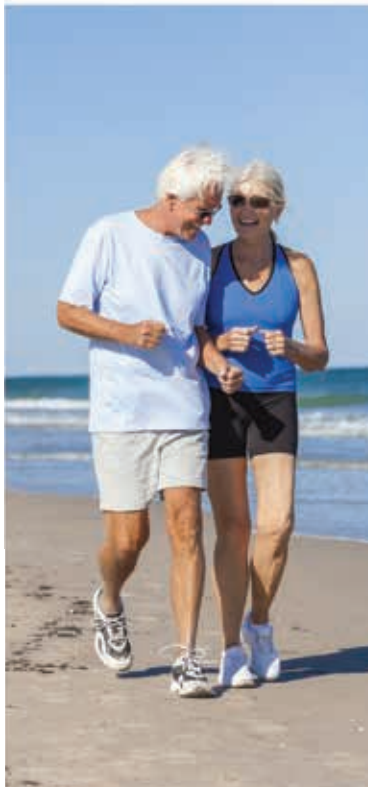


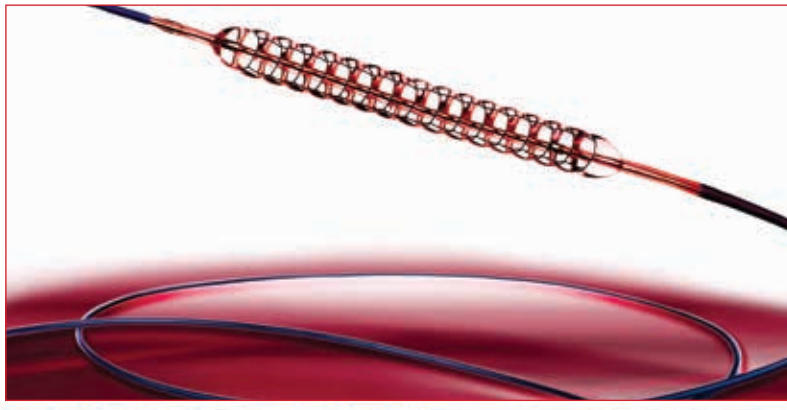



QTVascular

Building CONFIDENCE 2014
ANNUAL REPORT









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QT Vascular Ltd. (the "Company") was listed on Catalist of the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 29 April 2014. The initial public offering of the Company was sponsored by PrimePartners Corporate Finance Pte. Ltd. ("PPCF" or the "Sponsor").

This Annual Report has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the SGX-ST Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this Annual Report.

This Annual Report has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this Annual Report, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this Annual Report.

The contact person for the Sponsor is Ms. Gillian Goh, Director, Head of Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone +65 6229 8088.

CORPORATE **PROFILE**

QT Vascular Ltd ("We", or the "Company", "QT Vascular" and together with its subsidiaries the "Group") is listed on the Catalist Board of the Singapore Exchange Securities Trading Limited ("SGX-ST") (Reuters: QT Vascular).

We are engaged in the design, assembly and distribution of advanced therapeutic solutions for the minimally invasive treatment of complex vascular diseases. We collaborate 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.

Coronary artery disease ("CAD") is a common form of cardiovascular disease and is primarily caused by lesions consisting of plaque in the arteries surrounding the heart. As plaque accumulates, the diameter of the arterial lumen narrows resulting in reduced or stopped blood flow. This disease is generally treated by way of percutaneous transluminal coronary angioplasty ("PTCA") and stenting.

Peripherial artery disease ("PAD") is an obstruction of the blood flow in the peripheral arteries. It occurs commonly in the arteries of the pelvis and legs. It can result from the slow accumulation of plaque over time or the sudden formation of a blood clot which leads to arterial narrowing or blockage of a vessel. PAD may be treated by percutaneous transluminal angioplasty ("PTA") or various other interventional techniques.

Angioplasty (PTCA and PTA) is the technique where a small incision is made, typically in the patient's thigh and a small catheter is inserted on a steerable "guide wire" to reach the narrowed section of the artery. A balloon catheter is pushed across the narrowed part of the artery and inflated temporarily to open up the narrowing by pushing outward on the plaque and on the wall of the vessel for improved blood flow in that part of the artery. After inflation, the balloon is deflated and removed so no part of the balloon catheter is left behind in the artery. In some cases, a stent may be inserted at the time of ballooning to ensure the vessel remains open.



