (i) report actions and minutes of the AC to the Board with such recommendations as the AC considers appropriate;
- (j) review interested person transactions in accordance with the requirements of the SGX-ST Listing Manual; and
- (k) undertake such other functions and duties as may be agreed to by the AC and the Board.

# DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 5 **Audit Committee** (cont'd)

The AC is satisfied with the independence and objectivity of the external auditors and has recommended to the Board of Directors that the auditors, Moore Stephens LLP, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

Further details regarding the AC are disclosed in the Report on Corporate Governance included in the Company's Annual Report.

## 6 **Independent Auditors**

The independent auditors, Moore Stephens LLP, have expressed their willingness to accept re-appointment as auditors.

On behalf of the Board of Directors

.....  
Ng Fook Ai Victor  
Director

.....  
Thomas Tan Gim Chua  
Director

Singapore  
12 April 2023

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF QUANTUM HEALTHCARE LIMITED (INCORPORATED IN SINGAPORE)

## Report on the Audit of the Financial Statements

### *Disclaimer of Opinion*

We were engaged to audit the financial statements of Quantum Healthcare Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2022, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

We do not express an opinion on the consolidated financial statements of the Group and the statement of financial position of the Company. Because of the significance of the matters described in the "Basis for Disclaimer of Opinion" section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

### *Basis for Disclaimer of Opinion*

#### Consolidation of Trireme Medical LLC ("TriReme")

As disclosed in Note 14(a) to the financial statements, there was a purported dilution in the Group's interest in TriReme during the financial year ended 31 December 2022. Management is seeking more clarification from TriReme, and pending resolution, has reserved the Company rights to dispute the said dilution. Notwithstanding the unresolved dispute, 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, unaudited management accounts of TriReme have been used for this purpose.

We were unable to obtain sufficient appropriate evidence concerning the veracity of the aforesaid dilution in the Group's interest in TriReme. Consequently, we were 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.

Further, as we were unable to access the accounting records of Trireme, we were unable to perform audit procedures, or alternative procedures, as auditors of the Company on the unaudited management accounts 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.

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

#### Going Concern Assumption

We draw attention to Note 3(b) to the financial statements, which indicates that, for the financial year ended 31 December 2022, the Group incurred a net loss and a total comprehensive loss of S\$8,633,000 and S\$8,153,000 (2021: S\$5,309,000 and S\$4,968,000), respectively, and has net cash flows used in operating activities of S\$1,203,000 (2021: S\$1,304,000). As at 31 December 2022, the Group's current liabilities exceeded its current assets by S\$1,447,000 (2021: S\$2,824,000) and the Company's current liabilities exceeded its current assets by S\$6,355,000, and the Group and Company have a deficit in shareholders' equity of S\$1,920,000 (2021: S\$2,548,000) and S\$1,345,000 respectively, as at that date.

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF QUANTUM HEALTHCARE LIMITED (INCORPORATED IN SINGAPORE)

## *Basis for Disclaimer of Opinion (cont'd)*

### Going Concern Assumption (cont'd)

The above conditions may cast a significant doubt on the ability of 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.

Notwithstanding the above, the financial statements have been prepared on a going concern basis after taking into consideration the factors as disclosed in Note 3(b) to the financial statements. However, the validity of the going concern assumption used in the preparation of the financial statements is dependent on certain assumptions that are premised on future events, the outcome of which is inherently uncertain, and the successful outcome of the Group's various efforts as disclosed in Note 3(b) to the financial statements. Consequently, we were unable to conclude on the appropriateness of the going concern assumption used in the preparation of the financial statements.

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.

## *Responsibilities of Management and Directors for the Financial Statements*

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s"), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from authorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

## *Auditor's Responsibilities for the Audit of the Financial Statements*

Our responsibility is to conduct an audit of the Group's financial statements in accordance with Singapore Standards on Auditing and to issue an auditor's report. However, because of the matters described in the "Basis for Disclaimer of Opinion" section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF QUANTUM HEALTHCARE LIMITED (INCORPORATED IN SINGAPORE)

## Report on Other Legal and Regulatory Requirements

In view of the significant of the matter referred to in the "*Basis for Disclaimer of Opinion*" section of our report, we do not express an opinion on whether the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Mr Ng Chiou Gee Willy.

## Moore Stephens LLP

Public Accountants and  
Chartered Accountants

Singapore  
12 April 2023

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	Group	
		2022 S\$'000	2021 S\$'000 (Restated)
<b>Revenue</b>	5	9,368	–
Cost of sales		(5,019)	–
Gross profit		4,349	–
Administrative expenses		(7,232)	(3,260)
Research and development expenses		(743)	–
Other income	6	207	566
Other expenses		–	(570)
Impairment loss on goodwill	12	(4,625)	–
Impairment loss on intangible assets		–	(1,973)
Finance costs	7	(472)	(72)
<b>(Loss) before income tax</b>		(8,516)	(5,309)
Income tax	8	(117)	–
<b>(Loss) for the year</b>	9	(8,633)	(5,309)
<b>Other comprehensive income, net of tax:</b>			
<i>Items that will be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation		480	341
<b>Total comprehensive (loss) for the year</b>		(8,153)	(4,968)
<b>(Loss) for the year attributable to:</b>			
Owners of the Company		(8,541)	(5,277)
Non-controlling interests		(92)	(32)
		(8,633)	(5,309)
<b>Total comprehensive (loss) for the year attributable to:</b>			
Owners of the Company		(8,061)	(4,936)
Non-controlling interests		(92)	(32)
		(8,153)	(4,968)
<b>Loss per share:</b>			
Basic and Diluted (cents per share)	10	(0.13)	(0.23)

The accompanying notes form an integral part of these financial statements

# STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Note	Group			Company
		2022 S\$'000	2021 S\$'000 (Restated)	1.1.2021 S\$'000 (Restated)	2022 S\$'000
<b>ASSETS</b>					
<b>Non-current Assets</b>					
Plant and equipment	11	827	–	–	–
Goodwill	12	4,120	–	–	–
Intangible assets	13	688	–	1,973	–
Investment in subsidiaries	14	–	–	–	7,573
Other investment	15	–	–	344	–
Right-of-use assets	22	2,295	493	55	–
Other non-current assets	16	45	49	127	–
		<u>7,975</u>	<u>542</u>	<u>2,499</u>	<u>7,573</u>
<b>Current Assets</b>					
Inventories	17	32	–	–	–
Trade and other receivables	18	1,707	30	792	7
Cash and bank balances	19	5,195	344	1,307	1,062
		<u>6,934</u>	<u>374</u>	<u>2,099</u>	<u>1,069</u>
<b>Total Assets</b>		<u>14,909</u>	<u>916</u>	<u>4,598</u>	<u>8,642</u>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Share capital	20(a)	234,230	235,188	233,371	234,230
Reserves	20(b)	8,690	4,790	5,210	(228,714)
Accumulated losses		(244,840)	(242,526)	(237,565)	(6,861)
<b>Equity attributable to owners of the Company</b>		<u>(1,920)</u>	<u>(2,548)</u>	<u>1,016</u>	<u>(1,345)</u>
Non-controlling interests	14(g)	292	(43)	–	–
<b>Total equity</b>		<u>(1,628)</u>	<u>(2,591)</u>	<u>1,016</u>	<u>(1,345)</u>
<b>Non-current Liabilities</b>					
Deferred tax liabilities	25	61	–	–	–
Lease liabilities	22	1,294	309	–	–
Loans and borrowings	23	4,238	–	–	–
Amount due to a non-controlling interest	24	2,563	–	–	2,563
		<u>8,156</u>	<u>309</u>	<u>–</u>	<u>2,563</u>
<b>Current Liabilities</b>					
Lease liabilities	22	1,001	203	61	–
Loans and borrowings	23	1,309	485	1,348	–
Amount due to a non-controlling interest	24	1,383	–	–	1,383
Trade and other payables	21(a)	4,477	2,510	2,173	6,041
Provision for reinstatement costs	21(b)	155	–	–	–
Provision for income tax		56	–	–	–
		<u>8,381</u>	<u>3,198</u>	<u>3,582</u>	<u>7,424</u>
<b>Total liabilities</b>		<u>16,537</u>	<u>3,507</u>	<u>3,582</u>	<u>9,987</u>
<b>Total equity and liabilities</b>		<u>14,909</u>	<u>916</u>	<u>4,598</u>	<u>8,642</u>

The accompanying notes form an integral part of these financial statements

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Ordinary shares S\$'000	Merger 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
<b>Group</b>									
<b>At 31 December 2021</b>	235,188	(1,866)	(104)	(4,831)	11,591	(242,526)	(2,548)	(43)	(2,591)
Effect of change in presentation currency	(9,647)	-	6	3,327	87	6,227	-	-	-
<b>At 1 January 2022 (Restated)</b>	225,541	(1,866)	(98)	(1,504)	11,678	(236,299)	(2,548)	(43)	(2,591)
(Loss) for the year	-	-	-	-	-	(8,541)	(8,541)	(92)	(8,633)
Other comprehensive income:									
Exchange translation differences	-	-	-	480	-	-	480	-	480
Total comprehensive income/(loss) for the year	-	-	-	480	-	(8,541)	(8,061)	(92)	(8,153)
Shares issued pursuant to share placement (Note 20(a))	7,300	-	-	-	-	-	7,300	-	7,300
Shares issued pursuant to acquisition (Note 20(a))	1,389	-	-	-	-	-	1,389	-	1,389
Acquisition of partial interest in a subsidiary (Note 14(b))	-	-	-	-	-	-	-	427	427
<b>At 31 December 2022</b>	234,230	(1,866)	(98)	(1,024)	11,678	(244,840)	(1,920)	292	(1,628)

The accompanying notes form an integral part of these financial statements

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Ordinary shares S\$'000	Merger 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
<b>Group</b>									
<b>At 1 January 2021</b> (Restated)	233,371	(1,866)	(104)	(5,172)	12,352	(237,565)	1,016	–	1,016
(Loss) for the year	–	–	–	–	–	(5,277)	(5,277)	(32)	(5,309)
Other comprehensive income:									
Exchange translation differences	–	–	–	341	–	–	341	–	341
Total comprehensive income/(loss) for the year	–	–	–	341	–	(5,277)	(4,936)	(32)	(4,968)
Share-based payment transactions	–	–	–	–	(761)	–	(761)	–	(761)
Shares issued pursuant to exercise of share option	197	–	–	–	–	–	197	–	197
Shares issued pursuant to settlement of loans and payables	1,620	–	–	–	–	–	1,620	–	1,620
Partial disposal of interests in a subsidiary to non-controlling interests	–	–	–	–	–	316	316	(11)	305
<b>At 31 December 2021</b> (Restated)	235,188	(1,866)	(104)	(4,831)	11,591	(242,526)	(2,548)	(43)	(2,591)

The accompanying notes form an integral part of these financial statements

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

Note	Group	
	2022 S\$'000	2021 S\$'000 (Restated)
<b>Cash flows from operating activities</b>		
Loss before income tax	(8,516)	(5,309)
Adjustments for:		
Depreciation of plant and equipment	101	-
Depreciation of right-of-use assets	1,004	246
Amortisation of intangible assets	229	-
Impairment loss on goodwill	4,625	-
Impairment loss on intangible assets	-	1,973
Share-based payment expense	-	(760)
Loss on disposal of intangible assets	-	135
Written off of other investment	-	344
Interest expense	472	34
Unrealised foreign exchange (gain)/loss	(4)	38
Operating cash flows before changes in working capital	(2,089)	(3,299)
Changes in working capital:		
Inventories	(32)	-
Trade and other receivables	(475)	762
Other non-current assets	200	78
Trade and other payables	1,208	1,155
Cash used in operations	(1,188)	(1,304)
Income tax paid	(15)	-
<b>Net cash (used in) operating activities</b>	<b>(1,203)</b>	<b>(1,304)</b>
<b>Cash flows from investing activities</b>		
Acquisition of plant and equipment	(926)	-
Acquisition of subsidiaries, net of cash acquired	(2,726)	-
Acquisition of business, net of cash acquired	(1,257)	-
<b>Net cash (used in) investing activities</b>	<b>(4,909)</b>	<b>-</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of ordinary shares	7,300	-
Proceeds from issuance of shares due to exercise of share options	-	197
Proceeds from non-controlling interests	-	81
Proceeds from loans and borrowings	5,990	363
Repayment of loans and borrowings	(1,309)	(59)
Repayment of lease liabilities	(1,021)	(261)
<b>Net cash generated from financing activities</b>	<b>10,960</b>	<b>321</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>4,848</b>	<b>(983)</b>
<b>Cash and cash equivalents at the beginning of year</b>	<b>344</b>	<b>1,307</b>
Effect of exchange rate changes on cash and cash equivalents	3	20
<b>Cash and cash equivalents at the end of year</b>	<b>5,195</b>	<b>344</b>

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The accompanying notes form an integral part of these financial statements

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

The reconciliation of movements of the liabilities to cash flows arising from financing activities is presented below.

	Cash flows			Non-cash flows			31 December S\$'000
	1 January S\$'000	Proceeds S\$'000	Repayments S\$'000	Additions S\$'000	Interest expense S\$'000	Others S\$'000	
<b>Group</b>							
<u>2022</u>							
Loans and borrowings	485	5,990	(1,309)	250	131	–	5,547
Lease liabilities	512	–	(1,021)	2,665	135	4	2,295
<u>2021</u>							
Loans and borrowings	1,348	363	(59)	–	5	(1,172)	485
Lease liabilities	61	–	(261)	682	29	1	512

The accompanying notes form an integral part of these financial statements

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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 listed on the Catalist of the Singapore Exchange Securities Trading Limited (“SGX-ST”).

The address of the Company’s registered office is 8 Temasek Boulevard, #42 Suntec Tower Three, Singapore 038988 and the principal place of business is at 136 Joo Seng Road, #03-01, Singapore 368360.

The principal activities of the Company are those of investment holding. The principal activities of the subsidiaries are set out in Note 14.

The financial statements were approved by the directors of the Company and authorised for issue on the date of the Directors’ Statement.

## 2 Application of Singapore Financial Reporting Standards (International) (“SFRS(I)s”)

### (a) Adoption of New and Revised SFRS(I)s

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted the following revised standards that are relevant to the Group and are mandatorily effective for an accounting period that begins on or after 1 January 2022:

#### **Description**

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Amendments to SFRS(I) 3: *Reference to the Conceptual Framework*

Amendments to SFRS(I) 1-16: *Proceeds before Intended Use*

Amendments to SFRS(I) 1-37: *Onerous Contracts – Cost of Fulfilling a Contract*

Annual Improvements to SFRS(I)s 2018-2020: *Amendments to SFRS(I) 1, SFRS(I) 9, SFRS(I) 16*

Amendment to SFRS(I) 16: *COVID-19–Related Rent Concessions beyond 30 June 2021*

The adoption of the revised standards listed above did not result in substantial changes to the Group’s accounting policies and had no material effect on the amounts reported for the current or prior financial years.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 2 Application of Singapore Financial Reporting Standards (International) (“SFRS(I)s”) (cont’d)

### (b) New and Revised SFRS(I)s Issued but Not Yet Effective

At the date of authorisation of these financial statements, the Group has not applied the following revised standards that have been issued and are relevant to the Group but not yet effective:

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to SFRS(I) 1-8: <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to SFRS(I) 1-12: <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to SFRS(I) 1-1: <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to SFRS(I) 1-1: <i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to SFRS(I) 16: <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024

The directors of the Company expect that the adoption of the revised standards listed above will have no material impact on the financial statements of the Group in the period of initial application.

## 3 Significant Accounting Policies

### (a) Basis of Preparation

The consolidated financial statements of the Group and the statement of financial position of the Company have been prepared in accordance with the provisions of the Singapore Companies Act 1967 and SFRS(I)s. The financial statements have been prepared on the historical cost basis, except as disclosed in the accounting policies below.

#### Corporate restructuring

The Group completed a corporate restructuring exercise during the financial year through which the Company acquired all the issued and paid-up ordinary shares of QT Vascular Ltd. (referred to herein as “QTV”) through the issuance of ordinary shares in exchange for QTV’s ordinary shares. Consequently, the Company became the ultimate holding company of QTV and its subsidiaries (collectively, referred to herein as the “QTV Group”). The Group resulting from the corporate restructuring is regarded as a continuing entity throughout the current financial year ended 31 December 2022 and for the previous financial year ended 31 December 2021 as the shareholders and management of the Group remain the same as those of QTV Group.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 3 Significant Accounting Policies (cont'd)

### (a) Basis of Preparation (cont'd)

#### Change in presentation currency

During the current financial year ended 31 December 2022, because of a change in underlying transactions, events and conditions relevant to the Group following the completion of the acquisition of ADG Group as disclosed in Note 14(b), the Group changed the presentation currency of the consolidated financial statements from United States Dollar ("US\$") to Singapore Dollar ("S\$").

The change in presentation currency has been applied retrospectively with the comparative figures restated using the following rates:

- assets and liabilities of all corresponding figures presented (including the opening balance from the beginning of the earliest period presented) were translated at the closing rates at the respective year end;
- profit or loss items of all corresponding figures presented were translated at the average exchange rate for the financial year approximating the exchange rates at the date of transactions;
- equity items of all corresponding figures presented were translated at their respective historical rates of exchange; and
- all resulting exchange differences were recognised in other comprehensive income.

### (b) Going Concern Assumption

For the financial year ended 31 December 2022, the Group incurred a net loss and a total comprehensive loss of S\$8,633,000 and S\$8,153,000 (2021: S\$5,309,000 and S\$4,968,000), respectively, and has net cash flows used in operating activities of S\$1,203,000 (2021: S\$1,304,000). As at 31 December 2022, the Group's current liabilities exceeded its current assets by S\$1,447,000 (2021: S\$2,824,000) and the Company's current liabilities exceeded its current assets by S\$6,355,000, and the Group and Company have a deficit in shareholders' equity of S\$1,920,000 (2021: S\$2,548,000) and S\$1,345,000 respectively, as at that date.

The above conditions may cast a significant doubt on the ability of 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.

Notwithstanding the above, the directors of the Company believe that the use of the going concern assumption in the preparation and presentation of the financial statements for the financial year ended 31 December 2022 is appropriate after taking into account the following considerations:

- (i) 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;

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 3 Significant Accounting Policies (cont'd)

### (b) Going Concern Assumption (cont'd)

- (ii) 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;
- (iii) As disclosed in Note 32(a), 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;
- (iv) 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 dental clinics subsequent to the financial year end as disclosed in Note 32(b); and
- (v) 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 as disclosed in Notes 32(c) and 32(d).

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.

