



بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

In the name of Allah, The Most Gracious, The Most Merciful

7 June 2024 | 29 Dhu'l-Q. 1445 AH

SHARIAH STATUS FOR INITIAL PUBLIC OFFERING (IPO) OF QUANTUMPHARM INC. (2228)

We, Sharlife Sdn Bhd, a Registered Shariah Advisers (Corporation) under the Securities Commission Malaysia, focusing on Islamic Capital Market products, alternative assets as well as Islamic Social Finance, we hereby acknowledge as follows:

- Name: **QuantumPharm Inc.**
- Stock Code: **2228**
- IPO: Global Offering
- Exchange: Hong Kong Exchange
- Financial Statement Year Ended: 2023

We have conducted a comprehensive Shariah Screening of **QuantumPharm Inc.** to determine the Shariah Status of its IPO. Due to the absence of a localized Shariah Screening Methodology in the region, we have adopted the Shariah Screening Methodology of the Shariah Advisory Council of the Securities Commission Malaysia which adopts a two-tier quantitative approach, which applies the business activity benchmarks and financial ratio benchmarks.

Based on our assessment conducted on the publicly available prospectus and to the best of our knowledge, we are of the opinion that the IPO of **QuantumPharm Inc. (2228)** is **Non-Compliance with Shariah**.

Details of our assessment can be reviewed in **Appendix I**.

والله أعلم

Issued by,
Sharlife Sdn. Bhd.



Ustaz Arham Merican
Shariah Officer

Business Activity Benchmark Assessment

The contribution of Shariah non-compliant (SNC) activities to the Group revenue before taxation of the company will be computed and compared against the relevant business activity benchmarks.

QuantumPharm Inc.-P is a quantum physics-based AI and robotics-driven R&D platform specializing in drug and material science solutions for global pharmaceutical, agritech, energy, and cosmetics industries. They leverage quantum physics calculations, AI capabilities, and robotic automation to accelerate the design and discovery of novel drugs and materials, setting them apart from competitors.

Operating Revenue

Segment	Segment Revenue (RMB '000)	SNC Revenue	% SNC	Classification	Result
Drug discovery solutions	87,728	0	0.00%	Focus on identifying and developing molecules that exhibit pharmaceutically active functions on particular disease-related targets	Passed
Intelligent automation solutions	86,692	0	0.00%	Consists primarily of solid-state R&D services and automated chemical synthesis services	Passed
TOTAL	174,420	0	0.00%	Quantum physics-based	Passed

Non-Operating Revenue

Segment	Segment Revenue (RMB '000)	SNC Revenue	% SNC	Classification	Result
Government grants	27,513	0	0.00%	N/A	Passed
Interest income	102,693	102,693	100.0%	Subject to 5% benchmark	Failed
TOTAL	130,206	102,693	78.9%	-	Failed

Revenue Classification	SNC Revenue
SNC Operating Revenue	0
SNC Non-operating Revenue	102,693
Total SNC Revenue	102,693
Total Revenue (Gross)	304,626
% SNC Revenue	33.71%
STATUS	FAILED

Financial Ratio Benchmark Assessment

Cash over total assets: Cash in Conventional Account or any prohibited Financial Instrument

Segment	Segment Amount (RMB '000)	Total Assets	% Ratio	Description	Result
Cash and cash equivalents	710,761	4,005,701	49.55%	Subject to 33% benchmark	Over 33% limit
Term deposits	1,271,905				
Restricted cash	2,337				
TOTAL	1,985,003				FAILED

Debt over total assets: Interest-Bearing Debt

Segment	Segment Amount (RMB '000)	Total Assets	% Ratio	Description	Result
Short term bank borrowings	60,000	4,005,701	6.40%	Subject to 33% benchmark	Over 33% limit
Lease liabilities	195,965				
Derivative financial instruments	560				
TOTAL	256,525				PASSED

IPO Shariah Status

Segment		Status
Business Activity Benchmark		FAILED
Financial Ratio Benchmark	Cash	FAILED
	Debt	PASSED
Result		FAILED

Disclosure

This research is free to our clients and is grounded in presently available public information that we deem reliable. It is crucial to note that this research does not constitute an offer to sell or a solicitation of an offer to buy any security, particularly in jurisdictions where such actions would be considered illegal. Furthermore, it does not serve as a personalized recommendation and does not consider the individual investment objectives, financial situations, or needs of specific clients.

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