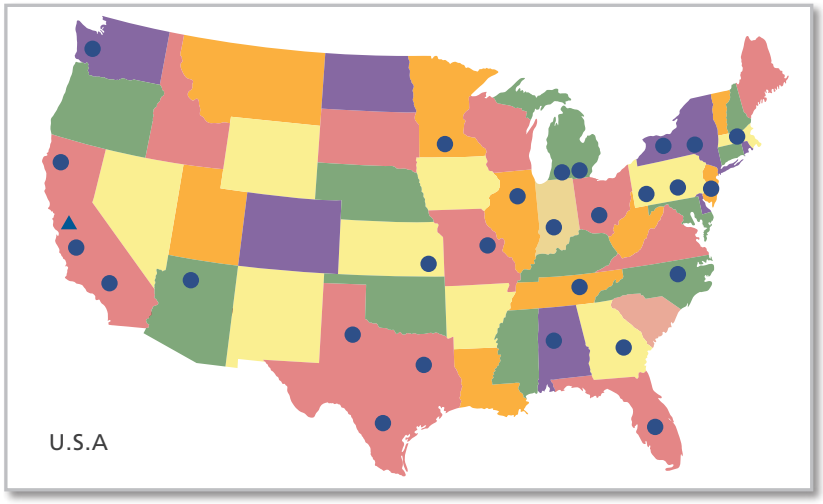
CORPORATE **STRUCTURE**

QTVascular
Leave Nothing Behind

100%	100%	100%
TriReme US[1]	TriReme SG[2]	Quattro Vascular[3]

INDUSTRY SERVED
Health Care

LOCATION OF FACILITIES





- ● **Direct sales representation**
- ▲ **U.S.A (Pleasanton, California) - TriReme Medical, LLC**
- ▲ **ASIA, SINGAPORE - TriReme Medical (Singapore) Pte. Ltd.**

Notes:

1 TriReme Medical, LLC, a Delaware limited liability company
2 TriReme Medical (Singapore) Pte. Ltd.
3 Quattro Vascular Pte. Ltd.

MESSAGE FROM **THE CEO**

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present QT Vascular's Annual Report for the financial year ended 31 December 2014 ("FY2014").

FY2014 had been an exciting year for QT Vascular. Not only were we listed on the Catalist Board of the Singapore Exchange Securities Trading Limited, we also sold more units of our products and managed to narrow our losses. More importantly, we crossed new milestones in our journey to bring the next generation vascular treatment options to patients.

The Group more than doubled revenue to US$13.2 million in FY2014, from US$5.5 million in FY2013. This increase was mainly due to the increased sales of our Chocolate® percutaneous transluminal angioplasty ("PTA") and Glider® percutaneous transluminal coronary angioplasty ("PTCA") products with our distributors and our direct coronary sales in the US. We sold 30,344 units of our products in FY2014, almost triple the volume of that sold in FY2013. In FY2014, 89.2% of sales came from the US, 8.8% from Asia Pacific and 2.0% from Europe. Stronger sales were recorded in the US and Asia Pacific, with growth rates of 156.7% and 110.7% respectively.

With the improved sales, the Group achieved a gross profit of US$3.3 million with gross margin of 25.4% in FY2014, a reversal from the gross loss of US$0.4 million it recorded in FY2013.

Milestones Achieved

Around the world, there are patients with vascular disease in the legs, which is also known as peripheral arterial disease ("PAD"). According to the Singapore Health Services, PAD is a major cause of limb loss in Singapore. Yet, it is a good predictor of heart attack and stroke risk, two major diseases in Singapore. Therefore, it was with much excitement, that in May 2014, we started clinical cases with the Chocolate® PTA balloon catheter ("Chocolate® PTA") in Singapore, with five cases performed at National University Hospital and Changi General Hospital. This product is commercially available for patients at Changi General Hospital. In February 2014, we signed an agreement with Cordis Corporation (a Johnson & Johnson Company) for the distribution of Chocolate® PTA in the US, which led to a significant expansion of our unit sales of this product.