### (c) Group Accounting

#### Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

Goodwill on acquisitions of subsidiaries and businesses, represents the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previously-held equity interest in the acquiree over the fair value of the fair value of the investee's identifiable net assets acquired. Goodwill on acquisitions of subsidiaries is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment loss. Gains and losses on the disposal of subsidiaries, include the carrying amount of goodwill relating to the subsidiary sold.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 3 Significant Accounting Policies (cont'd)

### (c) Group Accounting (cont'd)

#### Subsidiaries (cont'd)

The Group applies the acquisition method to account for business combinations when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether an integrated set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process that together significantly contribute to the ability to create output. A business can exist without including all of the inputs and processes needed to create output. The Group has an option to apply a 'fair value concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The concentration test can be applied on a transaction-by-transaction basis. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. If the test is met, the set of activities and assets is determined not to be a business and no further assessment is needed. If the test is not met, or if the Group elects not to apply the test, a detailed assessment must be performed applying the normal requirements in SFRS(I) 3.

The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

If the total of consideration transferred, non-controlling interest recognised and previously-held interest measured is less than the fair value of the net assets of the subsidiary acquired as in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the transferred assets. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 3 Significant Accounting Policies (cont'd)

### (c) Group Accounting (cont'd)

#### Subsidiaries (cont'd)

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions - that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals of interests in subsidiaries to non-controlling interests without loss of control are also recorded in equity.

When the Group loses control of a subsidiary, it:

- derecognises the assets (including any goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- derecognises the carrying amount of any non-controlling interest (including any components of other comprehensive income attributable to them);
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained in the former subsidiary at its fair value;
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate; and
- recognises any resulting difference in profit or loss.

### (d) Investments in Subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses in the statement of financial position of the Company. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amount of the investments are recognised in the profit or loss.

### (e) Foreign Currencies

#### Functional and presentation currency

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates ("functional currency").

The Company's functional currency is Singapore Dollar ("S\$"), which reflects the economic substance of the underlying events and circumstances of the Company. For the purposes of the consolidated financial statements, the results and financial position of each entity in the Group are expressed in S\$, which is the functional currency of the Company and the presentation currency for the consolidated financial statements of the Group.

All values are rounded to the nearest thousand (S\$'000) except when otherwise indicated.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 3 Significant Accounting Policies (cont'd)

### (e) Foreign Currencies (cont'd)

#### Transactions and balances

In preparing the financial statements of each individual entity, transactions in currencies other than the entity's functional currency ("foreign currencies") are recognised at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date are recognised in profit or loss. However, in consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the translation reserve.

When a foreign operation is disposed of or any loan forming part of the net investment of the foreign operation is repaid, a proportionate share of the accumulated currency translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

#### Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the reporting date;
- income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income and accumulated in the translation reserve.

### (f) Revenue Recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 3 Significant Accounting Policies (cont'd)

### (f) Revenue Recognition (cont'd)

#### Dental service income

The Group provides dental service to customers.

Dental service income is recognised at a point in time and arising from rendering of dental services to individual patients that typically completes within the same day from the point of commencement of the process.

#### Consultancy service income

Consultancy service fee income is recognised over time, arising from rendering of consultancy services to related companies.

#### Sale of goods

The Group develops and manufactures advanced therapeutic solutions for the treatment of complex vascular disease.

Revenue is recognised when the control of the goods has transferred, being when the goods are delivered to the customer, the customer has full discretion over the manner of distribution and price to sell the goods, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has the objective evidence that all criteria for acceptance have been satisfied. A receivable is recognised when the goods are delivered, as this represents the point in time that the right to consideration is unconditional, because only the passage of time is required before the payment is due.

#### Testing service income

The Group provides lot release testing service to customers.

Revenue is recognised over time, once lot release testing is completed. This is due to the short-term nature of testing services which typically completes within two weeks from the point of commencement of the process.

### (g) Government Grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received. Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately under other income in profit or loss.

Government grants relating to assets are deducted against the carrying amount of the assets.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 3 Significant Accounting Policies (cont'd)

### (h) Employee Benefits

#### Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

#### Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

#### Share-based payment transactions

The grant date fair value of equity-settled share-based payment awards granted to employees are recognised as an employee expense with a corresponding increase in equity, over the period that the employees unconditionally become entitled to awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

### (i) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 3 Significant Accounting Policies (cont'd)

### (j) Income Tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

#### Current tax

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The Group periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

#### Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 3 Significant Accounting Policies (cont'd)

### (j) Income Tax (cont'd)

#### Deferred tax (cont'd)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

The Group recognises a previously unrecognised deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

#### Current and deferred tax for the period

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where the current and deferred tax arises from the initial accounting for a business combination, the tax effect is taken into account in the accounting for the business combination.

### (k) Plant and Equipment

#### Measurement

All items of plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

The cost includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the plant and equipment.

#### Depreciation

Depreciation is recognised so as to write off the depreciable amounts of the assets over their estimated useful lives, using the straight-line method.

The following useful lives are used in the calculation of depreciation:

Dental machinery	10 years
Dental equipment and instrument	5 years
Renovation	3 years
Furniture, fixtures and office equipment	3 years
Computer, network and software	3 years
Machinery and equipment	3 years
Motor vehicles	5 years

The carrying amounts of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 3 Significant Accounting Policies (cont'd)

### (k) Plant and Equipment (cont'd)

#### Depreciation (cont'd)

The residual value, useful life and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. The effects of any revision are recognised in profit or loss when the changes arise.

#### Subsequent expenditure

Subsequent expenditure related to plant and equipment that has been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

#### Disposal

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

The gain or loss arising on disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

### (l) Goodwill

Goodwill is tested for impairment annually and whenever there is indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated, from the acquisition date, to each of the Group's cash-generating-units ("CGU") or groups of CGU, that are expected to benefit from synergies arising from the business combination.

An impairment loss<sup>1</sup> is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost of disposal and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised in profit or loss and is not reversed in a subsequent period.

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 3 Significant Accounting Policies (cont'd)

### (m) Intangible Assets

#### Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in profit or loss as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and capitalised borrowing costs. Other development expenditure is recognised in profit or loss as incurred.

Capitalised development expenditure is carried at cost less accumulated amortisation and accumulated impairment losses.

#### Customer relationship

Customer relationship acquired through business combination is measured at fair value at the date of acquisition. Subsequently, customer relationship is carried at cost less accumulated amortisation and accumulated impairment losses.

#### Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. These intangible assets include intellectual property and developed technology.

#### Amortisation

Amortisation is calculated based on the cost of the intangible assets less their residual values.

Amortisation is recognised in profit or loss using the straight-line method over the estimated useful lives of intangible assets from the date that they are available for use. The following useful lives are used in the calculation of amortisation:

Intellectual property	5 years
Developed technology	15 years
Customer relationship	4 years

Intangible assets with finite useful lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 3 Significant Accounting Policies (cont'd)

### (m) Intangible Assets (cont'd)

#### Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

#### Disposal

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and are recognised in profit or loss when the intangible asset is derecognised.

### (n) Impairment of Non-financial Assets Excluding Goodwill

Non-financial assets (including intangible assets with finite useful lives) other than goodwill are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

At the end of each reporting period, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any), on an individual asset.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit ("CGU") to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGUs, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or CGU) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 3 Significant Accounting Policies (cont'd)

### (o) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs comprise direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the FIFO method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. Where necessary, allowance for stock obsolescence is provided for damaged, obsolete and slow-moving items.

### (p) Financial Assets

#### Classification

#### i. Debt instruments

Financial assets that are debt instruments are classified into categories based on the Group's business model for managing them and their contractual cash flow characteristics.

- Financial Assets measured at Amortised Cost (AC) comprise of assets that are held within a business model whose objective is to hold those assets for collection of contractual cash flows, and those contractual cash flows represent solely payments of principal and interest.
- Financial Assets measured at Fair Value through Other Comprehensive Income (FVOCI) comprise of assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling those assets, and those contractual cash flows represent solely payments of principal and interest.
- Financial Assets measured at Fair Value through Profit and Loss (FVPL) comprise of assets that do not qualify for AC and FVOCI. Assets that would otherwise qualify for AC or FVOCI may also be designated as FVPL upon initial recognition, if such designation eliminates or significantly reduces a measurement or recognition inconsistency that arises from measuring assets and liabilities on an inconsistent basis.

#### ii. Equity instruments

Financial assets that are equity instruments comprise mainly of investments in equity securities. The Group classifies these assets as FVPL, except for those that the Group has designated as FVOCI. The FVOCI designation is irrevocable, and is not permitted for held-for-trading financial assets and financial assets that represent contingent consideration in a business combination.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 3 Significant Accounting Policies (cont'd)

### (p) Financial Assets (cont'd)

#### Initial measurement

Trade receivables that do not contain a significant financing component are initially recognised at their transaction price. Other financial assets are initially recognised at fair value, plus, for financial assets that are not at FVPL, transaction costs that are directly attributable to their acquisition. Transaction costs of financial assets at FVPL are expensed in profit and loss.

#### Subsequent measurement

##### i. Debt instruments

###### *AC*

These assets are subsequently measured at amortised cost using the effective interest method unless they are part of a designated hedging relationship. Impairment losses and reversals, interest income, and foreign exchange gains and losses (except where designated as a hedging instrument) on such assets are recognised in profit and loss. Interest income is based on the effective interest method which allocates interest income over the life of the financial asset based on an effective interest rate that discounts estimated future cash receipts to its gross carrying amount.

###### *FVOCI*

These assets are subsequently measured at fair value. Impairment losses and reversals, interest income based on the effective interest method, and foreign exchange gains and losses (except where designated as a hedging instrument) on such assets are recognised in profit and loss. Any remaining fair value movements are recorded in other comprehensive income.

###### *FVPL*

These assets are subsequently measured at fair value. All fair value movements are recorded in profit and loss.

##### ii. Equity instruments

Subsequent to initial recognition, all equity investments are measured at fair value. Changes in the fair value of FVPL equity investments are recognised in profit and loss, while changes in the fair value of FVOCI equity investments are recognised in other comprehensive income. All dividend income is recognised in profit and loss, except for dividends from FVOCI equity investments that clearly represent a recovery of the cost of investment.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 3 Significant Accounting Policies (cont'd)

### (p) Financial Assets (cont'd)

#### Impairment

At each reporting date, the Group assesses expected credit losses (ECL) on the following financial instruments:

- Financial assets that are debt instruments measured at AC and FVOCI;
- Contract assets; and
- Financial guarantee contracts.

ECL is a probability-weighted estimate of credit losses. Credit losses are measured at the present value of all shortfalls between the cash flows due to the Group in accordance with contractual terms, and the cash flows that the Group actually expects to receive. ECL is discounted at the effective interest rate of the financial asset. The Group records allowances on financial assets based on either the:

- 12-month ECL – representing the ECL that results from default events that are possible within the 12 months after the reporting date (or the expected life of the instrument if shorter); or
- Lifetime ECL – representing the ECL that results from all possible default events over the expected life of the contract.

#### *Simplified approach - Trade receivables*

For all trade receivables, the Group adopts a simplified approach whereby an allowance for lifetime ECL is assessed upon initial recognition. The Group estimates lifetime ECL using a provision matrix based on historical credit loss experience, adjusted for various factors including debtor-specific factors, forward-looking information such as industry and economic forecasts, and others as appropriate.

#### *General approach – All other financial instruments on which ECL assessment is required*

For all other financial instruments on which ECL is assessed, an allowance for 12-month ECL is recorded upon initial recognition. The allowance is increased to lifetime ECL if the credit risk at each reporting date has increased significantly as compared to the credit risk at initial recognition. In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Group considers all reasonable and supportable information that is relevant and available without undue cost or effort including both historical credit experience and forward-looking information.

The Group regards the following as events of default:

- events that make it unlikely for the borrower to repay in full unless the Group undertakes actions to recover the asset (e.g. by exercising rights over collaterals or other credit enhancements); or
- the financial instrument has become overdue for more than 12 months.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 3 Significant Accounting Policies (cont'd)

### (p) Financial Assets (cont'd)

#### Impairment (cont'd)

##### *Credit-impaired financial instruments*

At each reporting date, the Group assesses whether a financial instrument on which ECL assessment is required has become credit-impaired. This is the case when one or more events have occurred that are considered to be detrimental to the estimated future cash flows of the instrument. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the borrower;
- a breach of contract such as a default or past due event;
- other lenders granting concessions (such as loan restructurings) to the borrower due to economic or contractual reasons, that would not have been considered in the absence of the borrower's financial difficulty;
- increasing likelihood that the borrower will enter bankruptcy or other financial re-organisation; and
- the disappearance of an active market for the borrower's securities due to financial difficulties.

For credit-impaired financial assets, interest income is determined by applying the effective interest rate to the net carrying amount of the financial asset (after deduction of the ECL allowance).

##### *Write-off policy*

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, such as when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in the profit and loss.

#### Recognition and derecognition

Financial assets are recognised when, and only when the Group becomes a party to its contractual provisions. All regular way purchases and sales of financial assets are recognised on trade-date, which is the date on which the Group commits to purchase or sell the financial asset.

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 3 Significant Accounting Policies (cont'd)

### (p) Financial Assets (cont'd)

#### Recognition and derecognition (cont'd)

On derecognition of a financial asset that is a debt instrument, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit and loss. In addition, for a financial asset that is a debt instrument at FVOCI, the cumulative gain or loss previously accumulated in the fair value adjustment reserve is reclassified to profit and loss.

On derecognition of an equity investment at FVPL, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit and loss. For equity investments at FVOCI, this difference is instead recognised directly in equity as part of retained earnings. Cumulative gains and losses previously accumulated in equity are also transferred directly to retained earnings upon derecognition of FVOCI equity investments.

### (q) Cash and Cash Equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include bank balances and short-term deposits pledged with financial institutions, which are subjected to an insignificant risk of change in value, and are used by the Group in the management of its short-term commitments.

### (r) Financial Liabilities

#### Financial liabilities

The Group recognises financial liabilities on its statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the instruments.

Financial liabilities are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial liability. All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method. Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least twelve months after the reporting period.

#### *Financial liabilities at FVPL*

Financial liability that is a contingent consideration of an acquirer in a business combination to which SFRS(I) 3 applies is classified as financial liabilities at FVPL. Financial liabilities at FVPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 3 Significant Accounting Policies (cont'd)

### (r) Financial Liabilities (cont'd)

#### Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they have expired. The difference between the carrying amount of a financial liability that has been derecognised and the consideration paid and payable (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

### (s) Offsetting of Financial Assets and Financial Liabilities

Financial assets and financial liabilities are offset and the net amount is presented in the statement of financial position, when and only when, there is a currently enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the financial assets and settle the financial liabilities simultaneously.

### (t) Leases

#### When the Group is the lessee

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

The Group recognises right-of-use assets and lease liabilities at the date which the underlying assets become available for use. Right-of-use assets are measured at cost, which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement dates, plus any initial direct costs incurred and an estimate of restoration costs, less any lease incentives received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

Right-of-use assets are subsequently depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms. The estimated useful lives of right-of-use assets are determined to be between 1 to 3 years. In addition, the right-of-use assets are periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the corresponding lease liabilities. The Group presents its right-of-use assets (except for those which meets the definition of an investment property) in "Right-of-use assets" and lease liabilities in "Lease liabilities" in the consolidated statement of financial position.

The initial measurement of lease liabilities is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group uses its incremental borrowing rate.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 3 Significant Accounting Policies (cont'd)

### (t) Leases (cont'd)

#### When the Group is the lessee (cont'd)

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments (including in-substance fixed payments), less any lease incentives receivables;
- variable lease payments that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under residual value guarantees
- the exercise price of a purchase option if it is reasonably certain to exercise the option; and
- payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

For contracts that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease components. The Group has elected not to separate lease and non-lease components for property leases; instead, these are accounted for as one single lease component.

Lease liabilities are measured at amortised cost, and are remeasured when:

- there is a change in future lease payments arising from changes in an index or rate;
- there is a change in the Group's assessment of whether it will exercise lease extension and termination options;
- there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or
- there is a modification to the lease term.

When lease liabilities are remeasured, corresponding adjustments are made against the right-of-use assets. If the carrying amounts of the right-of-use assets have been reduced to zero, the adjustments are recorded in profit or loss.

Variable lease payments that are based on an index or a rate are included in the measurement of the corresponding right-of-use assets and lease liabilities. Other variable lease payments are recognised in profit or loss when incurred.

#### *Short-term leases and leases of low-value assets*

The Group applies the exemption for all short-term leases (up to 12 months) and low-value assets on a lease-by-lease basis. All lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 3 Significant Accounting Policies (cont'd)

### (u) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

### (v) Financial Guarantees

#### Financial guarantees in the separate financial statements

The Company has issued corporate guarantees to a bank for bank borrowings of its subsidiary. These guarantees are financial guarantees as they require the Company to reimburse the bank if the subsidiary fails to make principal or interest payments when due in accordance with the terms of the bank borrowings. Intra-group transactions are eliminated on consolidation.

Financial guarantees are measured initially at their fair values plus transaction costs and subsequently measured at the higher of:

- the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the principles of SFRS(I) 15; and
- the amount of loss allowance determined in accordance with expected credit loss model under SFRS(I) 9.

### (w) Share Capital

#### Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are charged to equity.

#### Repurchase, disposal and reissue of share capital (treasury shares)

When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the reserve for own share account. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is presented in other reserve.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 3 Significant Accounting Policies (cont'd)

### (w) Share Capital (cont'd)

#### Distribution of non-cash assets to owners of the Company

The Group measures a liability to distribute non-cash assets as a dividend to the owners of the Company at the fair value of the assets to be distributed. The carrying amount of the dividend is remeasured at each reporting date and at the settlement date, with any changes recognised directly in equity as adjustments to the amount of the distribution. On settlement of the transaction, the Group recognises the difference, if any, between the carrying amount of the assets distributed and the carrying amount of the liability in profit or loss.

### (x) Dividends to Company's Shareholders

Dividends to the Company's shareholders are recognised when the dividends are approved for payment.

### (y) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the executive management whose members are responsible for allocating resources and assessing performance of the operating segments.

### (z) Related Parties

A related party is defined as follows:

A related party is a person or entity that is related to the entity that is preparing its financial statements (in this Standard referred to as the "reporting entity").

- a. A person or a close member of that person's family is related to a reporting entity if that person:
  - i. has control or joint control over the reporting entity;
  - ii. has significant influence over the reporting entity; or
  - iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- b. An entity is related to a reporting entity if any of the following conditions applies:
  - i. the entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
  - ii. one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
  - iii. both entities are joint ventures of the same third party;
  - iv. one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - v. the entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity;
  - vi. the entity is controlled or jointly controlled by a person identified in (a);

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 3 Significant Accounting Policies (cont'd)

### (z) Related Parties (cont'd)

- b. An entity is related to a reporting entity if any of the following conditions applies: (cont'd)
  - vii. a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
  - viii. the entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

## 4 Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies, which are described in Note 3 above, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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.

### (a) Critical judgements in applying the accounting policies

Other than the going concern assumption as disclosed in Note 3(b), management is of the opinion that in the preparation of the financial statements there were no critical judgements made in the process of applying the Group's accounting policies that have a significant effect on the amounts recognised in the financial statements.

