



**Securities Investors Association (Singapore)**  
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UEN No: S99SS0111B  
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**Issuer:** Quantum Healthcare Limited

**Stock code:** V8Y

**Meeting details:**

Date: 29 Apr 2024

Time: 2.00 p.m.

Venue: 745 Lorong 5 Toa Payoh, Singapore 319455

**Q1.** Following the restructuring via a scheme of arrangement, the group's core businesses include:

- the Healthcare business (which includes the provision of dental and other services)
- the Medical Equipment business
- the Medical and Wellness business (which includes the provision of aesthetics business)

The group retained the original vascular business under QT Vascular Ltd.

For 2023, the group recorded revenue and cost of sales of \$13.1 million and \$7.3 million respectively. The dental business was the main contributor to the group's top line. Loss for the year was approximately \$(3.38) million.

With accumulated losses amounting to \$(249.67) million, equity attributable to owners of the company was a negative \$(3.86) million. Net cash used in operating activities was \$(628,000) and the net cash out flow for the year was \$(4.32) million. The group ended the year with \$744,000 in cash and cash equivalents.

- (i) **What are the URLs to clinics' website(s), social media pages, ecommerce storefronts (if any), and mobile applications?**
- (ii) **How many doctors are currently employed by the group and how strategy does the group employ to attract promising doctors to join?**
- (iii) **Does management see significant benefits in consolidating all the clinics under one brand?**

The independent auditors have issued a disclaimer of opinion on the audited financial statements for the financial year ended 31 December 2023. They have highlighted the following:

*As at 31 December 2023, the group's and company's current liabilities exceeded its current assets by S\$7,189,000 and S\$7,147,000 respectively, and the group and company have a deficit in shareholders' equity of S\$3,028,000 and S\$5,038,000, respectively, as at that date. These conditions indicate the existence of a material uncertainty which may cast a significant doubt on the ability of the group and the company to continue as going concern.*

- (iv) **Are the operating subsidiaries self-sufficient in terms of cash flow? If so, what is the company's cash burn rate and what is the board's strategy to improve the company's liquidity and working capital?**
- (v) **Would the directors consider receiving their director fees in shares of the company as a gesture of solidarity, demonstrating their commitment and belief in the group's success?**

**Q2.** In FY2022, the group recognised an impairment loss on goodwill of \$(4.6) million due to ADG acquisition, out of the initial amount of \$8.75 million. As noted in the letter to shareholders, the group will continue expanding its dental business in 2024.

- (i) **Can management help shareholders recall the factors leading to the large \$(4.6) million in impairment in 2022?**

As at 31 December 2023, the company has a carrying value of goodwill amounting to \$5.58 million, after recognising additional goodwill from The Dental Hub acquisitions. Out of the purchase consideration of \$1.65 million, \$1.26 million has been allocated to goodwill.

- (ii) **Do the independent directors consider the group's acquisition of ADG to be on the high side, considering the large and significant impairment to the goodwill?**
- (iii) **What specific processes and criteria does the board follow in evaluating and approving acquisitions, especially when a substantial portion of the consideration, such as over three-quarters, is attributed to goodwill?**
- (iv) **What measures has the board implemented to ensure prudence and prevent instances of potentially overpaying for acquisitions?**

**Q3.** At the annual general meeting scheduled to be held on 29 April 2024, Thomas Tan Gim Chua will be retiring pursuant to Article 110 of the company's constitution and will be seeking his re-election.

The director's biography can be found on page 5 of the annual report. Additional information on directors seeking re-election can be found on pages 153 to 162. As detailed in director's disclosure, Mr Thomas Tan Gim Chua's other principal commitments are:

1. White Water Capital Pte Ltd
2. Intex Fabric Sdn Bhd
3. Lifeline Corporation Pty Ltd
4. Perpetual Insurance Agency Pte Ltd
5. Ridgeline Technology Pte Ltd
6. Folomi (S) Pte Ltd
7. Lifeline Corporation Pte Ltd
8. Lifeline Wellness Pte Ltd
9. Lifeline Holdings Pte Ltd
10. Ezwillis Pte Ltd
11. Lifeline Innovator Sdn Bhd
12. Lifelab Pte Ltd
13. Arona Industrial Products Pte Ltd
14. Lifeline Healthcare Pte Ltd
15. Asia Dental Group Pte Ltd
16. Kairogenix Pte Ltd
17. QT Vascular Ltd
18. Quantum Healthcare Holdings Sdn Bhd
19. Quantum Specialist Sdn Bhd

- (i) **Can the director confirm his current roles, including managing director of Ridgeline Technology Pte Ltd, executive director of White Water Capital Pte Ltd, Chief Executive Officer of Perpetual Insurance Agency Pte Ltd and Lifeline Corporation Pte Ltd, among other non-executive positions outside the group?**
- (ii) **How much time and energy does the director commit to the group? Is Mr Thomas Tan Gim Chua serving in the chief executive officer role on a part-time basis given his other executive roles outside of the group?**
- (iii) **Is there a potential conflict of interest between the CEO's position at Lifeline and the group's medical equipment business, particularly concerning geriatric medical rehabilitation and other medical equipment?**

***Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.***



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