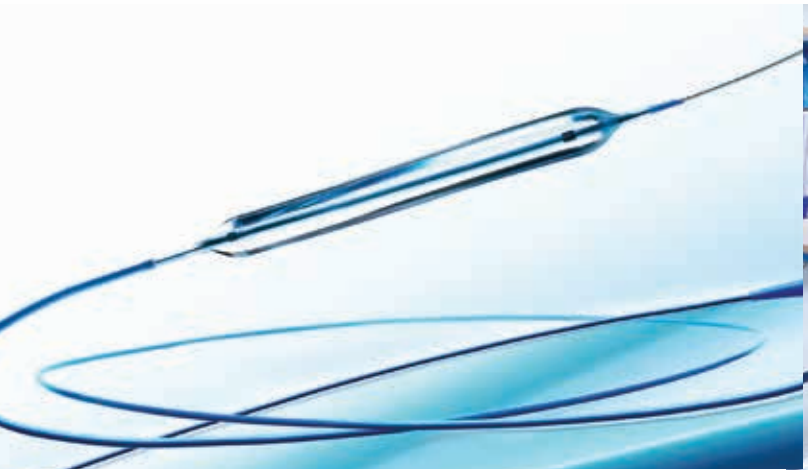
Another key development was receiving the United States ("US") Food and Drug Administration ("FDA") clearance to market the Chocolate® PTCA Balloon Catheter ("Chocolate PTCA") in the US. The Chocolate® PTA is used for the treatment of PAD, while the Chocolate PTCA is designed to provide predictable and uniform dilation of the coronary vascular system. This is another exciting development for the Group, as we believe there is significant potential for the Chocolate PTCA. We are selling this product directly to hospitals in the US and therefore expect higher margins from the sales of this product. As of the end of 2014, we dramatically expanded the size of our US direct sales force and now have representation for our coronary products in all major population centers.

Exciting Prospects

Coronary artery disease (or coronary heart disease ("CHD")) is the most common form of heart disease and the number one cause of death in the US and Europe. According to the American Heart Association, an estimated 15.4 million Americans over 20 years of age suffer from CHD. The coronary business will be important for our growth in the coming year. With the FDA approval for Chocolate PTCA in hand, it would allow us to work even more closely with physicians in the US to treat a larger population.

We will continue to invest in clinical studies to support our products, while focusing efforts on R&D to enhance our products and bring game changing therapeutic solutions to patients. We have applied for the CE marking approval ("CE Mark") for our Paclitaxel-Coated Chocolate® PTA Catheter ("Chocolate Touch™"). The approval would be a key milestone towards the commercialisation of Chocolate Touch™. Once approved, we would be able to market Chocolate Touch™ in the European Union. We have also applied for the CE Mark for our Paclitaxel-Coated Chocolate® PTCA Catheter.

MESSAGE FROM **THE CEO**





Chocolate Touch™ is a second generation drug coated balloon, with a proprietary drug coating process. Building on the success of the Chocolate® platform, Chocolate Touch™ is designed to deliver a safe and proven drug, Paclitaxel. Chocolate Touch™ is the latest addition to the Group's product pipeline. Included in our product pipeline is the Silk balloon catheter. We have also applied for the CE Mark for the PTCA version of Silk.

We also continue to work on extending our product reach to more patients and physicians, such as through participation in conferences. Our products received positive feedback and were featured at several major international conferences. The most notable was the 2014 Transcatheter Cardiovascular Therapeutics ("TCT") conference in the US. The TCT conference is the world's largest educational meeting specialising in interventional cardiovascular medicine. Our products were also featured at the Scripps Cardiovascular Interventions Course in San Diego, USA, the China Endovascular Course in Beijing, China, and the Innovations in Cardiovascular Interventions conference in Tel Aviv, Israel. Such recognition by world-renowned physicians can help raise awareness about the Group's products among physicians.