### (b) Key sources of estimation uncertainty

#### Loss allowance for trade receivables

The Group measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses ("ECLs"). The ECLs on trade receivables are estimated using a provision matrix which involves grouping receivables based on characteristics which have historically influenced asset recoverability, such as credit ratings, customer-industry group and customer geography, and applying a historic provision rate which is based on days past due for groupings of various customer segments that have similar loss patterns. In devising such a provision matrix, the Group uses its historical credit loss experience with forward-looking information (adjusted as necessary to reflect current conditions and forecast economic conditions) to estimate the lifetime expected credit losses on the trade receivables. At every reporting date, the historical default rates are updated and the impact of forward-looking information is re-analysed.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 4 Critical Accounting Judgements and Key Sources of Estimation Uncertainty (cont'd)

### (b) Key sources of estimation uncertainty (cont'd)

#### Loss allowance for trade receivables (cont'd)

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. Information about the ECLs on the Group's trade receivables are set out in Note 30(a).

The carrying amount of the Group's trade receivables at the reporting date is disclosed in Note 18.

#### Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use ("VIU") of the cash-generating units ("CGUs") to which goodwill has been allocated. The VIU calculations require the estimation of future cash flows that are expected to arise from the CGUs, discount rates and other variables. The key assumptions used in the estimation of the VIU including the sensitivity analysis are disclosed in Note 12.

The carrying amount of the Group's goodwill and the impairment loss recognised at the reporting date are disclosed in Note 12.

#### Impairment of investment in subsidiaries

Management reviews the Company's investment in subsidiaries at each reporting date to determine whether there is any indication that the investment may be impaired. If any such indication exists, an impairment assessment will be performed accordingly. The recoverable amount of the investment is determined based on the value in use ("VIU") of the relevant cash-generating unit ("CGU"). The VIU calculations require the estimation of future cash flows that are expected to arise from the CGUs, discount rates and other variables. The key assumptions used in the estimation of the VIU including the sensitivity analysis are disclosed in Note 14.

The carrying amount of the Company's investment in subsidiaries and the allowance for impairment loss recognised at the reporting date are disclosed in Note 14.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 5 Revenue from Contracts with Customers

### Disaggregation of revenue from contracts with customers

The Group's revenue is derived wholly from Singapore and is disaggregated by major service lines and timing of revenue recognition.

	Group	
	2022	2021
	S\$'000	S\$'000
		(Restated)
<u>At a point in time</u>		
Rendering of dental services	8,828	–
<u>Over time</u>		
Rendering of consultancy services	540	–
	9,368	–

## 6 Other Income

	Group	
	2022	2021
	S\$'000	S\$'000
		(Restated)
Government grants	80	–
Gain on disposal of asset	–	135
Others	127	431
	207	566

## 7 Finance Costs

	Group	
	2022	2021
	S\$'000	S\$'000
		(Restated)
Interest expense on short-term loans	–	5
Interest expense on loan from a related company	72	–
Interest expense on bank loans	59	–
Interest expense on lease liabilities	135	29
Imputed interest expense on Earn-Out Amount (Note 24)	207	–
Foreign exchange (gain)/loss, net	(1)	38
	472	72

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 8 Income Tax

	Group	
	2022	2021
	S\$'000	S\$'000
	(Restated)	
Current income tax:		
- current year	117	-

A reconciliation between income tax and the product of accounting loss multiplied by the applicable corporate tax rate for the financial year is as follows:

	Group	
	2022	2021
	S\$'000	S\$'000
	(Restated)	
(Loss) before income tax	(8,516)	(5,309)
Income tax using the statutory tax rate of 17% (2021: 17%)	(1,448)	(903)
Effect of tax rates in foreign jurisdictions	(21)	(34)
Non-deductible expenses*	1,572	716
Income not subject to tax	(26)	-
Singapore statutory stepped income exemption	(52)	-
Deferred tax benefits not recognised	92	221

\* Mainly related to impairment of goodwill for the current reporting period.

### Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2022	2021
	S\$'000	S\$'000
	(Restated)	
Deductible temporary differences	-	12,136
Research and development tax credits	6,352	6,306
Tax losses	299,888	295,128

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 8 Income Tax (cont'd)

### Unrecognised deferred tax assets (cont'd)

The Group's ability to utilise, in the future, the tax losses and other tax credits relating to its subsidiary, TriReme Medical, LLC (referred to herein as "TriReme"), incorporated in the United States of America, may be subject to substantial restrictions in the event of past or future ownership changes as defined in Section 382 of the Internal Revenue Code of the United States of America and similar state tax laws. Such annual limitations could result in the expiration of the tax losses and other tax credits before utilisation.

As at 31 December 2022, the Group's unrecognised tax losses mainly related to federal and state income taxes in relation to TriReme amounting to US\$133,274,000 (approximately S\$178,778,000) (2021: US\$132,835,000 (approximately S\$179,002,000)) and US\$90,284,000 (approximately S\$121,110,000) (2021: US\$86,176,000 (approximately S\$116,126,000)), respectively. The unrecognised federal losses generated prior to 31 December 2017 will begin to expire from 2037. The unrecognised federal losses generated after 2017 are carried forward indefinitely. The state tax losses will expire from 2040.

As at 31 December 2022, the Group has federal and state research and development tax credits related to TriReme of US\$2,419,000 (approximately S\$3,244,000) (2021: US\$2,383,000 (approximately S\$3,211,000)) and US\$2,317,000 (approximately S\$3,108,000) (2021: US\$2,296,000 (approximately S\$3,095,000)), respectively. The federal research and development tax credits will expire from 2025 and the state research and development tax credits have no expiration.

The remaining unutilised tax losses and deductible temporary differences do not expire under the relevant current tax legislation.

Deferred tax assets have not been recognised in respect of the above items because it is not probable that future taxable profits will be available against which the relevant entities of the Group can utilise the benefits therefrom.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 9 (Loss) for the Year

The following items have been included in arriving at (loss) for the year:

	Group	
	2022 S\$'000	2021 S\$'000 (Restated)
Audit fees paid/payable to:		
- auditors of the Company	156	191
- other auditors	3	–
Non-audit fees paid/payable to:		
- auditors of the Company*	–	135*
- other auditors	12	53
Professional fees	2,104	1,353
Directors' fees	160	188
Depreciation of plant and equipment	101	–
Depreciation of right-of-use assets	1,004	246
Amortisation of intangible assets	229	–
Impairment loss on goodwill	4,625	–
Impairment loss on intangible assets	–	1,973
Loss on disposal of intangible assets		
- included in other expenses	–	135
Debt conversion premiums – included in other expenses	–	270
Provision for restoration costs	155	–
Employee compensation expense:		
- salaries and bonus	1,894	1,339
- employee benefit expense	61	86
- expenses related to defined contribution plans	261	51
- share-based payment expense	–	(760)

\* Related to non-audit services provided by the auditors of the Company in relation to the acquisition of ADG Group (Note 14(b)).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 10 (Loss) per Share

### (a) Basic (loss) per share

The calculation of basic (loss) per share has been based on the following (loss) attributable to ordinary shareholders of the Company and weighted average number of ordinary shares outstanding:

(Loss) attributable to ordinary shareholders

	Group	
	2022	2021
	S\$'000	S\$'000
		(Restated)
(Loss) attributable to ordinary shareholders	(8,541)	(5,277)

Weighted average number of ordinary shares outstanding

	Group	
	2022	2021
	'000	'000
Issued ordinary shares at 1 January	2,559,737	2,235,271
Effect of new shares issued:		
- pursuant to settlement of loan and payables	-	15,758
- pursuant to exercise of share options	-	6,950
- pursuant to vesting of share awards	-	1,808
- pursuant to issuance of shares	4,190,870	-
Weighted average number of ordinary shares outstanding	6,750,607	2,259,787

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 10 (Loss) per Share (cont'd)

### (b) Diluted (loss) per share

The calculation of diluted (loss) per share has been based on the following (loss) attributable to ordinary shareholders of the Company and weighted average number of ordinary shares outstanding after adjustment for effects of all dilutive potential ordinary shares:

(Loss) attributable to ordinary shareholders (diluted)

	Group	
	2022	2021
	S\$'000	S\$'000
		(Restated)
(Loss) attributable to ordinary shareholders	(8,541)	(5,277)

Weighted average number of ordinary shares outstanding (diluted)

	Group	
	2022	2021
	'000	'000
Weighted average number of ordinary shares (basic and diluted)	6,750,607	2,259,787
Effect of potential dilutive shares in issue	-	-
Weighted average number of shares outstanding (diluted)	6,750,607	2,259,787

As at 31 December 2022, the Group's share options/restricted share awards (Note 26) (2021: the Groups' outstanding warrants (Note 26) and share options/restricted share awards) were excluded from the weighted average number of ordinary shares (diluted) calculation as their effect would be to decrease the loss per share and therefore were considered to be anti-dilutive.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 11 Plant and Equipment

	Dental machinery S\$'000	Dental equipment and instrument S\$'000	Renovation S\$'000	Furniture, fixtures and office equipment S\$'000	Computer, network and software S\$'000	Machinery and equipment S\$'000	Motor vehicles S\$'000	Total S\$'000
<b>Group</b>								
<u>Cost</u>								
At 1 January 2021 (Restated)	-	-	-	345	115	2,179	-	2,639
Write off	-	-	-	(135)	(50)	(1,174)	-	(1,359)
At 31 December 2021 (Restated)	-	-	-	210	65	1,005	-	1,280
Additions due to acquisition (Note 14(b))	-	-	-	-	2	-	-	2
Additions	516	85	78	7	96	13	131	926
At 31 December 2022	516	85	78	217	163	1,018	131	2,208
<u>Accumulated depreciation</u>								
At 1 January 2021 (Restated)	-	-	-	345	115	2,179	-	2,639
Write off	-	-	-	(135)	(50)	(1,174)	-	(1,359)
At 31 December 2021 (Restated)	-	-	-	210	65	1,005	-	1,280
Depreciation for the year	28	8	13	1	24	3	24	101
At 31 December 2022	28	8	13	211	89	1,008	24	1,381
<u>Net book value</u>								
At 31 December 2021 (Restated)	-	-	-	-	-	-	-	-
At 31 December 2022	488	77	65	6	74	10	107	827

## 12 Goodwill

	<b>Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>S\$'000</b>	<b>S\$'000</b>
	<b>(Restated)</b>	
At 1 January	-	-
Goodwill arising from acquisition of subsidiaries/business (as below)	8,745	-
Impairment loss on goodwill for acquisition of ADG Group	(4,625)	-
At 31 December	4,120	-

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 12 Goodwill (cont'd)

### Impairment testing

For the purpose of impairment testing, goodwill has been allocated to the respective cash-generating unit ("CGU") (see Note 14(b)) under the healthcare business operating segments as follows:

	Group	
	2022	2021
	S\$'000	S\$'000
	(Restated)	
ADG Group ("ADG Group CGU")	7,488	–
EDS Group ("EDS Group CGU")	1,257	–
	8,745	–

The recoverable amounts of the CGUs have been determined based on value in use calculations using cash flow projections from financial budgets approved by management covering a 5-year period. The forecasted revenue growth rate, terminal growth rate and discount rate are set out below.

	2022
Revenue growth rate	2.8%
Terminal growth rate	1.0%
Discount rate	11.7%

Following the impairment testing, an impairment loss of S\$4,625,000 was recognised in the profit or loss of the Group at the reporting date in relation to the goodwill allocated to ADG Group CGU, as the recoverable amount of ADG Group CGU was estimated to be less than its carrying amount. No impairment loss was recognised in relation to the goodwill allocated to EDS Group CGU.

### *Sensitivity analysis*

If the forecasted revenue growth rate over the 5-year period is reduced by 1% on an annual basis or the discount rate is increased by 1%, the impairment loss recognised for the goodwill allocated to ADG Group CGU will increase by approximately 33% or 6%, respectively.

No sensitivity analysis is disclosed for EDS Group CGU as the impairment testing has determined there is significant headroom between the estimated recoverable amount of EDS Group CGU and its carrying amount at the reporting date.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 13 Intangible Assets

	Intellectual property S\$'000	Developed technology in progress S\$'000	Customer relationship* S\$'000	Total S\$'000
<b>Group</b>				
<u>Cost</u>				
At 1 January 2021 and 31 December 2021 (Restated)	501	1,922	–	2,423
Additions due to acquisition (Note 14 (b))	–	–	917	917
As at 31 December 2022	501	1,922	917	3,340
<u>Accumulated amortisation and impairment loss</u>				
At 1 January 2021 (Restated)	447	3	–	450
Impairment loss recognised in profit or loss	54	1,919	–	1,973
At 31 December 2021 (Restated)	501	1,922	–	2,423
Amortisation for the year	–	–	229	229
At 31 December 2022	501	1,922	229	2,652
<u>Net book value</u>				
At 31 December 2021 (Restated)	–	–	–	–
At 31 December 2022	–	–	688	688

\* Arose from the acquisition of ADG Group as disclosed in Note 14(b).

### Impairment loss on intangible assets

#### *Chocolate Heart™ product line*

#### 2021

At the end of the previous financial year, the carrying amount of the intellectual property and developed technology in progress related to the Chocolate Heart™ product line amounted to US\$40,000 (approximately S\$54,000) and US\$1,424,000 (approximately S\$1,919,000), respectively, were fully impaired based on the assessment performed by management which management concluded that the recoverable amount of these intangibles assets was uncertain in light of the future business plans of the Group and the acquisition of ADG Group subsequent to the financial year ended 31 December 2021 (Note 14(b)). The impairment loss on intangible assets was recognised in the profit or loss of the Group for the previous financial year.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 14 Investment in Subsidiaries

	<b>Company 2022 S\$'000</b>
Unquoted equity shares, at cost	
- QT Vascular Ltd.*	5,516
- Asia Dental Group Pte. Ltd.	8,129
- Kairogenix Pte. Ltd.	_#
	13,645
Less: Allowance for impairment loss	
At 1 January	-
Additions	(6,072)
At 31 December	(6,072)
	7,573

\* Following the completion of the corporate restructuring as disclosed in Note 3(a), QT Vascular Ltd. became a wholly owned subsidiary of the Company.

# Less than S\$1,000.

(a) Details of the subsidiaries are as follows:

<u>Name of subsidiary</u>	<b>Country of incorporation and principal place of business</b>	<u>Principal activities</u>	<b>Proportion of equity interest held by the Company 2022 %</b>
<i>Held by the Company</i>			
QT Vascular Ltd. <sup>(1)</sup>	Singapore	Investment holding	100
Asia Dental Group Pte. Ltd. <sup>(1)(2)</sup>	Singapore	Management consultancy services for healthcare organisations and dental services	60
Kairogenix Pte. Ltd. <sup>(3)(4)</sup>	Singapore	Management consultancy services for healthcare organisations and dental services	70

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 14 Investment in Subsidiaries (cont'd)

(a) Details of the subsidiaries are as follows: (cont'd)

<u>Name of subsidiary</u>	<u>Country of incorporation and principal place of business</u>	<u>Principal activities</u>	<u>Effective equity interest held by Group</u>	
			<u>2022</u> %	<u>2021</u> %
<i>Held by QTV</i>				
TriReme Medical, LLC <sup>(5)</sup>	United States of America	Development, manufacturing and distribution of medical devices	50% plus 1 share	50% plus 1 share
Quattro Vascular Pte. Ltd. <sup>(1)</sup>	Singapore	Development of medical devices	100	100
TriReme Medical (Singapore) Pte. Ltd. <sup>(1)</sup>	Singapore	Support services to related corporations for the development, manufacturing and distribution of medical devices.	100	100
<i>Held by ADG</i>				
St. Andrew's Dental Pte. Ltd. <sup>(1)(2)</sup>	Singapore	Dental services	60	–
Asia Healthcare Dental Pte. Ltd. <sup>(1)(2)</sup>	Singapore	Dental services	60	–
Corporate Dental Pte. Ltd. <sup>(1)(2)</sup>	Singapore	Dental services	60	–
Seafarers Dental Pte. Ltd. <sup>(1)(2)</sup>	Singapore	Dental services	60	–
Eastern Dental Centre Pte. Ltd. <sup>(1)(3)</sup>	Singapore	Dental services	60	–
The Dental Hub Pte. Ltd. <sup>(1)(3)</sup>	Singapore	Dental services	60	–

(1) Audited by Moore Stephens LLP.

(2) Acquired during the financial year

(3) Incorporated during the financial year

(4) Insignificant subsidiary of the Group audited by TY Teoh International

(5) Not required to be audited by law of its country of incorporation.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 14 Investment in Subsidiaries (cont'd)

- (a) Details of the subsidiaries are as follows: (cont'd)

### TriReme – Disagreement in relation to corporate matters

On 17 February 2023, the Company announced that it has recently come to its attention that TriReme Medical LLC (“TriReme”) has purportedly carried out capital calls, which resulted in the dilution of the Group’s interest in TriReme during the financial year. However, as the Company was not aware of these purported capital calls beforehand, the Company has been seeking further clarifications from TriReme, and pending mutual resolution, has expressly reserved its rights to dispute such purported corporate actions of TriReme. Accordingly, the Company 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.

- (b) Acquisitions

### ADG Group

In January 2022, QTV completed the acquisition of 60% of the entire issued and paid-up share capital of Asia Dental Group Pte. Ltd. (“ADG”). ADG has the following wholly owned subsidiaries, namely St. Andrew’s Dental Pte. Ltd., Asia Healthcare Dental Pte. Ltd., Corporate Dental Pte. Ltd. and Seafarers Dental Pte. Ltd. (collectively, the “ADG Group”). The acquisition of ADG Group was for an aggregate consideration of up to S\$7.65 million to be satisfied in both cash and shares as follows:

- S\$3.0 million in cash to be paid on completion of the acquisition;
- S\$0.5 million to be satisfied by the allotment and issuance of ordinary shares in the Company (“Consideration Shares”) upon completion of the corporate restructuring as disclosed in Note 3(a); and
- An earn-out amount of up to S\$4.15 million (“Earn-Out Amount”) to be made subject to and in accordance with the below
  - S\$1.383 million in cash on the first anniversary of the completion date of the acquisition;
  - S\$1.383 million in cash on the second anniversary of the completion date of the acquisition; and
  - up to S\$1.383 million in cash (“Contingent Consideration”) if the aggregate audited EBITDA of the Group for the three full completed financial years immediately following completion of the acquisition, namely the financial years ended/ending 31 December 2022, 31 December 2023 and 31 December 2024 (“Aggregate EBITDA”), provided that such Aggregate EBITDA is equal to or exceeds S\$3.6 million (“Aggregate EBITDA Threshold”).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 14 Investment in Subsidiaries (cont'd)

(b) Acquisitions (cont'd)

ADG Group (cont'd)

	<u>Group</u> <u>2022</u> <u>S\$'000</u>
<u>Assets acquired and liabilities assumed at the date of acquisition</u>	
Plant and equipment (Note 11)	2
Intangible assets (Note 13)	917
Right of use assets (Note 22)	2,085
Trade and other receivables	918
Cash and bank balances	274
Trade and other payables	(758)
Lease liabilities	(2,105)
Loans and borrowings	(250)
Provision for income tax	(15)
	<u>1,068</u>
Non-controlling interest	(427)
Identifiable net assets acquired at fair value	<u>641</u>

	<u>Group</u> <u>2022</u> <u>S\$'000</u>
<u>Consideration for the acquisition of subsidiaries</u>	
Consideration paid/payable by the Company:	
- Cash consideration paid	3,000
- Consideration Shares issued	1,389*
- Earn-Out Amount (see Note 24)	3,740
	<u>8,129</u>
Less: Identified net assets acquired at fair value (as above)	(641)
Goodwill arising on acquisition (Note 12)	<u>7,488</u>

\* Fair value of Consideration Shares based on the market value of the shares at the date of issuance.