As governments across the world are taking steps to make healthcare more accessible and affordable to their population, the potential for our vascular treatment medical devices is promising. The Chocolate platform (whether it is PTA or PTCA, uncoated or coated) creates economic value driven by improved clinical results and minimization of bail-out stenting, which carries additional complications associated with permanent implants, adds unnecessary cost, and is generally undesirable.

This is evident by recent publications at the 2014 TCT analyzing real world data of Drug Coated Balloons (DCB) showing close to 25% bail-out stenting with leading DCBs. We believe that Chocolate Touch™ is the only available DCB that combines a proven low stenting rate (<5% in the Chocolate Bar Study) with the long-term benefits of drug. This combination provides significant cost benefit over existing market leading DCB and adds strategic value to our product offering.

In Appreciation

I would like to express my gratitude to the Board of Directors for their valuable input and guidance. On behalf of the Board, I would like to thank our shareholders, business partners and associates for their support of QT Vascular. We look forward to your continued support as we work towards growing the business. Last but not least, I would also like to express my appreciation to our management and staff, for their dedication and commitment throughout the year. Let us strive to continue to develop lifesaving therapeutic solutions for the treatment of complex vascular diseases.

EITAN KONSTANTINO
Chief Executive Officer

BOARD OF **DIRECTORS**

MARK ALLEN WAN

NON-EXECUTIVE CHAIRMAN

Mark Allen Wan was a member of the Board of Directors for TriReme US from May 2007 to July 2013. He was appointed to our Board on 11 July 2013.

Mark is a managing member of Three Arch Management, a healthcare focused investment firm formed in 1993 that provides young companies in the healthcare industry with access to relevant clinical and business resources, as well as capital. Mark started in venture capital in 1987 with Brentwood Associates where he became a general partner. He has been a founder or seed investor in numerous healthcare companies including ePocrates, Inc., Odyssey Healthcare, Inc. and Perclose, Inc.

Mark holds a Bachelor of Science in Electrical Engineering from Yale University in 1987. Mark was conferred a Master of Business Administration from the Stanford Graduate School of Business.

EITAN KONSTANTINO

CEO

Eitan Konstantino was a member of the Board of Directors of TriReme US since its inception to July 2013. He was appointed to our Board on 11 July 2013 and is responsible for the overall management and business development of our Group.

Eitan has more than 15 years of experience in the medical technology industry. He founded our Group in 2005 when he set up TriReme US as a medical device company focused on providing innovative tools to improve the success rates in challenging peripheral and coronary interventions. Prior to founding our Group, he was from 2003 to 2007, the founder, president and chief scientist of an angioplasty company, AngioScore. Eitan is one of the primary inventors of AngioScore's products. In 2002, Eitan was the Chief Executive Officer & Chief Operating Officer of Advanced Stent Technologies, Inc. ("AST"), a bifurcation stent company that was acquired by Boston Scientific Corporation in 2004, where he co-invented the Petal bifurcation stent. Prior to AST, he was Chief Technical Officer of Bypass, Inc., a developer of nitinol anastomotic devices for minimally invasive heart surgery from 1999 to 2002. Eitan is also one of the founding directors of Singapore Medtech Accelerator, an appointed Biomedical Science Accelerator ("BSA") under the Singapore Government's Research, Innovation and Enterprise 2015 plan. The Singapore Medtech Accelerator and the BSA program, are designed to stimulate the growth of the medical device industry in Singapore, and involves co-funding by SPRING SEEDS Capital Pte. Ltd., a wholly-owned subsidiary of SPRING Singapore.

Eitan has more than 48 patents and patent applications worldwide in the field of medical devices and solar control systems. Eitan received his PhD in Laser Surface Treatment, Optical Design, Materials Science from Technion-Machon Technologi Le'Israel in 1999. He also currently serves as the co-chairman of the F04.30.06 Cardiovascular Standards Task Group of the American Society for Testing and Materials, a globally recognised leader in the development and delivery of international voluntary consensus standards. Eitan is also a member of SPRING Singapore's Medtech Network of Advisors, whose functions are to advise local medical technology businesses on business challenges and strategies, and to advise the management of SPRING Singapore on the development and review of strategies and initiatives to address the development needs of small medium enterprises in the medical technology sector.