Goodwill arose on the acquisition of ADG Group because the consideration paid for the business combination effectively included anticipated profitability and future operating synergies. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 14 Investment in Subsidiaries (cont'd)

### (b) Acquisitions (cont'd)

#### ADG Group (cont'd)

	Group 2022 S\$'000
<u>Aggregate cash flow arising from acquisition of subsidiaries</u>	
Cash consideration paid for the acquisition of ADG Group	3,000
Less: Cash and cash equivalents of ADG Group acquired	(274)
Net cash outflow arising from acquisition	2,726

#### *Impact of acquisition on the results of the Group*

Included in the loss for the year is net profit of approximately S\$293,000 attributable to the additional business generated by ADG Group. Revenue for the year included approximately S\$7,543,000 in respect of revenue generated by ADG Group. Had this business combination been effected at 1 January 2022, the impact to the revenue of the Group and the loss for the year is considered not material.

#### EDS Group

In February 2022, the Group incorporated a wholly owned subsidiary, Eastern Dental Centre Pte. Ltd. ("EDC"), in Singapore, through its 60% owned subsidiary, ADG. Subsequently, in March 2022, the Group, via EDC, completed the acquisition of the business of three dental clinics ("Eastern Dental Surgery Group" or "EDS Group") for a total cash consideration of approximately S\$1,257,000.

As it was an acquisition of a business, the consideration of S\$1,257,000 was wholly allocated as goodwill arising on acquisition of EDS Group on consolidation (Note 12).

	Group 2022 S\$'000
<u>Aggregate cash flow arising from acquisition of business</u>	
Cash consideration paid for the acquisition of EDS Group	1,257
Less: Cash and cash equivalents of EDS Group acquired	-
Net cash outflow arising from acquisition	1,257

#### *Impact of acquisition on the results of the Group*

Included in the loss for the year is net profit of approximately S\$182,000 attributable to the additional business generated by EDS Group. Revenue for the year included approximately S\$1,825,000 in respect of revenue generated by EDS Group. Had this business combination been effected at 1 January 2022, the impact to the revenue of the Group and the loss for the year is considered not material.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 14 Investment in Subsidiaries (cont'd)

### (c) Transfer of interest in ADG Group

Consequent to the completion of the corporate restructuring as disclosed in Note 3(a), the Company effected the transfer of the 60% equity interest in ADG Group held by QTV to the Company at cost with effect from September 2022.

### (d) Incorporation of subsidiaries

In May 2022, QTV incorporated a subsidiary, Kairogenix Pte. Ltd. ("Kairogenix"), in Singapore where QTV subscribed and was allotted 70 ordinary shares for a total consideration of S\$70 fully paid in cash. Consequent to the completion of the corporate restructuring as disclosed in Note 3(a), the Company effected the transfer of the 70% equity interest in Kairogenix held by QTV to the Company at cost with effect from September 2022.

In August 2022, the Group, incorporated a wholly owned subsidiary, The Dental Hub Pte. Ltd., in Singapore, through its 60% owned subsidiary, ADG, where ADG subscribed and was allotted 1,000 ordinary shares for a total consideration of S\$1,000 fully paid in cash

### (e) Disposal of subsidiary without loss of control

#### 2021

During the previous financial year, the Group had diluted approximately 50% of its interest in TriReme, reducing its continuing equity interest to 50% plus 1 share.

The following summarised the effect of the change in the Group's ownership interest in TriReme on the equity attributable to owners of the Company:

	<b>2021</b>
	<b>S\$'000</b>
Proceeds from sale of the 50% ownership interest	305
Net liabilities attributable to non-controlling interests	11
Increase in equity attributable to owners of the Company	<u>316</u>

### (f) Impairment of investment in subsidiaries

At the reporting date, management assessed the recoverable amounts of certain subsidiaries of the Company that have indicators of impairment. Management estimated the recoverable amounts based on fair value less cost to sell with reference to the financial performance and/or financial position of the relevant subsidiaries as at year end.

Following management's assessment, impairment losses amounted to S\$6,072,000 were recognised for the Company's investment in subsidiaries at the reporting date. The impairment losses were recognised in profit or loss of the Company and had no impact on the consolidated financial statements of the Group.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 14 Investment in Subsidiaries (cont'd)

- (g) Interest in subsidiaries 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	Proportion of equity interests held by non-controlling interests	
		2022	2021
		%	%
Asia Dental Group Pte. Ltd. and its subsidiaries	Singapore	40	–
TriReme	United States of America	50	50

Name of subsidiary	Profit/(Loss) allocated to non-controlling interests		Accumulated non-controlling interests	
	2022	2021	2022	2021
	S\$'000	S\$'000	S\$'000	S\$'000
Asia Dental Group Pte. Ltd. and its subsidiaries	180	–	607	–
TriReme	(262)	(36)	(305)	(43)
Individually immaterial subsidiaries with non-controlling interests			(10)	–
			292	(43)

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 14 Investment in Subsidiaries (cont'd)

### (g) Interest in subsidiaries with material non-controlling interests (cont'd)

Summarised financial information in respect of the Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

	<b>2022</b>
	<b>S\$'000</b>
<u>Asia Dental Group Pte. Ltd. and its subsidiaries</u>	
Current assets	5,490
Non-current assets	4,897
Current liabilities	(4,307)
Non-current liabilities	(4,562)
Equity attributable to owners of the Company	911
Non-controlling interests	<u>607</u>
Revenue	9,368
Expenses	<u>(8,918)</u>
Profit and total comprehensive income for the year	<u>450</u>
Profit attributable to owners of the Company	270
Profit attributable to the non-controlling interests	180
Profit and total comprehensive income for the year	<u>450</u>
Net cash inflow from operating activities	1,301
Net cash (outflow) from investing activities	(2,018)
Net cash inflow from financing activities	<u>4,072</u>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 14 Investment in Subsidiaries (cont'd)

(g) Interest in subsidiaries with material non-controlling interests (cont'd)

	<b>2022</b>	<b>2021</b>
	<b>S\$'000</b>	<b>S\$'000</b>
		<b>(Restated)</b>
<u>TriReme</u>		
Current assets	156	338
Non-current assets	308	536
Current liabilities	(545)	(652)
Non-current liabilities	(43)	(310)
Equity attributable to owners of the Company	(305)	(43)
Non-controlling interests	(305)	(43)
<hr/>		
Revenue	–	–
Expenses	(524)	(651)
(Loss) and total comprehensive (loss) for the year	(524)	(651)
<hr/>		
(Loss) attributable to owners of the Company	(262)	(619)
(Loss) attributable to the non-controlling interests	(262)	(32)
(Loss) and total comprehensive (loss) for the year	(524)	(651)
<hr/>		
Net cash (outflow) from operating activities	(624)	(949)
Net cash inflow from financing activities	123	89
<hr/>		

## 15 Other Investment

	<b>Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>S\$'000</b>	<b>S\$'000</b>
		<b>(Restated)</b>
<u>Non-current investment</u>		
Equity investment – mandatorily at FVTPL	–	–
<hr/>		

### 2022

At the end of the current financial year, the Group has written off the unquoted equity investment which had been fully written down to Nil value at the end of the previous financial year.

### 2021

At the end of the previous financial year, management had recognised a full fair value loss for the unquoted equity investment of approximately US\$255,000 (approximately S\$344,000) in profit or loss of the Group in view of the negative financial position of the investee company.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 16 Other Non-current Assets

	Group	
	2022 S\$'000	2021 S\$'000 (Restated)
Security deposits	45	49

## 17 Inventories

	Group	
	2022 S\$'000	2021 S\$'000 (Restated)
At cost, Finished goods - consumables	32	-

The cost of inventories sold recognised as an expense and included under "cost of sales" of the Group amounted to S\$34,000 (2021: Nil) for the financial year.

## 18 Trade and Other Receivables

	Group		Company
	2022 S\$'000	2021 S\$'000 (Restated)	2022 S\$'000
Trade receivables			
- Third parties	845	-	-
- Related parties	392	-	-
	1,237	-	-
Other receivables	408	3	-
	1,645	3	-
Prepayments	62	27	7
	1,707	30	7

Trade receivables are unsecured, non-interest bearing and have credit terms of 60 - 90 days.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 18 Trade and Other Receivables (cont'd)

The Group's credit risk exposure in relation to trade receivables for the financial year ended 31 December 2022, in relation to the healthcare business operating segment, are set out in the provision matrix as presented below.

	Current S\$'000	Past due			Total S\$'000
		Within 30 days S\$'000	31 to 60 days S\$'000	> 61 days S\$'000	
<b>Group</b>					
<u>2022</u>					
Expected credit loss rate	*	*	*	*	
Trade receivables – gross carrying amount	880	134	61	161	1,237
Loss allowance – lifetime ECL	–	–	–	–	–
					<u>1,237</u>

\* ECL rate is insignificant.

## 19 Cash and Bank Balances

	Group		Company
	2022 S\$'000	2021 S\$'000 (Restated)	2022 S\$'000
Bank balances	5,128	277	1,062
Deposits pledged	67	67	–
Cash and cash equivalents per consolidated statement of cash flows	<u>5,195</u>	<u>344</u>	<u>1,062</u>

Amounts in deposits pledged relate to security for various company credit cards both in the United States of America and Singapore. These deposits pledged earn interest income at interest rates of 0.02% and 0.08% (2021: 0.02% and 0.08%) per annum.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 20(a) Share Capital

	Group			
	2022		2021	
	Number of ordinary shares '000	Amount S\$'000	Number of ordinary shares '000	Amount S\$'000  (Restated)
Issued and fully paid:				
At 1 January	2,559,739	235,188	2,235,271	233,371
Effect of change in functional currency	–	(9,647)	–	–
Shares issued pursuant to exercise of share options	–	–	33,035	197
Shares issued pursuant to vesting of share awards	–	–	30,000	–
Issuance of shares pursuant to settlement of loans and payables	–	–	261,433	1,620
Shares issued pursuant to share placement (i)	4,055,556	7,300	–	–
Shares issued pursuant to acquisition (ii)	277,778	1,389	–	–
At 31 December	<u>6,893,073</u>	<u>234,230</u>	<u>2,559,739</u>	<u>235,188</u>

(i) Relates to shares of QTV issued pursuant to a share placement completed during the financial year prior to the corporate restructuring as disclosed in Note 3(a), where 4,055,555,556 new ordinary shares were issued in the capital of QTV at an issue price of S\$0.0018 per share.

(ii) Relates to shares of QTV issued pursuant to the acquisition of ADG Group for the Consideration Shares as disclosed in Note 14(b), where 277,777,777 new ordinary shares were issued in the capital of QTV at an issue price of S\$0.005 per share.

	Company	
	2022	
	Number of ordinary shares '000	Amount S\$'000
Issued and fully paid:		
At date of incorporation*	^	#
Shares issued pursuant to corporate restructuring (iii)	6,893,073	234,230
At 31 December	<u>6,893,073</u>	<u>234,230</u>

\* The Company was incorporated on 30 May 2022.

^ The number of share issued at the date of incorporation was 1.

# Less than S\$1,000.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 20(a) Share Capital (cont'd)

- (iii) (iii) Relates to shares of the Company issued pursuant to the corporate restructuring as disclosed in Note 3(a), when the Company acquired all the issued and paid-up ordinary shares of QTV through the issuance of ordinary shares in exchange for QTV's ordinary shares, on the basis of one (1) ordinary share in the Company for every one (1) ordinary share in QTV held by all the then shareholders of QTV.

All issued ordinary shares are fully paid. There is no par value for these ordinary shares. Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company.

### Warrants

QTV had in May 2017 issued 35,000,000 unlisted warrants ("Warrants") to GEM Global Yield Fund LLC SCS ("GEM Global"), a company based in Luxembourg, each carrying the right to subscribe for 1 new ordinary share of QTV ("Share") at an exercise price of S\$0.10 for each new Share ("Warrant Shares"). As at 31 December 2021, there were 35,000,000 outstanding. The Warrants have expired in May 2022.

## 20(b) Reserves

	Group	
	2022	2021
	S\$'000	S\$'000
		(Restated)
Merger reserve (i)	(1,866)	(1,866)
Reserve for own shares (ii)	(98)	(104)
Translation reserve (iii)	(1,024)	(4,831)
Share-based payment reserve (iv)	11,678	11,591
	8,690	4,790

Movements in the Group's reserves during the financial year are set out in the consolidated statement of changes in equity of the Group.

- (i) Merger reserve

Merger reserve represents the combined amount of issued capital of respective subsidiaries under common control that were previously combined to form QTV Group in 2013.

- (ii) Reserve for own shares

The reserve for own shares comprises the cost of QTV's shares held by the Group. As at 31 December 2022, the Group held 16,000 (2021: 16,000) of QTV's shares.

- (iii) Translation reserve

The foreign currency translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 20(b) Reserves (cont'd)

### (iv) Share-based payment reserve

The share-based payment reserve comprises the cumulative value of employee services received for previous issuance of share options to employees under QTV Group prior to the corporate restructuring as disclosed in Note 3(a).

	<u>Company</u> <u>2022</u> <u>S\$'000</u>
Capital reserve (v)	(228,762)
Share-based payment reserve (vi)	48
	<u>(228,714)</u>

### (v) Capital reserve

This represents the difference between the share capital of the Company which was issued in exchange for the ordinary shares of QTV pursuant to the corporate restructuring as disclosed in Note 3(a) and the carrying amount of total equity of QTV at the date of the corporate restructuring.

### (vi) Share-based payment reserve

The share-based payment reserve comprises the cumulative value of QTV's share options assumed by the Company (Note 26) pursuant to the corporate restructuring as disclosed in Note 3(a).

## 21(a) Trade and Other Payables

	<u>Group</u>		<u>Company</u>
	<u>2022</u>	<u>2021</u>	<u>2022</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
		<u>(Restated)</u>	
Trade payables	1,587	–	167
Accrued payroll and other related costs	70	232	–
Accrued operating expenses	1,757	1,945	272
Other payables	1,063	333	–
Amount due to a subsidiary	–	–	5,602
	<u>4,477</u>	<u>2,510</u>	<u>6,041</u>

Trade payables are non-interest bearing and are settled on average 30 - 60 days terms.

The amount due to a subsidiary is non-trade related, unsecured, interest-free and repayable on demand and in cash.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 21(b) Provision for Reinstatement Costs

	Group	
	2022 S\$'000	2021 S\$'000 (Restated)
At 1 January	-	-
Additions	155	-
At 31 December	155	-

Provision for reinstatement costs relates to reinstating the leased business premises to its original state at the end of the lease term. The provision is based on current reinstatement cost information available and to the best knowledge and experience of the management.

## 22 Lease Liabilities

### The Group as a lessee

#### (a) Nature of the Group's leasing activities

The Group has entered into leases in respect of its land and buildings and copiers. The Group is prohibited from selling, pledging or sub-leasing the underlying leased assets, and is required to maintain the leased assets in good condition.

#### (b) Carrying amounts of right-of-use assets

	Land and buildings S\$'000	Copiers S\$'000	Total S\$'000
<b>Group</b>			
<u>2022</u>			
At 1 January 2022	493	-	493
Additions due to acquisition (Note 14(b))	2,085	-	2,085
Addition	709	6	715
Depreciation charge	(1,002)	(2)	(1,004)
Exchange difference	6	-	6
At 31 December 2022	2,291	4	2,295
<u>2021</u>			
At 1 January 2021 (Restated)	55	-	55
Additions	685	-	685
Depreciation charge	(246)	-	(246)
Exchange difference	(1)	-	(1)
At 31 December 2021 (Restated)	493	-	493

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 22 Lease Liabilities (cont'd)

The Group as a lessee (cont'd)

(c) Lease liabilities

	Group	
	2022	2021
	S\$'000	S\$'000 (Restated)
Lease liabilities:		
- Current	1,001	203
- Non-current	1,294	309
	2,295	512

(d) Amount recognised in profit or loss

	Group	
	2022	2021
	S\$'000	S\$'000 (Restated)
Depreciation of right-of-use assets	1,004	246
Interest expense on lease liabilities	135	29
	1,139	275

(e) Other disclosures

	Group	
	2022	2021
	S\$'000	S\$'000 (Restated)
Total cash outflow for leases	1,021	261

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 23 Loans and Borrowings

	Group	
	2022 S\$'000	2021 S\$'000 (Restated)
Short-term loans	–	485
Loan from a related party	1,693	–
Bank loans	3,854	–
	5,547	485

	Current	Non-current	
	Within 1 year S\$'000	Within 2 - 5 years S\$'000	Total S\$'000
<b>Group</b>			
<u>2022</u>			
Secured:			
- Loan from a related party	550	1,143	1,693
Secured:			
Bank loans			
- Term loan I	180	811	991
- Term loan II	33	154	187
- Term loan III	111	456	567
- Term loan IV	112	437	549
- Term loan V	142	427	569
- Term loan VI	181	810	991
	759	3,095	3,854
	1,309	4,238	5,547
<u>2021 (Restated)</u>			
Secured:			
Short-term loans	451	–	451
Unsecured:			
Short-term loans	34	–	34
	485	–	485

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 23 Loans and Borrowings (cont'd)

### Short-term loans

At 31 December 2021, included in the short-term loans was a loan amounting to approximately US\$334,000 (approximately S\$450,000) which was repayable on demand and secured over the Group's 50% plus one share shareholding in TriReme Medical, LLC. All short-term loans outstanding at the end of the previous financial year incurred a fixed interest rate of 8% per annum. All short-term loans have been repaid in full during the current financial year.

### Loan from a related party

The loan from a related party is secured by the Company's pledge of its entire 60% shareholding in ADG and bears a fixed interest rate of 5.50% per annum. The disbursed loan amount was S\$2,000,000 and is repayable in 42 monthly installments commencing in April 2022.

### Bank loans

During the financial year, the subsidiaries entered into several loan arrangements with banks. The periods in which these loans were disbursed and commencement dates of loan repayment fall in as well as the number of months of repayment are set out below.