ROBERT MICHAEL KLEINE

LEAD INDEPENDENT DIRECTOR

Robert Michael Kleine was a member of the Board of Directors of TriReme US from March 2011 to July 2013. He was subsequently appointed to our Board on 14 August 2013.

Robert has more than 25 years of experience in the medical device and healthcare industries, having successfully managed several biomedical companies focused on the market advancement of numerous leading-edge products.

From 2001 to 2002, Robert was a partner of Pharos LLC, a company focused on acquiring and developing core technologies. Thereafter from 2002 to 2006, he was the

BOARD OF **DIRECTORS**

President and Chief Executive Officer of MicroVention Inc., a leading developer, manufacturer and marketer of minimally invasive products for the treatment of cerebral and vascular peripheral diseases. During his tenure at MicroVention Inc., Robert successfully grew the company from its infancy to US$43 million in gross sales before it was acquired by Terumo Medical Corporation in March 2006. Subsequently, he was appointed President, Chairman and Chief Executive Officer of the MicroVention Division in Terumo Medical Corporation, where he remained until 2008. From 2008 to 2010, Robert was the President and Chief Executive Officer of Biosensors International Group, Ltd., a company listed on the Main Board of the SGX-ST in the medical device industry. Under his supervision, the product revenue of Biosensors International Group, Ltd. grew from approximately US$44 million to approximately US$139 million. From May 2011 to January 2014, Robert was the President and Chief Executive Officer of EndoGastric Solutions, Inc., a medical device company that develops natural orifice surgical products and procedures to advance the treatment of gastrointestinal diseases. He is currently the Executive Chairman of EndoGastric Solutions, Inc., and the President and Chief Executive Officer of Miramar Labs, Inc., a medical device company that focuses on addressing dermatologic medical conditions.

Robert holds a Master of Arts with Honours in Marketing from the Webster University in 1992 and a Bachelor of Arts in Biology from the Missouri Valley College in 1976.

GREGORY DAVID CASCIARO

INDEPENDENT DIRECTOR

Gregory David Casciaro was a member of the Board of Directors of TriReme US from May 2010 to July 2013. He was appointed to our Board on 14 August 2013.

Gregory has over 31 years of experience in the medical device industry where he has held leadership positions in both private and public companies. He was, from 1995 to 1999, the President and Chief Executive Officer of General Surgical Innovations, Inc. a medical device company. Thereafter from 2000 to 2004, he was the President and Chief Executive Officer of Orquest, Inc., a private company manufacturing and selling bio-therapeutically products to the orthopaedic market. From 2004 to 2009, Gregory was the President and Chief Executive Officer and a Board member of XTENT Inc., a medical device company listed on the Nasdaq National Market that develops drug-eluting stents. Gregory is presently the President and Chief Executive Officer of AccessClosure, Inc. (acquired by Cardinal Health, Inc. in May 2014), a medical device company in the United States that develops access site management products designed to address vascular closure challenges during interventional surgery.

Gregory graduated from Marquette University with a Bachelor of Science in Business Administration in 1982.

HOON CHING SING

INDEPENDENT DIRECTOR

Hoon Ching Sing was appointed to our Board on 1 April 2014. He is currently a business adviser and is the Chief Executive Officer of JH Advisers Sdn Bhd, a business advisory company incorporated in Malaysia.

Ching Sing has over 31 years of experience in providing audit and advisory services across Asia and beyond. He was a partner of KPMG from October 1994 to September 2013 where he was the Head of Insurance from 2003 to 2008 and the Head of the Department of Professional Practice from 2008 to 2011. He was also a member of its Accounting Advisory Committee and Auditing Practices Committee from 2005 to 2013 and 2008 to 2011 respectively. Ching Sing's audit experience covers a wide range of listed and non-listed entities. His advisory experience includes the acquisition of businesses, business integration, business separation, business closures, corporate governance, corporate finance, fund-raising, insolvency work, risk management and training for multinational and government-linked companies. Additionally, he was formerly the President of the Association of Chartered Certified Accountants, Singapore branch, and a committee member of the Financial Statements Review Committee and the Insurance Committee of the Institute of Certified Public Accountants of Singapore from 2009 to 2012 and 2003 to 2012 respectively.

Ching Sing is a Fellow of the Institute of Singapore Chartered Accountants and the Association of Chartered Certified Accountants. He is also a Chartered Insurance Practitioner of the Chartered Insurance Institute.

KEY **EXECUTIVES**

RANDAL FARWELL

CFO

Randal Farwell joined our Group in August 2013 and is responsible for overseeing all accounting and finance functions of our Group.

Prior to joining our Group, Randal was a partner at KPMG from 1992 until his retirement in September 2012. Randal's career with KPMG began in 1983. He was seconded to KPMG's Singapore office for two (2) years from April 1988 to December 1989. During his tenure at KPMG, Randal advised global multinational organisations in the financial services, power generation and distribution, manufacturing, consumer goods and technology sectors on their business tax planning and tax compliance needs, risk management, supply chain optimisation, international and domestic compliance, transfer pricing compliance, intangible asset planning, international financing and foreign tax credit planning.

Randal holds a Master of Taxation from the Portland State University, as well as a Bachelor of Science degree in Business Management from Corban University. He is a Certified Public Accountant licensed by the American Institute of Certified Public Accountants and California Board of Accountancy since 1989 and 1993, respectively.

MARIA PIZARRO

EXECUTIVE VICE PRESIDENT, VICE PRESIDENT OF RESEARCH AND DEVELOPMENT

Maria Pizarro joined our group in January 2007 and is presently in charge of research and development and certain general management functions of our Group.

Maria has over 25 years of industry experience developing and manufacturing high technology products as well as medical devices. Maria spent ten (10) years from 1996 at Boston Scientific Corporation, Neurovascular Division, where she led neurovascular minimally invasive device research (intracranial implantable devices) and development projects from concept to commercialisation. Prior to joining our Group in 2007, Maria was the Director of Research and Development at an angioplasty company, AngioScore, where she led the development of cardiovascular and peripheral devices. Additionally, she had served on the board of directors and was the national president and chairperson of the board of the Society of Mexican American Engineers and Scientists (MAES), a professional engineering society focusing on the development of science, technology, engineering and math (STEM) education, awareness and leadership. Maria obtained the credentials of a project management professional from the Project Management Institute in 2005. Maria obtained her Bachelor of Science degree in Industrial Engineering from Texas A&M University in 1984.

MOMI BROSH

GENERAL MANAGER OF OUR SINGAPORE OPERATIONS

Momi Brosh joined our Group in March 2011 and oversees all operational related matters in Singapore, including infrastructure, human resource and marketing matters.

Momi has over 15 years of management experience. From 2001 to 2005, he was a member of the Secretariat of the Kibbutz Shefayim Corporation, a collective community in Israel. During this period, he was from 2003 to 2005, also the Vice President of marketing and sales in Polycad Industries, a leading plastic manufacturer in Israel. Thereafter, from 2005 to 2007, Momi was the Vice President of marketing and sales in Tlaton Ltd, a company that specialises in missile and satellite packages for the aeronautics industry. Prior to joining our Group, from 2008 to 2010, Momi was a freelance marketing consultant in the defence industry. Momi earned a Diploma in Industrial & Management Engineering and in Marketing from the Ruppin Academic Centre in Israel in 1997. Momi also graduated from the Marketing and Sales Management Program at the Israeli Management Centre in Tel Aviv, Israel in 2004.

Prior to joining our Group, Momi was also the former member and for a period of time, the Chairman of the Economic Board of Kibbutz Shefayim Corporation from December 2004 to September 2006.

FINANCIAL AND **OPERATIONS REVIEW**

For the financial year ended 31 December 2014 ("FY2014"), QT Vascular's revenue surged 140.7% to US$13.2 million, from US$5.5 million a year ago. This was largely due to increased sales of its Chocolate® percutaneous transluminal angioplasty ("PTA") and Glider™ percutaneous transluminal coronary angioplasty ("PTCA") products with its distributors and its direct coronary sales in the United States ("US"). Putting it into perspective, QT Vascular sold 30,344 units of its products in FY2014, almost triple the volume of that sold in the financial year ended 31 December 2013 ("FY2013").