	Fixed interest rate	Period of loan disbursement	Period of commencement of loan repayment	Number of months of repayment
<u>Bank loans</u>				
Term loan I	5.50%	October 2022	December 2022	60
Term loan II	6.50%	December 2022	December 2022	60
Term loan III	4.75%	July 2022	September 2022	60
Term loan IV	4.75%	May 2022	July 2022	60
Term loan V	5.50%	August 2022	October 2022	48
Term loan VI	4.75%	October 2022	December 2022	60

The bank loans are secured as follows:

*Term loan I – Principal amount of S\$1,000,000*

- The Company's pledge of its entire 60% shareholding in ADG; and
- Pledge by a director of ADG, of his entire 40% shareholding in ADG.

*Term loan II – Principal amount of S\$190,000*

- Corporate guarantee from the Company; and
- Personal guarantees from a director of the Company and another director of ADG.

*Term loan III – Principal amount of S\$600,000*

*Term loan IV – Principal amount of S\$600,000*

*Term loan V – Principal amount of S\$600,000*

- Personal guarantees from a director of the Company and another director of ADG.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 23 Loans and Borrowings (cont'd)

### Bank loans (cont'd)

*Term loan VI – Principal amount of S\$1,000,000*

- Corporate guarantee from the Company; and
- Personal guarantee from a director of ADG

## 24 Amount Due to a Non-controlling Interest

The amount due to a non-controlling interest (or the "Vendor") relates to the Earn-Out Amount which is part of the consideration for the acquisition of ADG Group as disclosed in Note 14(b).

	Group		Company
	2022 S\$'000	2021 S\$'000 (Restated)	2022 S\$'000
Amount comprising:			
Within 1st year (deferred payment)	1,383	–	1,383
Within 2nd year (deferred payment)	1,383	–	1,383
Contingent Consideration	1,384	–	1,384
	4,150	–	4,150

The Contingent Consideration is payable to the Vendor if the ADG Group achieves the Aggregate EBITDA Threshold as disclosed in Note 14(b). At the reporting date, management has assessed there has been no change in the fair value of the Contingent Consideration since the acquisition date.

	Group		Company
	2022 S\$'000	2021 S\$'000 (Restated)	2022 S\$'000
Earn-Out Amount	4,150	–	4,150
Unamortised discount	(411)	–	(411)
	3,739	–	3,739
Unwinding of imputed interest (Note 7)	207	–	207
	3,946	–	3,946
Presented as:			
- Current	1,383	–	1,383
- Non-current	2,563	–	2,563
	3,946	–	3,946

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 24 Amount Due to a Non-controlling Interest (cont'd)

As security for the Company's obligations in respect of the Earn-Out Amount, the Company has provided to the Vendor a copy of a duly executed deed of assignment ("Deed of Assignment") executed by the Company in favour of the Vendor in relation to the assignment of all distributions and dividends arising over all shares in ADG Group in the event that the Company fails to pay any part of the Earn-Out Amount if and when due.

If the proceeds from the Deed of Assignment are insufficient to fulfill any sum outstanding in respect of the Earn-Out Amount or if ADG Group does not have distributable profits to declare dividends pursuant to the Deed of Assignment, the Company undertakes to the Vendor (at the Vendor's option) to satisfy such outstanding sum by the allotment and issuance to the Vendor of ordinary shares of the Company within three months from the date on which the outstanding sum becomes payable under the Deed of Assignment (or such other time period as may be mutually agreed between the Vendor and the Company) at an issue price to be mutually agreed by the Vendor and the Company.

## 25 Deferred Tax Liabilities

	Group	
	2022 S\$'000	2021 S\$'000 (Restated)
Composition of deferred tax:		
Temporary differences on plant and equipment	61	–
Movements in the deferred tax liabilities:		
At 1 January	–	–
Charged to profit or loss	61	–
At 31 December	61	–

## 26 Share-based Payment Arrangements

(a) The Group has the following share-based payment arrangements:

### Share option programme (equity-settled)

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 as disclosed in Note 3(a), 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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 26 Share-based Payment Arrangements (cont'd)

(a) The Group has the following share-based payment arrangements: (cont'd)

### Share option programme (equity-settled) (cont'd)

At the reporting date, the Option Schemes have 21 Optionholders with 12,186,536 outstanding Options. Details of the outstanding Options are set out below.

Options	Exercise price per share (\$\$)	Options outstanding at 31 December 2022	Number of Optionholders	Option period
2013 Stock Option	0.006	7,967,536	10	Ten years from date of grant
2014 Stock Option	0.095	4,219,000	11	Ten years from date of grant

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

### *Reconciliation of outstanding Options*

	Group	
	2022 '000	2021 '000
Outstanding at 1 January	22,504	76,123
Exercised during the year	-	(33,035)
Forfeited during the year	-	(13,854)
Expired during the year	(10,318)	(6,730)
Outstanding at 31 December	12,186	22,504
Exercisable at 31 December	12,186	22,504
	Group	
	2022 S\$'000	2021 S\$'000
		(Restated)
Share-based compensation (forfeiture) recognised in profit or loss	-	(481)

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 26 Share-based Payment Arrangements (cont'd)

(a) The Group has the following share-based payment arrangements: (cont'd)

### Restricted share awards (equity-settled)

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 as disclosed in Note 3(a), 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 reference to shares of the Company.

At the reporting date, the Award Scheme has 6 share awards holders with an aggregate of 1,241,544 outstanding Awards. The Company does not intend to grant additional Awards under the Award Scheme.

### *Reconciliation of outstanding restricted share awards*

	<b>Group</b>	
	<b>No. of Awards</b>	
	<b>2022</b>	<b>2021</b>
Outstanding at 1 January	1,242	5,906
Granted during the year	-	30,000
Issued during the year	-	(30,000)
Forfeited during the year	-	(4,664)
Outstanding at 31 December	<u>1,242</u>	<u>1,242</u>
	<b>Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>S\$'000</b>	<b>S\$'000</b>
		<b>(Restated)</b>
Share-based compensation (forfeiture) recognised in profit or loss	-	<u>(277)</u>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 26 Share-based Payment Arrangements (cont'd)

(b) The Company has the following share-based payment arrangements:

### Share option programme (equity-settled)

As part of the corporate restructuring as disclosed in Note 3(a), 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 (as disclosed above) will be exercisable into shares of the Company.

Further details of the Option Schemes are disclosed in (a) above.

### *Measurement of fair value of Option Schemes*

The fair value of Option Schemes assumed by the Company has been measured using Black-Scholes option-pricing model as at 29 July 2022 which is the date of the completion of the corporate restructuring. Estimates of volatility has been based on an evaluation of the historical volatility of the Company's share price. The expected term of the share options has been based on estimated option holder behaviour.

The inputs used in the measurement of the fair values of the Options under the Option Schemes are as follows:

	<b>Company 2022</b>
Fair value at 29 July 2022 (weighted average)	S\$0.0037 – 0.0044
Share price at 29 July 2022	S\$0.005
Exercise price	S\$0.006 – 0.095
Expected volatility (weighted average)	233.8% - 242.3%
Expected life (weighted average)	2.05 years
Expected dividends	–
Risk-free interest rate (weighted average based on government bonds)	2.5 – 2.9%
Share-based compensation expense	S\$48,000

### Restricted share awards (equity-settled)

As part of the corporate restructuring as disclosed in Note 3(a), 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 reference to shares of the Company.

Further details of the Award Scheme are disclosed in (a) above.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 27 Related Party Transactions

In addition to the related party information disclosed elsewhere in the financial statements, the Group entered into transactions with related parties during the financial year, on terms agreed between the parties, as shown below.

### Significant transactions with related parties

	<b>Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>S\$'000</b>	<b>S\$'000</b>
		<b>(Restated)</b>
Loan from a related company <sup>(1)</sup>	2,000	–
Interest expense incurred on loan from a related company <sup>(1)</sup>	72	–
Dental consultancy services rendered to a related company <sup>(1)</sup>	540	–
Short-term lease (office) expense paid to a related company <sup>(2)</sup>	78	–

(1) A related company refers to a company beneficially owned by a director of ADG.

(2) A related company refers to a company beneficially owned by a director of the Company.

### Key management personnel compensation

	<b>Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>S\$'000</b>	<b>S\$'000</b>
		<b>(Restated)</b>
Directors' fees	160	188
Short-term employee benefits	856	1,154
Contributions to defined contribution plans	51	57
Share-based payments	–	153
	<b>1,067</b>	<b>1,552</b>
Comprised:		
- Directors of the Company	463	742
- Key management of the Group	604	810
	<b>1,067</b>	<b>1,552</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 27 Related Party Transactions (cont'd)

### Director transactions

In 2014, Eitan Konstantino, the former executive director and chief executive officer of QT Vascular Ltd. had entered into an amended and restated intellectual property assignment agreement with QT Vascular and its wholly owned subsidiary, Quattro Vascular Pte. Ltd. ("Quattro"), under which he assigned QT Vascular and Quattro all intellectual property rights for a medical device to be utilised in the treatment of blood vessels, i.e., 'chocolate' balloon catheter. Based on the revised agreement, Eitan Konstantino is entitled to 2.85% of the net sales of the product upon commercialisation and the amount is payable quarterly on a date within five business days of the earlier of (i) filing with the applicable regulatory body of the required quarterly and annual financial reports and (ii) 45 days following the end of a fiscal quarter and 60 days following the end of a fiscal year. No royalty expense was recognised in profit and loss of the Group paid/ payable to Eitan Konstantino for the financial year ended 31 December 2022 and 2021.

## 28 Legal Proceedings

In August 2021, InnoRa GmbH ("InnoRa"), a licensor to TriReme Medical LLC ("TriReme"), a subsidiary of the Group, is seeking to claim for an amount of (i) US\$1,200,000 in royalties, being 30% of the initial payment made to TriReme, under the asset purchase agreement between QT Vascular Ltd. ("QTV"), TriReme, G Vascular Private Limited ("Purchaser") and Genesis MedTech International Private Limited ("Genesis MedTech") in relation to the disposal of Chocolate Touch® ("Product") by TriReme to the Purchaser in August 2020, as well as (ii) 30% of all future payments received by TriReme in connection with the aforesaid disposal ("InnoRa Dispute").

In October 2021, TriReme and Quattro Vascular Pte Ltd ("Quattro"), a subsidiary 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 to the claims made by TMI US and Quattro in November 2021. Subsequently, in March 2022, TMI US and Quattro responded to the statement of counterclaims made by InnoRa.

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 (the "Complaint"). The Complaint made by InnoRa now includes QTV, TriReme, the Purchaser and Genesis MedTech as parties to the Complaint.

In consultation with legal advisors, the Company filed a demurrer to a state court in California ("State Court") to dismiss the Complaint filed by InnoRa ("State Court Action") due to insufficient basis from InnoRa to support the legal claims, or alternatively (if the State Court does not agree on the demurrer), a motion to compel arbitration (request for the State Court to compel InnoRa to file this State Court Action into a separate arbitration), or to stay (request for the State Court to halt proceedings of this State Court Action until an award is issued in the arbitration hearing for the InnoRa Dispute to be held in March 2023). On 13 January 2023, a case management conference was held by the State Court to discuss the status of the State Court Action. The State Court understands the Company's abovementioned intention, and considering that the Company 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 State Court Action, the State Court agreed for the case management conference to be deferred to 16 May 2023.

Based on the Group's legal counsel advice, the aforesaid arbitration hearing scheduled in March 2023 has been completed. A ruling from the arbitrator is anticipated by July 2023. Since the arbitration is still in progress and the outcome cannot be determined at this stage, the directors of the Company are therefore of the view that no provision for any claims by InnoRa is required to be recognised in the financial statements as at 31 December 2022.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 29 Operating Segments

- (a) Products and services from which reportable segments derive their revenues

Operating segments are defined as components of an enterprise that engage in business activities for which separate financial information is available and evaluated by the chief operating decision maker in deciding how to allocate resources and assessing performance. The Company's chief operating decision maker is its CEO. The CEO reviews financial information presented on a consolidated basis, for purposes of allocating resources and evaluating financial performance. The Group has one business activity and there are no segment managers who are held accountable for operations, or plans for levels or components below the consolidated unit level. Accordingly, the Group operates as a single reportable operating segment.

The Group's reportable segments are as follows:

- Vascular business:

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

- Healthcare business:

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

- Corporate:

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

Information regarding the results of each reportable operating segment is included below. Segment assets and liabilities are presented net of inter-segment balances. Inter-segment pricing is determined on mutually agreed terms.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 29 Operating Segments (cont'd)

(b) Information about operating segments

	Vascular business S\$'000	Healthcare business S\$'000	Corporate S\$'000	Total S\$'000
<b>Group</b>				
2022				
<u>Revenue</u>				
Total revenue	–	9,368	–	9,368
Inter-segment revenue	–	–	–	–
External revenue	–	9,368	–	9,368
<u>Results</u>				
(Loss)/Profit before income tax	(2,036)	567	(7,047)	(8,516)
Income tax	–	(117)	–	(117)
(Loss)/Profit for the year	(2,036)	450	(7,047)	(8,633)
<u>Assets and liabilities</u>				
Segment assets	470	8,053	6,386	14,909
Segment liabilities	(1,340)	(8,250)	(6,947)	(16,537)
<u>Other segment information</u>				
Expenditure for property, plant and equipment	–	(764)	(164)	(928)
Other non-cash items:				
- Depreciation of property, plant and equipment	–	(69)	(32)	(101)
- Depreciation of right-of-use assets	(234)	(770)	–	(1,004)
- Amortisation of intangible assets	–	–	(229)	(229)
- Impairment of goodwill	–	(4,625)	–	(4,625)

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 29 Operating Segments (cont'd)

(b) Information about operating segments (cont'd)

	Vascular business S\$'000	Corporate S\$'000	Total S\$'000
<b>Group</b>			
2021 (Restated)			
<u>Revenue</u>			
Total revenue	–	–	–
Inter-segment revenue	–	–	–
External revenue	–	–	–
<u>Results</u>			
(Loss) before income tax	(1,012)	(4,297)	(5,309)
Income tax	–	–	–
(Loss) for the year	(1,012)	(4,297)	(5,309)
<u>Assets and liabilities</u>			
Segment assets	885	31	916
Segment liabilities	(1,193)	(2,314)	(3,507)
<u>Other segment information</u>			
Expenditure for property, plant and equipment	–	–	–
Other non-cash items:			
- Depreciation of property, plant and equipment	–	–	–
- Depreciation of right-of-use assets	(246)	–	(246)
- Impairment of intangible assets	(1,973)	–	(1,973)

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 29 Operating Segments (cont'd)

### (c) Geographical information

The Group operates principally in the United States of America and Singapore. In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers and segment assets are based on the geographical location of the non-current assets.

	Revenue		Non-current assets	
	2022	2021	2022	2021
	S\$'000	S\$'000	S\$'000	S\$'000
		(Restated)		(Restated)
<b>Group</b>				
United States of America	–	–	309	536
Singapore	9,368	–	7,666	6
	9,368	–	7,975	542

#### *Information about major customers*

There were no customers with revenue of over 10% of the Group's revenue for the financial year ended 31 December 2022 and 2021.

## 30 Financial Instruments

### Financial risk management

The Group and the Company is exposed to financial risks arising from its operations and the use of financial instruments. The directors of the Company review and agree policies and procedures for the management of these risks. The Audit Committee provides independent oversight to the effectiveness of the risk management process. These risks include credit risk, foreign currency risk, interest rate risk and liquidity risk. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks. The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 30 Financial Instruments (cont'd)

### Financial risk management (cont'd)

#### (a) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in a loss to the Group and the Company. In order to minimise credit risk, the Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group generally do not require collateral. The Group reviews the recoverable amount of each trade receivable and debt investment on an individual basis at the end of the reporting period to ensure that adequate loss allowance is made for irrecoverable amounts.

At the reporting date, the Group does not have significant credit risk exposure except for 1 debtor (2021: Nil) of the trade receivables from third parties accounted for approximately 32% (2021: Nil) of the total gross balance of trade receivables and based on geographical information provided by management is predominately attributed to Singapore. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings. The Group's maximum exposure to credit risk arises from the carrying amount of the respective recognised financial assets as present on the consolidated statement of financial position.

#### *Trade receivables*

The Group uses a provision matrix to measure the lifetime expected credit loss allowance for trade receivables. In measuring the expected credit losses, trade receivables are grouped based on their shared credit risk characteristics and numbers of days past due. The expected credit loss on trade receivables is estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Further details on the Group's credit risk exposure in relation to trade receivables are disclosed in Note 18.

#### *Cash and bank balances and other financial assets*

The cash and bank balances are entered into with banks and financial institutions that have high credit-ratings.

Impairment on cash and bank balances and other financial assets has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and bank balances and other financial assets have low credit risk based on the external credit ratings of the counterparties. The amount of the allowances on cash and bank balances and other financial assets were insignificant.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 30 Financial Instruments (cont'd)

### Financial risk management (cont'd)

#### (a) Credit risk (cont'd)

##### *Corporate guarantees*

At the reporting date, the Company has granted corporate guarantees to banks for certain subsidiaries' bank borrowings disclosed in Note 23 with outstanding balances totaling S\$2,169,000 (2021: Nil). These corporate guarantees executed by the Company have not been recorded at fair value, as in the view of the management, the difference in the interest rates, by comparing the actual rates charged by the banks with these corporate guarantees made available, with the estimated rates that the banks would have charged had those corporate guarantees not been made available, is not material.

The corporate guarantees are subject to impairment assessment. The Company has assessed that the relevant subsidiaries have strong financial capacity to meet the contractual cash flow loan obligations and henceforth does not expect significant credit losses arising from these corporate guarantees.

##### *Credit risk grading guideline*

The Group's management assesses the default risk of debtors using the following internal credit risk grading system:

Internal credit risk rating grades	Definition	Basis of recognition of expected credit loss (ECL)
i. Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
ii. Under-performing	There has been a significant increase in credit risk since initial recognition.	Lifetime ECL (not credit-impaired)
iii. Non-performing	There is evidence indicating that the asset is credit-impaired.	Lifetime ECL (credit-impaired)
iv. Write-off	There is evidence indicating that there is no reasonable expectation of recovery as the debtor is in severe financial difficulty.	Asset is written off

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 30 Financial Instruments (cont'd)

### Financial risk management (cont'd)

#### (a) Credit risk (cont'd)

##### Credit risk exposure

The credit quality of the Group's financial assets, as well as maximum exposure to credit risk by internal rating grades is presented as follows:

	Internal credit rating	ECL	Gross carrying amount S\$'000	Loss allowance S\$'000	Net carrying amount S\$'000
<b>Group</b>					
<u>2022</u>					
Trade receivables	Performing	Lifetime ECL (simplified)	1,237	–	1,237
Other receivables	Performing	12-month ECL	408	–	408
<u>2021</u>					
Trade receivables	Performing	Lifetime ECL (simplified)	–	–	–
Other receivables	Performing	12-month ECL	3	–	3

#### (b) Foreign currency risk

The Group has transactional currency exposures arising from transactions denominated in currencies other than the functional currency of the entities of the Group. The foreign currency in which the Group's transactions are denominated and have exposure to foreign currency risk is primarily the United States Dollar ("USD") and Euro ("EUR")

The Group generally does not hedge foreign currency risk exposure using derivative financial instruments. The Group manages foreign currency risk by close monitoring of the timing of inception and settlement of the foreign currency transactions.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 30 Financial Instruments (cont'd)

### Financial risk management (cont'd)

#### (b) Foreign currency risk (cont'd)

The Group's currency exposure based on the information provided to key management at the reporting date is as follows:

	SGD S\$'000	USD S\$'000	EUR S\$'000	Total S\$'000
<b>Group</b>				
2022				
<u>Financial assets</u>				
Other non-current assets	2	43	–	45
Trade and other receivables	1,645	–	–	1,645
Cash and bank balances	5,065	130	–	5,195
	<u>6,712</u>	<u>173</u>	<u>–</u>	<u>6,885</u>
<u>Financial liabilities</u>				
Trade and other payables	(2,688)	(1,076)	(713)	(4,477)
Loans and borrowings	(5,547)	–	–	(5,547)
Lease liabilities	(2,006)	(289)	–	(2,295)
Amount due to a non-controlling interest	(3,946)	–	–	(3,946)
	<u>(14,187)</u>	<u>(1,365)</u>	<u>(713)</u>	<u>(16,265)</u>
Net financial assets/(liabilities)	(7,475)	(1,192)	(713)	(9,380)
(Less)/Add:				
Net financial assets/(liabilities) denominated in the Group entities' functional currency	7,475	–	–	7,474
Currency exposure	<u>–</u>	<u>(1,192)</u>	<u>(713)</u>	<u>(1,905)</u>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 30 Financial Instruments (cont'd)

### Financial risk management (cont'd)

#### (b) Foreign currency risk (cont'd)

The Group's currency exposure based on the information provided to key management at the reporting date is as follows: (cont'd)

	SGD S\$'000	USD S\$'000	Total S\$'000
<b>Group</b>			
2021 (Restated)			
<u>Financial assets</u>			
Other non-current assets	6	43	49
Trade and other receivables	3	–	3
Cash and bank balances	7	337	344
	<u>16</u>	<u>380</u>	<u>396</u>
<u>Financial liabilities</u>			
Trade and other payables	(2,125)	(385)	(2,510)
Loans and borrowings	(35)	(450)	(485)
Lease liabilities	–	(512)	(512)
	<u>(2,160)</u>	<u>(1,347)</u>	<u>(3,507)</u>
Net financial assets/(liabilities)	(2,144)	(967)	(3,111)
(Less)/Add:			
Net financial assets/(liabilities) denominated in the Group entities' functional currency	2,144	–	2,144
Currency exposure	<u>–</u>	<u>(967)</u>	<u>(967)</u>

#### *Sensitivity analysis*

No sensitivity analysis is disclosed in the financial statements as management considers the impact of a reasonable strengthening/weakening of S\$ against the USD/EUR., assuming that all other variables remain constant, at the reporting date is not material.

Management considers the Company has no exposure to foreign currency risk as the Company has no monetary assets and monetary liabilities denominated in foreign currencies at the reporting date.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 30 Financial Instruments (cont'd)

### Financial risk management (cont'd)

#### (c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's exposure to interest rates risk arises primarily from their loans and borrowings and cash at banks. The Group's policy is to manage interest cost by maintaining an appropriate mix of fixed and floating rate borrowings.

The applicable effective interest rates of the Group's loans and borrowings are disclosed in Note 23. No sensitivity analysis is disclosed in the financial statements as management considers there is no impact on the Group as its loans and borrowings are at fixed interest rates and therefore are not exposed to changes in market interest rates.

The Company does not have any significant interest-bearing borrowings or interest-earning assets that may expose the Company to interest rate risk.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 30 Financial Instruments (cont'd)

### Financial risk management (cont'd)

#### (d) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting the financial obligations due to shortage of funds.

The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and financial liabilities. The Group's and the Company's objective is to maintain a balance of continuity of funding and flexibility through the use of bank borrowings, where required.

Further details on the Group's/Company's going concern are disclosed in Note 3(b).

The table below summarises the maturity profile of the Group's/Company's financial liabilities at the reporting date based on contractual undiscounted repayment obligations.

	Carrying amount S\$'000	Contractual cash flows S\$'000	Within 1 year S\$'000	1-2 years S\$'000	2-5 years S\$'000
<b>Group</b>					
<u>2022</u>					
Trade and other payables	4,477	4,477	4,477	–	–
Loans and borrowings	5,547	6,310	1,568	1,568	3,174
Lease liabilities	2,295	2,450	1,093	888	469
Amount due to a non-controlling interest	3,946	4,150	1,383	1,383	1,384
	16,265	17,387	8,521	3,839	5,027
<u>2021 (Restated)</u>					
Trade and other payables	2,510	2,510	2,510	–	–
Loans and borrowings	485	485	485	–	–
Lease liabilities	512	547	217	330	–
	3,507	3,542	3,212	330	–
<b>Company</b>					
<u>2022</u>					
Trade and other payables	6,041	6,041	6,041	–	–
Amount due to a non-controlling interest	3,946	4,150	1,383	1,383	1,384
	9,987	10,191	7,424	1,383	1,384

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 30 Financial Instruments (cont'd)

### Financial risk management (cont'd)

#### (d) Liquidity risk (cont'd)

##### *Corporate guarantees*

The table below shows the maximum amount of the corporate guarantees that are allocated to the earliest period in which these corporate guarantees could be called.

	Carrying amount S\$'000	Contractual cash flows S\$'000	Within 1 year S\$'000	Within 2 – 5 years S\$'000
<b>Company</b>				
<u>2022</u>				
Corporate guarantees	–	2,169,000	2,169,000	–
<u>2021</u>				
Corporate guarantees	–	–	–	–

The amount for corporate guarantees was the maximum amount the Company could be forced to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee.

### Capital risk management

The primary objective of the Group's capital management is to ensure it maintains healthy capital ratios in order to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from the previous financial year.

The Group is not subject to any externally imposed capital requirements.

Management reviews the capital structure of the Group and makes adjustment to it, in light of changes in economic conditions. The Group monitors capital using gearing ratio. The Group's debt comprises loans and borrowings (including lease liabilities). Capital includes all capital and reserves of the Group that are managed as capital.

No quantitative disclosure is disclosed in the financial statements as it is not meaningful since the Group has/had deficit in shareholders' equity as at 31 December 2022 and 2021.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 31 Fair Value Measurements

Fair value hierarchy

The Group categorises fair value measurement using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: Unobservable inputs for the asset or liability.

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods:

- (a) Management has determined that the carrying amounts of cash at bank, including deposits pledged, trade and receivables, inventories, other financial assets, trade and other payables and loans and borrowings on their notional amounts reasonably approximate their fair values because of their short-term nature.
- (b) The fair value of the employee share options and restricted share awards are measured using the Black-Scholes options-pricing model. Measurement inputs include the share price on the measurement date, the exercise price of the instrument, expected volatility (based on an evaluation of the historic volatility of the Company's share price, particularly over the historical period commensurate with the expected term), expected term of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.
- (c) Other non-derivative financial liabilities are measured at fair value at initial recognition and for disclosure purposes, at each reporting date. Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the measurement date.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

Except as detailed in the following table (Fair value hierarchy), management considers that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
<b>Group</b>				
<u>2022</u>				
<u>Financial liabilities</u>				
Amount due to a non-controlling interest				
– Earn-Out Amount	–	–	(1,343)	(1,343)
<u>2021</u>				
<u>Financial liabilities</u>				
Amount due to a non-controlling interest				
– Earn-Out Amount	–	–	–	–

The fair value of the Earn-Out Amount included in level 3 above has been determined by discounting expected future cash flows at market incremental lending rate for similar types of lending or borrowing at the reporting date. No sensitivity analysis is disclosed on the market incremental lending rate used as the impact is considered not material.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 32 Events Occurring After the Reporting Period

### (a) Proposed Share Placement

On 27 January 2023, the Company announced a Proposed Share Placement of up to 285,714,300 new ordinary shares ("Placement Shares") of the Company at S\$0.0035 per share, which the Company will seek for shareholders' approval at the extraordinary general meeting ("EGM") to be convened in March 2023. Subsequently, on 2 March 2023, the Company entered into a supplemental agreement with the placement agent to increase the number of Placement Shares to an aggregate of up to 571,428,600 new ordinary shares of the Company at S\$0.0035 per share.

Following the receipt of the Company's shareholders approval at an EGM held on 27 March 2023 for the 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.

### (b) Proposed Acquisition

On 2 February 2023, the Company entered into a Proposed Acquisition of the business of Three Dental Clinics under the name The Dental Hub, for a total cash consideration of S\$1.65 million. The consideration will be funded by way of combination of internal cash resources and external financing. At the date of these financial statements, the Proposed Acquisition has not been completed.

### (c) Incorporation of subsidiaries

On 7 February 2023, the Company incorporated a subsidiary in Malaysia, Quantum Healthcare Holdings Sdn Bhd ("QHH"), with a 60% shareholding held by the Company and the remaining 40% shareholding held by a third party. The paid-up capital of QHH is RM100 (approximately S\$30) and the principal activities of QHH is investment holding.

QHH subsequently incorporated a wholly owned subsidiary in Malaysia, Quantum Specialist Sdn Bhd ("QS"). The paid-up capital of QS is RM100 (approximately S\$30) and the principal activities of QS is in the medical and wellness business.

### (d) Strategic Partnership Agreement

On 22 March 2023, the Company entered into a strategic partnership agreement with Hatten Edge Pte Ltd, a wholly owned subsidiary of Hatten Land Limited, for a collaborative effort to repurpose Imperio Mall@Hatten City, a property that is owned by Hatten Group in Melaka, Malaysia, to a specialist outpatient centre. Further details are set out in the Company's announcement on 22 March 2023.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 33 Comparative Figures

### (a) Group

#### Corporate restructuring

As disclosed in Note 3(a), the Group resulting from the corporate restructuring is regarded as a continuing entity throughout the financial year ended 31 December 2022 and for the financial year ended 31 December 2021 as the shareholders and management of the Group remain the same as those of QTV Group. Accordingly, the comparative figures of the Group are those of QTV Group for the financial year ended 31 December 2021.

#### Change in presentation currency

The financial statements of the Group for the financial year ended 31 December 2021 were presented in US\$. As disclosed in Note 3(a), the Group has changed the presentation currency of the consolidated financial statements from US\$ to S\$ during the financial year ended 31 December 2022. Accordingly, the comparative figures were restated from US\$ to S\$ to conform with current year's presentation.

### (b) Company

There are no comparative figures as this is the first set of financial statements since the incorporation of the Company on 30 May 2022.

# STATISTICS OF SHAREHOLDINGS

As at 31 March 2023

ISSUED AND FULLY PAID UP CAPITAL	:	S\$234,229,829
NUMBER OF SHARES IN ISSUE	:	7,464,501,108
CLASS OF SHARES	:	ORDINARY SHARES
VOTING RIGHTS	:	ONE VOTE PER ORDINARY SHARE

The Company does not have any treasury shares.

## DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS AS AT 31 MARCH 2023

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	12	0.34	391	0.00
100 – 1,000	41	1.18	27,066	0.00
1,001 – 10,000	414	11.88	3,1762,484	0.04
10,001 – 1,000,000	2,700	77.48	556,410,516	7.46
1,000,001 AND ABOVE	318	9.12	6,904,890,651	92.50
<b>TOTAL</b>	<b>3,485</b>	<b>100.00</b>	<b>7,464,501,108</b>	<b>100.00</b>

## TWENTY LARGEST SHAREHOLDERS

NO.	SHAREHOLDER'S NAME	NUMBER OF SHARES HELD	%
1	THOMAS TAN GIM CHUA	1,671,296,804	22.39
2	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	1,409,345,126	18.88
3	CHONG LEONG FAH DERRICK	1,132,480,974	15.17
4	GIAN SIONG LIN JIMMY (YAN XIANGLIN JIMMY)	417,777,778	5.60
5	CITIBANK NOMINEES SINGAPORE PTE LTD	321,989,916	4.31
6	KENJI CHIN CHOON TSZE (CHEN ZUNZHI)	212,539,200	2.85
7	DBS NOMINEES PTE LTD	107,643,622	1.44
8	RAFFLES NOMINEES (PTE) LIMITED	101,045,484	1.35
9	PHILLIP SECURITIES PTE LTD	58,375,800	0.78
10	TAN KIAN HING	58,000,000	0.78
11	UOB KAY HIAN PTE LTD	53,505,318	0.72
12	TEO SENG WAH	45,714,300	0.61
13	LIM CHYE HUAT @ BOBBY LIM CHYE HUAT	43,557,100	0.58
14	EITAN KONSTANTINO	43,328,460	0.58
15	OCBC SECURITIES PRIVATE LTD	39,208,243	0.53
16	HO BENG SIANG	34,500,000	0.46
17	SOLIGNY BRUNO LUDOVIC	31,900,100	0.43
18	IFAST FINANCIAL PTE LTD	31,045,100	0.42
19	CHEN YUEHUA	30,000,000	0.40
20	LIM SING TAT	28,571,400	0.38
	<b>TOTAL</b>	<b>5,871,824,725</b>	<b>78.66</b>

# STATISTICS OF SHAREHOLDINGS

As at 31 March 2023

## SUBSTANTIAL SHAREHOLDER AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS

No.	Name	No. of shares held as Direct	%	No. of shares held as Deemed	%
1	Thomas Tan Gim Chua	1,671,296,804	22.39	27,424,658 <sup>(2)</sup>	0.37
2	Quek Chin Thean <sup>(1)</sup>	1,277,777,778	17.12	24,572,372 <sup>(2)</sup>	0.33
3	Chong Leong Fah Derrick	1,132,480,974	15.17	-	-
4	Gian Siong Lin Jimmy <sup>(3)</sup>	418,977,778	5.61	-	-

Notes:

- (1) 1,277,777,778 shares are held in the name of CGS-CIMB Securities (Singapore) Pte Ltd.
- (2) Thomas Tan Gim Chua is deemed to be interested in 27,424,658 shares and Quek Chin Thean is deemed to be interested in 24,572,372 shares (collectively, "**the shares**") held in Emerald Apex Pte. Ltd. and MDIE Pte. Ltd. pursuant to Section 7 of Companies Act 1967, as they have entered into an sale and purchase agreement with Emerald Apex Pte. Ltd. and MDIE Pte. Ltd to purchase the shares. The shares have yet to be transferred pending payment and processing of the transfer.
- (3) 1,200,000 shares are held separately in the name of Phillip Securities Pte Ltd.

## SHAREHOLDING HELD IN THE HANDS OF PUBLIC

Based on the information available to the Company as at 31 March 2023, approximately 38.98% of the issued ordinary shares of the Company was held in the hands of the public and therefore, Rule 723 of the Listing Manual (Section B: Rules of Catalyst) of the Singapore Exchange Securities Trading Limited, is complied with.

# NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of QUANTUM HEALTHCARE LIMITED (the "**Company**" and together with its subsidiaries, the "**Group**") will be held at 10:00 a.m. on Thursday, 27 April 2023, at Lifelong Learning Institute, 11 Eunos Road 8, Singapore 408601, Room TR1-1 for the purposes of considering and, if though fit, passing with or without amendments, the resolutions as set out below ("**Notice**").

## AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements for the financial year ended 31 December 2022 together with the Independent Auditor's Report thereon. **(Resolution 1)**
2. To re-elect Sho Kian Hin who was appointed on 30 May 2022 and is retiring pursuant to Article 114 and Article 110 of the Company's constitution ("**Constitution**") as a director of the Company ("**Director**"). **(Resolution 2)**  
*See Explanatory Note (i)*
3. To re-elect Ng Boon Eng who was appointed on 30 May 2022 and is retiring pursuant to Article 114 and Article 110 of the Company's Constitution as a Director of the Company. **(Resolution 3)**  
*See Explanatory Note (ii)*
4. To re-elect Thomas Tan Gim Chua who was appointed on 30 May 2022 and is retiring pursuant to Article 114 of the Company's Constitution as a Director of the Company. **(Resolution 4)**  
*See Explanatory Note (iii)*
5. To re-elect Ng Fook Ai Victor who was appointed on 30 May 2022 and is retiring pursuant to Article 114 of the Company's Constitution as a Director of the Company. **(Resolution 5)**  
*See Explanatory Note (iv)*
6. To approve the payment of Directors' fees of S\$145,000 for the financial year ended on 31 December 2022 (FY2021: US\$146,584 approximately S\$195,177). **(Resolution 6)**  
*See Explanatory Note (v)*
7. To approve the payment of Directors' fees of S\$145,000 for the financial year ending on 31 December 2023 to be paid quarterly in arrears. **(Resolution 7)**  
*See Explanatory Note (vi)*
8. To re-appoint Moore Stephens LLP as the Company's Auditors and to authorise the Directors to fix the remuneration. **(Resolution 8)**
9. To transact any other ordinary business that may be properly transacted at an annual general meeting.

# NOTICE OF ANNUAL GENERAL MEETING

## AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

### 10. Authority to Allot and Issue Shares

(Resolution 9)

That pursuant to Section 161 of the Companies Act 1967 of Singapore ("**Companies Act**") and Rule 806 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("**Catalist Rules**"), the Directors be empowered to:

- (a) allot and issue shares in the capital of the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or
- (b) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other Instruments convertible into Shares;

At any time and upon such terms and conditions and for such purposes and to such persons as the Directors may, in their absolute discretion deem fit and, notwithstanding the authority conferred by this Resolution may have ceased to be in force, issue Shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force, provided that:

- (a) the aggregate number of shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed one hundred percent (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (b) below), of which the aggregate number of Shares to be issued other than on a pro-rata basis to existing shareholders of the Company shall not exceed fifty percent (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (b) below) or such other limit as may be prescribed by the Catalist Rules as at the date this Resolution is passed;
- (b) subject to such calculation as may be prescribed by the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (a) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time of the passing of this Resolution, after adjusting for:
  - (i) new Shares arising from the conversion or exercise of any convertible securities;
  - (ii) new Shares arising from exercising of share options or vesting of share awards which are outstanding or subsisting at the time of passing of this Resolution, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and

# NOTICE OF ANNUAL GENERAL MEETING

(iii) any subsequent bonus issue, consolidation or subdivision of Shares;

any adjustments in accordance with (i) and (ii) are only to be made in respect of new Shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution.

(c) In exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance is waived by the SGX-ST) and the Constitution of the Company; and

(d) Unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier.

*See Explanatory Note (vii)*

11. **Authority to allot and issue shares under 2014 QTV Employee Share Option Scheme, QT Vascular Ltd 2013 Share Plan and the TriReme Medical, LLC 2005 Stock Plan (collectively, the "Option Schemes") (Resolution 10)**

That pursuant to Section 161 of the Companies Act, authority be and is hereby given to the Directors to allot and issue from time to time such number of fully paid-up Shares as may be required to be issued pursuant to the exercise of options granted under the Option Schemes ("**Options**"), such authority (unless revoked or varied by the company in a general meeting) to continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

*See Explanatory Note (viii)*

12. **Authority to allot and issue shares under the QT Vascular Restricted Share Plan 2015 (the "Share Plan") (Resolution 11)**

THAT the directors of the Company be and are hereby authorised to:

(a) Grant awards of Shares ("**Awards**") in accordance with the provisions of the Share Plan as from time to time amended, modified or supplemented and approved by shareholders in a general meeting;

(b) Pursuant to Section 161 of the Companies Act, allot and issue from time to time such number of fully paid-up Shares as may be required to be allotted and issued pursuant to the exercise of the Awards; and

(c) (notwithstanding the authority conferred by this Resolution may have ceased to be in force), pursuant to Section 161 of the Companies Act, allot and issue fully paid-up Shares pursuant to the exercise of any Award granted by the Directors in accordance with the Share Plan while this Resolution was in force,

# NOTICE OF ANNUAL GENERAL MEETING

such authority to continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held whichever is the earlier.

See *Explanatory Note (ix)*

## By Order of the Board

Lee Pih Peng  
Company Secretary  
12 April 2023

## Explanatory Notes:

- (i) Article 114 of the Constitution requires Directors who were appointed to fill a causal vacancy to hold office only until the next annual general meeting of the Company and as all the existing Directors of the Company were appointed in conjunction with the incorporation of the Company on 30 May 2022 and the upcoming AGM is the first AGM of the Company, all the existing Directors of the Company are seeking re-election pursuant to Article 114 of the Constitution, including Sho Kian Hin and Ng Boon Eng who will be seeking re-election pursuant to Article 110 of the Constitution which provides for retirement and re-election of Directors by rotation on an annual basis at each annual general meeting of the Company.

Resolution 2, if passed, will re-appoint Sho Kian Hin, as Director of the Company. Sho Kian Hin, who was appointed on 30 May 2022, will retire and seek re-appointment pursuant to Article 114 and Article 110 of the Company's Constitution at the upcoming AGM which will be the first AGM of the Company. Sho Kian Hin is an independent non-executive Director. Sho Kian Hin will, upon re-election, remain as the Chairman of the Audit Committee and a member of the Remuneration Committee. The Board considers Sho Kian Hin to be independent for the purpose of Rule 704(7) of the Catalist Rules. Further information on Sho Kian Hin is set out under the sections entitled "Board of Directors" and "Report on Corporate Governance" of the Company's annual report.

- (ii) Resolution 3, if passed, will re-appoint Ng Boon Eng, as Director of the Company. Ng Boon Eng, who was appointed on 30 May 2022, will retire and seek re-appointment pursuant to Article 114 and Article 110 of the Company's Constitution at the upcoming AGM which will be the first AGM of the Company. Ng Boon Eng is an independent non-executive Director. Ng Boon Eng will upon the re-election, remain as a Chairman of the Nominating Committee and member of the Audit and Remuneration Committees. The Board considers Ng Boon Eng to be independent for the purpose of Rule 704(7) of the Catalist Rules. Further information on Ng Boon Eng is set out under the sections entitled "Board of Directors" and "Report on Corporate Governance" of the Company's annual report.

- (iii) Resolution 4, if passed, will re-appoint Thomas Tan Gim Chua, as Director of the Company. Thomas Tan Gim Chua, who was appointed on 30 May 2022, will retire and seek re-appointment pursuant to Article 114 of the Company's Constitution at the upcoming AGM which will be the first AGM of the Company. Thomas Tan Gim Chua is an executive Director and the Chief Executive Officer of the Company. Thomas Tan Gim Chua will upon the re-election, remain as a member of the Nominating Committee. Further information on Thomas Tan Gim Chua is set out under the sections entitled "Board of Directors" and "Report on Corporate Governance" of the Company's annual report.

# NOTICE OF ANNUAL GENERAL MEETING

- (iv) Resolution 5, if passed, will re-appoint Ng Fook Ai Victor, as Director of the Company. Ng Fook Ai Victor who was appointed on 30 May 2022, will retire and seek re-appointment pursuant to Article 114 of the Company's Constitution at the upcoming AGM which will be the first AGM of the Company. Ng Fook Ai Victor is an independent non-executive Director. Ng Fook Ai Victor will upon the re-election, remain as independent non-executive Chairman of the Board and the Remuneration Committee, and a member of the Audit and Nominating Committees. The Board considers Ng Fook Ai Victor to be independent for the purpose of Rule 704(7) of the Catalist Rules. Further information on Ng Fook Ai Victor is set out under the sections entitled "Board of Directors" and "Report on Corporate Governance" of the Company's annual report.
- (v) Resolution 6, if passed, will allow for payment of the Directors' fees payable to the non-executive Directors for the financial year ended 31 December 2022, which has been computed based on a basic fee and the number of chairmanships and memberships held on the Board and the Board committees of the Company, and pro-rated for the period from the date of their appointment on 30 May 2022 up to and including 31 December 2022 as well as to include compensation for their services rendered in respect of the tenure of their appointment on the board and board committees of QT Vascular Ltd (which was formerly listed and became a wholly owned subsidiary of the Company following the completion of the Scheme (as defined below)) for the period commencing from 1 January 2022 up to and including 29 July 2022. The amount of Directors' fees of S\$195,177 paid to the non-executive Directors for FY2021 was compensation for their services rendered in respect of the tenure of their appointment on the Board and Board committees of QT Vascular Ltd for the period commencing from 1 January 2021 up to and including 31 December 2021.
- (vi) Resolution 7, if passed, will allow for payment of Directors' fees in respect of the financial year ending 31 December 2023, payable quarterly in arrears which will be computed based on a basic fee and the number of chairmanships and memberships held on Board and the Board committees of the Company and assuming that all non-executive Directors will hold office for the full year. The Directors' fees payable to the non-executive Director shall be pro-rated accordingly should any Director cease to hold office prior to the end of the financial year ending 31 December 2023.
- (vii) Resolution 9, if passed, will empower the Directors from the date of the Annual General Meeting until (a) the conclusion of the next annual general meeting of the Company, or (b) the date by which the next annual general meeting of the Company is required to be held pursuant to the Constitution of the Company or any applicable laws of Singapore, or (c) it is carried out to the full extent mandated, or (d) the date on which such authority is varied or revoked by ordinary resolution of the shareholders in a general meeting, whichever is the earliest, to issue Shares, make or grant Instruments convertible into Shares and to issue Shares pursuant to such Instruments, up to an amount not exceeding, in total, one hundred percent (100%) of the issued Share capital of the Company (excluding treasury shares and subsidiary holdings), of which up to fifty percent (50%) may be issued other than on a pro-rata basis to existing shareholders of the Company.
- (viii) Pursuant to the scheme of arrangement under Section 210 of the Companies Act, which was carried out on the terms of the scheme document dated 1 June 2022 ("**Scheme**"), the Company had assumed all liabilities and obligations of QT Vascular Ltd, its wholly-owned subsidiary, in connection with the outstanding Options granted by QT Vascular Ltd to the Options holders under the Option Schemes. Resolution 10, if passed, will empower the Directors, from the date of the AGM until the conclusion of the next annual general meeting of the Company, or the date by which the next annual general meeting of the Company is required by law to be held or such authority is varied and revoked by the Company in a general meeting, whichever is the earlier, to allot and issue Shares to holders of outstanding Options which were awarded under the Option Schemes pursuant to the exercise of such outstanding Options.

# NOTICE OF ANNUAL GENERAL MEETING

- (ix) Pursuant to the Scheme, the Company had assumed all liabilities and obligations of QT Vascular Ltd, its wholly-owned subsidiary in connection with the outstanding Awards granted by QT Vascular Ltd to the Awards holders under the Share Plan. Resolution 11, if passed, will empower the Directors, from the date of the AGM until the conclusion of the next annual general meeting of the Company, or the date by which the next annual general meeting of the Company is required by law to be held or such authority is varied and revoked by the Company in a general meeting, whichever is the earlier, to (i) grant awards under the terms of the Share Plan and (ii) allot and issue Shares pursuant to the vesting of the Awards to be granted under the Share Plan.

## Notes:

1. The Annual General Meeting ("AGM") will be held at Room TR1-1 11 Eunos Road 8, Singapore 408601 on Thursday, 27 April 2023 at 10:00 a.m. **There will be no option for Shareholders to participate virtually.** Printed copies of this Notice and the Proxy Form and any other documents related to the AGM including the Annual Report will not be sent to members. Instead, this Notice, and the Proxy Form will be made available to members on the website of the SGX-ST at the URL <https://www.sgx.com/securities/company-announcements> and may be accessed at the Company's website at the URL <https://www.quantumhealthcare.com.sg/>
2. A member who is not a relevant intermediary is entitled to appoint not more than two (2) proxies. Where such member's instrument appointing a proxy(ies) appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument.
3. A member who is a relevant intermediary is entitled to appoint more than two (2) proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where a relevant intermediary appoints more than 2 proxies, separate Proxy Forms should be used.
4. "**Relevant Intermediary**" has the meaning ascribed to it in section 181(6) of the Companies Act.
5. Members (whether individuals or corporates) exercising their voting rights at the AGM may do so by attending and voting at the AGM themselves personally or through their duly appointed proxy(ies) or may appoint the Chairman of the AGM as their proxy to attend, speak and vote on their behalf at the AGM. In appointing the Chairman of the AGM as proxy, members (whether individuals or corporates) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.
6. SRS Investors who wish to appoint the Chairman of the AGM (and not third-party proxy(ies)) as proxy should approach their SRS operators to submit their votes by 10:00 a.m. (Singapore Time) on 18 April 2023. Operators acting on the request of SRS Investors who wish to attend the AGM as observers are required to submit in writing, a list with details of the investors' names, NRIC/Passport numbers, addresses and numbers of shares held. The list, signed by an authorised signatory of the operator, should reach the Company's Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road #02-00, Singapore 068898 or be scanned and sent to the Company's Share Registrar, Tricor Barbinder Share Registration Services by email at [sg.is.proxy@sg.tricorglobal.com](mailto:sg.is.proxy@sg.tricorglobal.com), not later than seventy-two (72) hours before the time set for the AGM.
7. A proxy, including the Chairman of the AGM, need not be a member of the Company.

# NOTICE OF ANNUAL GENERAL MEETING

8. The duly executed instrument appointing a proxy (including an instrument appointing the Chairman of the AGM as proxy) must:
- (a) if sent personally or by post, be received by the Company's Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road #02-00, Singapore 068898; and
  - (b) if submitted by email, be received by the Company's Share Registrar, Tricor Barbinder Share Registration Services by email at [sg.is.proxy@sg.tricorglobal.com](mailto:sg.is.proxy@sg.tricorglobal.com),

in either case no later than 10:00 a.m. on 24 April 2023, and in default the instrument of proxy shall not be treated as valid. A member who wishes to submit an instrument of proxy must first download, complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

9. The instrument appointing a proxy must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it must be executed either under its common seal or signed on its behalf by a duly authorised officer or attorney. A copy of the power of attorney or such other authority must be submitted together with the instrument appointing a proxy, failing which the instrument may be treated as invalid.
10. In the case of shares entered in the Depository Register, the Company may reject an instrument proxy if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.
11. Shareholders may submit questions which are substantial and relevant to the proposed resolutions tabled for approval at the AGM as set out in this Notice, by writing to the Company in advance of the AGM. Alternatively, Shareholders may also pose such questions during the AGM. Substantial and relevant questions related to the agenda of the AGM must be submitted in the following manner:
- (a) via email at [ir.sg@quantumhealthcare.com.sg](mailto:ir.sg@quantumhealthcare.com.sg); or
  - (b) via post to the business office of the Company at 130 Joo Seng Road, Singapore 368357

in either case, by 10:00 a.m. on 20 April 2023 for the purposes of the AGM.

12. For verification purposes, when submitting any questions via email, members MUST provide the Company with their particulars (comprising full name (for individuals)/company name (for corporates), email address, contact number, NRIC/passport number/company registration number, shareholding type and number of shares held), failing which the submission will be treated as invalid.
13. The Company will endeavour to address the substantial and relevant questions (as determined by the Company in its sole discretion) pertinent to the resolutions to be tabled for approval at the AGM as received from Shareholders by 10 a.m. on 22 April 2023 (that is, at least 48 hours prior to the closing date and time for the lodgment of the instrument of proxy). For substantial and relevant comments, queries and/or questions which the Company is unable to address prior to the AGM, the Company will address them at the AGM.
14. The Company will, within one month after the date of the AGM, publish the minutes of the AGM on SGXNet and the Company's website. The minutes will include the responses to the substantial and relevant questions raised during the AGM.

# NOTICE OF ANNUAL GENERAL MEETING

15. The Company shall be entitled to reject the instrument appointing a proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the proxy (such as in the case where the appointor submits more than one instrument of proxy).

## PERSONAL DATA PRIVACY:

By submitting a Proxy Form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

# DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mr Sho Kian Hin, Mr Thomas Tan Gim Chua, Mr Ng Fook Ai Victor and Mr Ng Boon Eng are the Directors seeking re-election at the forthcoming Annual General Meeting of the Company to be convened at 10:00 a.m. on Thursday, 27 April 2023 (“AGM”) (the “Retiring Directors”).

Pursuant to Rule 720(5) of the Catalist Rules of the SGX-ST, the information relating to the retiring Directors as set out in Appendix 7F of the Catalist Rules of the SGX-ST are disclosed below:

	Mr Sho Kian Hin	Mr Thomas Tan Gim Chua	Mr Ng Fook Ai Victor	Mr Ng Boon Eng
Date of Appointment	30 May 2022	30 May 2022	30 May 2022	30 May 2022
Date of last re-appointment	N/A	N/A	N/A	N/A
Age	54	50	75	52
Country of principal residence	Malaysia	Singapore	Singapore	Singapore
The Board’s comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The re-election of Mr Sho Kian Hin as the Independent Director of the Company was recommended by the NC and the Board has accepted the recommendation, after taking into consideration his qualifications, expertise, past experiences and overall contribution since he was appointed as a Director of the Company. Mr Sho Kian Hin is considered independent for the purposes of Catalist Rule 704(7).	The re-election of Mr Thomas Tan Gim Chua as the Executive Director and Chief Executive Officer of the Company was recommended by the NC and the Board has accepted the recommendation, after taking into consideration his qualifications, expertise, past experiences and overall contribution since he was appointed as a Director of the Company.	The re-election of Mr Ng Fook Ai as the Independent Chairman of the Company was recommended by the NC and the Board has accepted the recommendation, after taking into consideration his qualifications, expertise, past experiences and overall contribution since he was appointed as a Director of the Company. Mr Ng Fook Ai Victor is considered independent for the purposes of Catalist Rule 704(7).	The re-election of Mr Ng Boon Eng as the Independent Director of the Company was recommended by the NC and the Board has accepted the recommendation, after taking into consideration his qualifications, expertise, past experiences and overall contribution since he was appointed as a Director of the Company. Mr Ng Boon Eng is considered independent for the purposes of Catalist Rule 704(7).
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Executive. Primarily responsible for the business development and overall management of the Group.	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC member etc.)	Chairman of the Audit Committee and member of the Remuneration Committee	Chief Executive Officer and Member of the Nominating Committee	Independent Chairman, Chairman of the Remuneration Committee and member of the Audit Committee and Nominating Committee	Chairman of the Nominating Committee and member of the Audit Committee and Remuneration Committee
Professional qualifications	Fellow Member of Association of Chartered Certified Accountants	Bachelor of Engineering from Nanyang Technological University	Bachelor of Science (Honours) in Economics from University of London  Master of Science in Economics from Birkbeck College, University of London	Bachelor of Engineering (Electrical) (Honours) from Nanyang Technological University  Chartered Valuer and Appraiser (CVA)
Working experience and occupation(s) during the past 10 years	<ol style="list-style-type: none"> <li>China Farm Equipment Limited, Board Member and Chief Financial Officer from 2007 to 2013</li> <li>Hunan Longzhou Farm Equipment Holdings Co., Ltd, Corporate Development Director from 2013 to 2017</li> </ol>	<ol style="list-style-type: none"> <li>Ridgeline Technology Pte Ltd, Managing Director from 2000 to present</li> <li>Awesome Food Holdings Pte Ltd, Director from 2004 to 2021</li> <li>Ridgeline Engineering Pte Ltd, Director from 2004 to 2021</li> </ol>	<ol style="list-style-type: none"> <li>DConstruct Systems Pte Ltd, Director in 2018</li> <li>Millet World Trading Post Private Limited, Director from 2018 to 2020</li> <li>Millet Capital Private Limited, Director from 2018 to 2020</li> </ol>	<ol style="list-style-type: none"> <li>RHB Securities Singapore Pte. Ltd (formerly known as DMG &amp; Partners Securities Pte. Ltd.), Director, Head of Corporate Finance from 2011 to 2017</li> </ol>

# DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr Sho Kian Hin	Mr Thomas Tan Gim Chua	Mr Ng Fook Ai Victor	Mr Ng Boon Eng
Working experience and occupation(s) during the past 10 years	<ol style="list-style-type: none"> <li>3. QT Vascular Ltd, Independent Non-Executive Director, from 2015 to Feb 2023</li> <li>4. China Farm Equipment Pte. Ltd, Board member from 2013 to present</li> <li>5. Hartanah Kencana Sdn Bhd, Board Member from 2013 to present</li> <li>6. OUE Lippo Healthcare Limited, Board Member from 2017 to present</li> <li>7. Choo Chiang Holdings Ltd., Board Member from 2018 to present</li> <li>8. Versalink Holdings Limited, Board Member from 2021 to present</li> <li>9. Sim Leisure Group Ltd, Board Member from 2022 to present</li> </ol>	<ol style="list-style-type: none"> <li>4. White Water Capital Pte Ltd, Executive Director from 2004 to present</li> <li>5. Intex Fabric Sdn Bhd, Non-Executive Director from 2009 to present</li> <li>6. Lifeline Corporation Pty Ltd, Non-Executive Director from 2016 to present</li> <li>7. Perpetual Insurance Agency Pte Ltd, Chief Executive Officer from 2017 to present</li> <li>8. Folomi (S) Pte Ltd, Non-Executive Director from 2018 to present</li> <li>9. Lifeline Corporation Pte Ltd, Chief Executive Officer from 2019 to present</li> <li>10. Lifeline Wellness Pte Ltd, Non-Executive Director from 2018 to present</li> <li>11. Lifeline Holdings Pte Ltd, Non-Executive Director from 2018 to present</li> <li>12. Ezwillis Pte Ltd, Non-Executive Director from 2018 to present</li> <li>13. Lifeline Innovator Sdn Bhd, Non-Executive Director from 2018 to present</li> <li>14. Lifelab Pte Ltd, Non-Executive Director from 2020 to present</li> <li>15. Arona Industrial Products Pte Ltd, Non-Executive Director from 2020 to present</li> <li>16. Lifeline Healthcare Pte Ltd, Non-Executive Director from 2020 to present</li> <li>17. Asia Dental Group Pte Ltd, Director from 2022 to present</li> </ol>	<ol style="list-style-type: none"> <li>4. Ocision Pte Ltd, Director from 2017 to 2021</li> <li>5. LI TV Asia Pte Ltd, Director from 2017 to 2019</li> <li>6. Star Publications (Singapore) Pte Ltd, Director from 2017 to 2021</li> <li>7. Sun Resources Holdings Pte Ltd, Director from 2017 to 2020</li> <li>8. Director of Laviani Pte Ltd from 2017 to 2019</li> <li>9. SG Makers Association Ltd, Director from 2017 to 2018</li> <li>10. Cityneon Holdings Limited (NKA Cityneon Holdings Pte Ltd), Lead Independent Director from 2016 to 2017</li> <li>11. SB REIT Management Pte Ltd, Independent Director from 2015 to 2021</li> <li>12. Global Arena Asia Pte Ltd, Director from 2015 to present</li> <li>13. SHC Capital Asia Limited (NKA Memories Group Limited), Lead Independent Director from 2014 to 2017</li> <li>14. 1Rockstead GIP Fund II Pte Ltd, Non-Executive Director from 2013 to 2018</li> <li>15. Nee Soon Social Enterprise Limited, Non-Executive Chairman and Director from 2013 to 2020</li> <li>16. Jiahui New Climate Holdings Pte Ltd, Director from 2013 to 2015</li> <li>17. New Climate Pte Ltd, Non-Executive Director from 2013 to 2015</li> </ol>	<ol style="list-style-type: none"> <li>2. CEL Impetus Corporate Finance Pte. Ltd., Chief Executive Officer and Director from 2017 to present</li> <li>3. QT Vascular Ltd, Independent Non-Executive Director, from 2021 to Feb 2023</li> </ol>

# DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr Sho Kian Hin	Mr Thomas Tan Gim Chua	Mr Ng Fook Ai Victor	Mr Ng Boon Eng
		18. Kairogenix Pte Ltd, Director from 2022 to present  19. QT Vascular Ltd, Executive Director and Chief Executive Officer from 2022 to present  20. Quantum Healthcare Holding Sdn Bhd Director from Feb 2023 to present  21. Quantum Specialist Sdn Bhd Director from Feb 2023 to present	18. JH Global Resources Pte Ltd, Director from 2013 to 2015  19. Grand Canal Property Pte Ltd, Director from 2013 to 2014  20. 1Rockstead GIP Fund Ltd, Non-Executive Director, Non-Executive Chairman from 2010 to 2018  21. MY E G Services Bhd, Independent Director from 2008 to 2017  22. Devotion Energy Group Limited, Independent Chairman from 2002 to 2014  23. Mercur Business Control Asia Pte Ltd, Director from 1999 to 2017  24. London Asia Capital Co Ltd, Director from 2003 to 2017  25. Asia Power Corporation Limited, Independent Director from 1999 to 2014  26. QT Vascular Ltd, Independent Non-Executive Chairman from 2022 to present	
Shareholding interest in the listed issuer and its subsidiaries	Direct interest: 60 shares, representing less than 0.01%  331,631 Share Awards under the QT Vascular Ltd Restricted Share Plan 2015	Direct interest: 1,671,296,804 shares representing approximately 22.39%  Deemed interest: 27,424,658 shares representing approximately 0.37%	Direct interest: 2,000,000 shares approximately 0.03%	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issue and/or substantial shareholder of the listed issue or of any of its principal subsidiaries	No	No	No	No
Conflict of Interest (including any competing business)	No	No	No	No
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes	Yes

# DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr Sho Kian Hin	Mr Thomas Tan Gim Chua	Mr Ng Fook Ai Victor	Mr Ng Boon Eng
Past (for the last 5 years)	<ol style="list-style-type: none"> <li>MA China Medical Facilities Pte. Ltd.</li> <li>MA Investment Holdings Pte. Ltd.</li> <li>QT Vascular Ltd</li> </ol>	<ol style="list-style-type: none"> <li>Awesome Food Holdings Pte Ltd</li> <li>Ridgeline Engineering Pte Ltd</li> </ol>	<ol style="list-style-type: none"> <li>DConstruct Systems Pte Ltd</li> <li>Millet World Trading Post Private Limited</li> <li>Millet Capital Private Limited</li> <li>Ocision Pte Ltd</li> <li>LI TV Asia Pte Ltd</li> <li>Star Publications (Singapore) Pte Ltd</li> <li>Sun Resources Holdings Pte Ltd</li> <li>Laviani Pte Ltd</li> <li>SG Makers Association Ltd</li> <li>Cityneon Holdings Limited (NKA Cityneon Holdings Pte Ltd)</li> <li>SB REIT Management Pte Ltd (Soilbuild Business Space REIT)</li> <li>SHC Capital Asia Limited (NKA Memories Group Limited)</li> <li>1Rockstead GIP Fund II Pte Ltd</li> <li>Nee Soon Social Enterprise Limited</li> <li>1Rockstead GIP Fund Ltd</li> <li>MY E G Services Bhd</li> <li>Mercur Business Control Asia Pte Ltd</li> <li>London Asia Capital Co Ltd</li> </ol>	<ol style="list-style-type: none"> <li>QT Vascular Ltd</li> </ol>
Present	<ol style="list-style-type: none"> <li>Choo Chiang Holdings Ltd.</li> <li>Hartanah Kencana Sdn Bhd</li> <li>OUE Lippo Healthcare Limited</li> <li>Versalink Holdings Limited</li> <li>China Farm Equipment Pte Ltd</li> <li>Sim Leisure Group Ltd</li> </ol>	<ol style="list-style-type: none"> <li>White Water Capital Pte Ltd</li> <li>Intex Fabric Sdn Bhd</li> <li>Lifeline Corporation Pty Ltd</li> <li>Perpetual Insurance Agency Pte Ltd</li> <li>Ridgeline Technology Pte Ltd</li> <li>Folomi (S) Pte Ltd</li> <li>Lifeline Corporation Pte Ltd</li> <li>Lifeline Wellness Pte Ltd</li> <li>Lifeline Holdings Pte Ltd</li> <li>Ezwill's Pte Ltd</li> <li>Lifeline Innovator Sdn Bhd</li> <li>Lifelab Pte Ltd</li> <li>Arona Industrial Products Pte Ltd</li> <li>Lifeline Healthcare Pte Ltd</li> <li>Asia Dental Group Pte Ltd</li> <li>Kairogenix Pte Ltd</li> <li>QT Vascular Ltd</li> <li>Quantum Healthcare Holdings Sdn Bhd</li> <li>Quantum Specialist Sdn Bhd</li> </ol>	<ol style="list-style-type: none"> <li>Wosh.World Holdings Pte Ltd</li> <li>Blue Monsoon Pte Ltd</li> <li>The Medicewatermark Pte Ltd</li> <li>Healthbank Holdings Limited</li> <li>Millet World Private Limited</li> <li>The Place Holdings Limited</li> <li>Millet Holdings Private Limited</li> <li>Caregiver Group Pte Ltd</li> <li>Futsalarena @ Yishun Limited</li> <li>Sunshine 100 China Holdings Ltd</li> <li>SHC Investments Ltd</li> <li>Soilbuild Construction Group Ltd</li> <li>QT Vascular Ltd</li> </ol>	<ol style="list-style-type: none"> <li>CEL Impetus Corporate Finance Pte. Ltd.</li> </ol>

# DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr Sho Kian Hin	Mr Thomas Tan Gim Chua	Mr Ng Fook Ai Victor	Mr Ng Boon Eng
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No	No

# DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr Sho Kian Hin	Mr Thomas Tan Gim Chua	Mr Ng Fook Ai Victor	Mr Ng Boon Eng
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No	No

# DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr Sho Kian Hin	Mr Thomas Tan Gim Chua	Mr Ng Fook Ai Victor	Mr Ng Boon Eng
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of: <ul style="list-style-type: none"> <li>i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or</li> </ul>	No	No	Yes 1. Special Audit of Asia Power Corporation Limited (" <b>Asia Power</b> ")  Mr Ng was the Chairman of the Audit Committee at the time of the matter in 2013. Notwithstanding, Mr Ng confirmed that there were no known material weaknesses of internal controls prior to the incident. The forgery and wrongful withdrawal of funds was carried out by Asia Power's then financial controller, who admitted to the wrongdoing and was terminated with immediate effect. Furthermore, Mr Ng represented that he initiated the special audit once this matter had surfaced, and the special audit concluded with additional controls to be implemented.	No

# DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr Sho Kian Hin	Mr Thomas Tan Gim Chua	Mr Ng Fook Ai Victor	Mr Ng Boon Eng
			<p>2. Public reprimand of MY E.G. Services Berhad (“MYEG”) by Bursa Malaysia Securities Berhad (“Bursa Malaysia”)</p> <p>Mr Ng represented that he was not present at the CIMB conference held on 6 January 2015 and he was not aware of the material information which was disclosed to fund managers at the conference by the MYEG’s managing director. A public reprimand for breaching paragraph 9.08(2) of the Main Market Listing Requirements of the Bursa Malaysia (“Main LR”) was made against MYEG for failing to ensure that disclosure of material information made on an individual or selective basis to analysts, shareholders, journalists or other persons has previously been fully disclosed and disseminated to the public. In the event of such disclosure, it must be publicly disseminated as promptly as possible. MYEG’s then managing director was also publicly reprimanded and fined. In addition to the public reprimand, MYEG was required to undertake or arrange for the necessary training programme(s) in relation to compliance with the disclosure obligations under the Main LR and to ensure its directors and relevant personnel of MYEG attend the same.</p> <p>Mr Ng represented that no actions were taken against him, being the independent director of MYEG.</p>	

# DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr Sho Kian Hin	Mr Thomas Tan Gim Chua	Mr Ng Fook Ai Victor	Mr Ng Boon Eng
			<p>3. Penalties imposed against MYEG and MyEG Commerce Sdn Bhd ("<b>MyEG Commerce</b>") by Malaysia Competition Commission ("<b>MyCC</b>")</p> <p>As Mr Ng was an Independent Director at the time of the matter, he was not involved in the day-to-day business of the company. The matter concluded with, inter alia, penalties imposed on both MYEG and its wholly owned subsidiary, MyEG Commerce for the breach of Section 10(2) (d)(iii) of the Competition Act by abusing its dominant position in harming competition in the downstream market in which MyEG Commerce participated as an insurance agent for the online foreign workers permit renewal applications.</p> <p>Mr Ng represented that no actions were taken against him, being the independent director of MYEG.</p> <p>For the appointment of Mr Ng as independent director of the Company on 30 May 2022, the Nominating Committee noted that Mr Ng was not a subject of the investigations above and Mr Ng continues to be a director of several SGX listed companies after the occurrence of the events set out above. The Nominating Committee also noted that there were no adverse actions taken against Mr Ng in relation to the above matters.</p>	
ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No	No	No

# DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr Sho Kian Hin	Mr Thomas Tan Gim Chua	Mr Ng Fook Ai Victor	Mr Ng Boon Eng
iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	No	No
iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No	No
Any prior experience as a director of an issuer listed on the Exchange?  If yes, please provide details of prior experience.  If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.	Not applicable. This is a re-election of a director.	Not applicable. This is a re-election of a director.	Not applicable. This is a re-election of a director.	Not applicable. This is a re-election of a director.

# DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	<b>Mr Sho Kian Hin</b>	<b>Mr Thomas Tan Gim Chua</b>	<b>Mr Ng Fook Ai Victor</b>	<b>Mr Ng Boon Eng</b>
Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	Not applicable. This is a re-election of a director.	Not applicable. This is a re-election of a director.	Not applicable. This is a re-election of a director.	Not applicable. This is a re-election of a director.

# QUANTUM HEALTHCARE LIMITED

(Company Registration No. 202218645W)  
(Incorporated in the Republic of Singapore)

## PROXY FORM Annual General Meeting

This form of proxy has been made available on SGXNet and the Company's website and may be accessed at the URLs <https://www.sgx.com/securities/company-announcements> and <https://www.quantumhealthcare.com.sg/>. A printed copy of this form of proxy will NOT be dispatched to members.

### IMPORTANT

- Pursuant to section 181(1C) of the Companies Act 1967 of Singapore (the "Companies Act"), Relevant Intermediaries (as defined in the Companies Act) may appoint more than 2 proxies to attend, speak and vote at the AGM.
- For investors who have used their Supplementary Retirement Scheme monies to buy Shares in the Company (the "SRS Investors"), this Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them.
- SRS Investors may direct their SRS operators to appoint the Chairman of the AGM (and not third-party proxy(ies) as proxy to vote on their behalf at the AGM in which case they should approach their SRS operators to submit their votes at least seven (7) working days before the AGM, by 10:00 a.m. (Singapore Time) on 18 April 2023, to allow sufficient time for their respective relevant intermediaries to, in turn, submit a Proxy Form to appoint the Chairman of the AGM to vote on their behalf.

I/We\*, \_\_\_\_\_ (Name including NRIC/Passport No./Company Registration Number)\*

of \_\_\_\_\_ (Address)

being a shareholder / shareholders of QUANTUM HEALTHCARE LIMITED (the "Company"), hereby appoint:

- the Chairman of the Annual General Meeting ("AGM"); or
- the individual(s) named below:

Name	NRIC/Passport Number	Proportion of Shareholdings	
		Number of Shares	%
Address			

Name	NRIC/Passport Number	Proportion of Shareholdings	
		Number of Shares	%
Address			

as my/our\*\* proxy/proxies\*\* to attend and to vote for me/us\*\* on my/our\*\* behalf at the AGM of the Company to be held at Lifelong Learning Institute, 11 Eunos Road 8, Singapore 408601, Room TR1-1 on Thursday, 27 April 2023 at 10:00 a.m. and at any adjournment thereof.

Please note that where the Chairman of the AGM is appointed as proxy, the proxy appointing the Chairman of the AGM must be directed, i.e., the member must indicate for each resolution whether the Chairman of the AGM is directed to vote "for" or "against" or "abstain" from voting. If no specific direction as to voting is given, the appointment of the Chairman of the AGM as proxy for the resolution will be treated as invalid at the AGM and at any adjournment thereof. In addition, if no specific direction as to voting is given for the individual(s) named above, the proxy/proxies\* will vote or abstain from voting at his/their\* discretion, as he/they\* will on any other matter arising at the AGM and at any adjournment thereof.

The Ordinary Resolution put to the vote at the AGM shall be decided by way of poll.

No	Resolutions	Number of votes FOR	Number of votes AGAINST	Number of votes ABSTAIN
<b>Ordinary Business</b>				
1.	Adoption of the Directors' Statement, Audited Financial Statements and Independent Auditors' Report for the financial year ended 31 December 2022			
2.	Re-election of Sho Kian Hin as a Director of the Company pursuant to Article 114 and Article 110 of the Company's Constitution			
3.	Re-election of Ng Boon Eng as a Director of the Company pursuant to Article 114 and Article 110 of the Company's Constitution			
4.	Re-election of Thomas Tan Gim Chua as a Director of the Company pursuant to Article 114 of the Company's Constitution			
5.	Re-election of Ng Fook Ai Victor as a Director of the Company pursuant to Article 114 of the Company's Constitution			
6.	Approval of Directors' fees amounting to S\$145,000 for the financial year ended 31 December 2022			
7.	Approval of Directors' fees amounting to S\$145,000 for the financial year ending 31 December 2023 to be paid quarterly in arrears			
8.	Re-appointment of Moore Stephens LLP as auditors of the Company and to authorise Directors to fix their remuneration			
<b>Special Business</b>				
9.	Authority to allot and issue shares			
10.	To approve the authority to allot and issue shares under the 2014 QTV Employee Share Option Scheme, QT Vascular Ltd 2013 Share Plan and the TriReme Medical, LLC 2005 Stock Plan			
11.	To approve the authority to allot and issue shares under the QT Vascular Restricted Share Plan 2015			

**Notes:** If you wish to exercise all your votes "For", "Against" or "Abstain", please tick within the box provided. Alternatively, please indicate the number of shares the Chairman of the AGM, as your proxy, is directed to vote "For", "Against" or "Abstain".

Date this \_\_\_\_\_ day of \_\_\_\_\_ 2023

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

\_\_\_\_\_  
Signature(s) of Shareholder(s)/Common Seal

\*Delete where inapplicable



## NOTES FOR PROXY FORM:

1. Printed copies of the Notice of AGM and this Proxy Form will not be sent to members. Instead, the Notice of AGM and this Proxy Form may be accessed at the Company's website at the URL <https://www.quantumhealthcare.com.sg/> and the website of SGX-ST at the URL <https://www.sgx.com/securities/company-announcements>.
2. If the member has Shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert that number of Shares. If the member has Shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert that number of Shares. If the member has Shares entered against his name in the Depository Register and shares registered in his name in the Register of Members, he should insert the aggregate number of Shares. If no number is inserted, this form of proxy will be deemed to relate to all the Shares held by the member.
3. A member who is not a relevant intermediary is entitled to appoint not more than two (2) proxies. Where such member's instrument appointing a proxy(ies) appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument.
4. A member who is a relevant intermediary is entitled to appoint more than two (2) proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's instrument appointing proxy(ies) appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument. Where a relevant intermediary appoints more than 2 proxies, separate Proxy Forms should be used.
5. **"Relevant intermediary"** has the meaning ascribed to it in section 181(6) of the Companies Act.
6. Operators acting on the request of SRS Investors who wish to attend the AGM as observers are required to submit in writing, a list with details of the investors' names, NRIC/Passport numbers, addresses and numbers of Shares held. The list, signed by an authorised signatory of the operator, should reach the Company's business office at 130 Joo Seng Road, Singapore 368357 or be scanned and sent to the Company's email address at [ir.sg@quantumhealthcare.com.sg](mailto:ir.sg@quantumhealthcare.com.sg), not later than seventy-two (72) hours before the time set for the AGM.
7. A proxy need not be a member of the Company.
8. The instrument appointing the proxy must:
  - (a) if sent personally or by post, be received by the Company's Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road #02-00, Singapore 068898; or
  - (b) if submitted by email, be received by the Company's Share Registrar, Tricor Barbinder Share Registration Services, by email at [sg.is.proxy@sg.tricorglobal.com](mailto:sg.is.proxy@sg.tricorglobal.com),in either case no later than 10:00 a.m. on Monday, 24 April 2023, and in default the instrument of proxy shall not be treated as valid. A member who wishes to submit an instrument of proxy must first download, complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.
9. The instrument appointing the proxy must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing the proxy is executed by a corporation, it must be either under its common seal or signed on its behalf by a duly authorised officer or attorney. A copy of the power of attorney or such other authority must be submitted together with the instrument appointing a proxy, failing which the instrument may be treated as invalid.
10. The Company shall be entitled to reject the instrument appointing the proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the proxy (such as in the case where the appointor submits more than one instrument of proxy).
11. In the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.
12. By submitting this Proxy Form, a member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 12 April 2023.





8 Temasek Boulevard, Level 42,  
Suntec Tower Three, Singapore 038988