In terms of geographical region, 89.2% of sales came from the US, 8.8% from Asia Pacific and 2.0% from Europe. In FY2014, stronger sales were recorded in the US and Asia Pacific, with a growth of 156.7% and 110.7% to US$11.7 million and US$1.2 million respectively. In Europe, sales dipped 24.3% to US$258,000.

Cost of sales increased by 67.7% to US$9.8 million in FY2014 in tandem with higher sales. Additionally, there was some short-term increase in unit costs primarily attributable to materials and overhead expenses in the second half of the year, though this was partially offset by continued pricing improvements from our suppliers.

With sales growing at a faster rate, the Group achieved gross profit of US$3.3 million with a gross margin of 25.4% in FY2014, a reversal from the gross loss of US$0.4 million it recorded in FY2013.

Sales and marketing expenses increased 13.5% to US$8.8 million in FY2014 along with increased sales. Administrative expenses increased 78.5% to US$13.7 million in FY2014 mainly due to the increase in business activities, professional service fees of US$1.6 million for its initial public offer ("IPO"), which is one-off in nature, and the ongoing litigation that it is involved in.

Research and development expenses grew 197.6% to US$6.7 million. The increase was due to research and development expenses of US$9.7 million, which was partially offset by the capitalization of development expenses of US$3.0 million in FY2014.

The Group recorded lower net finance costs of US$8.1 million in FY2014, compared with US$17.7 million in FY2013, mainly due to significantly lower fair value loss on financial instruments of US$5.0 million in FY2014 as compared to a fair value loss of US$14.1 million in FY2013. The fair value loss or gain on financial instruments are non-cash in nature and were recorded at fair value through profit or loss as required in accordance with the Singapore Financial Reporting Standards. In addition, the Group recorded a one-off interest expense on its convertible notes amounting to US$4.5 million during the year.

As a result, the Group's net loss attributable to shareholders in FY2014 narrowed from US$34.5 million in FY2013 to US$34.2 million in FY2014.

Excluding the one-off items, the Group's FY2014 net loss attributable to shareholders would have improved to US$28.1 million.

FINANCIAL POSITION

The Group had a healthy financial position, with net assets of US$31.7 million and a net cash balance of US$20.2 million as at 31 December 2014, mainly due to the cash proceeds from its IPO in April 2014.

The receipt of the IPO cash proceeds and the conversion of all outstanding balances on convertible notes to equity helped the Group improve our working capital position to US$21.6 million as at 31 December 2014, from a negative position of US$9.1 million as at 31 December 2013. The negative working capital at 31 December 2013 was primarily due to the outstanding balance on the Group's loans and borrowings.

Our current assets increased by US$19.2 million to US$29.8 million as at 31 December 2014 mainly due to the increase in cash balance from the net IPO proceeds, trade and other receivables and inventories. The increase in inventories was due to the ramping up of our production to meet the increase in customer demand for Chocolate PTA, Chocolate PTCA and Glider PTCA whilst the increase in trade and other receivables was mainly due to increase in trade receivables as a result of the increase in sales.

Current liabilities decreased by US$11.5 million to US$8.2 million as at 31 December 2014 mainly due to the conversion of our short-term loans and borrowings of US$6.9 million as at 31 December 2013, into ordinary shares upon the Company's IPO. Trade and other payables, including derivatives decreased by US$4.0 million mainly due to the extinguishment of the Company's embedded derivatives.

Non-current assets increased by US$2.9 million to US$10.3 million as at 31 December 2014 mainly due to the increase in intangible assets of US$2.4 million and property, plant and equipment of US$0.5 million. The increase in intangible assets was due to the capitalization of development expenses whilst the increase in property, plant and equipment was mainly due to the purchase of machinery and equipment of US$0.8 million during FY2014.

Non-current liabilities decreased by US$10.1 million to US$0.2 million as at 31 December 2014 mainly due to the conversion of our long-term loans and borrowings of US$5.5 million which were long-term obligations as at 31 December 2013, into ordinary shares upon the Company's IPO. Trade and other payables, including derivatives decreased by US$4.6 million due mainly to the extinguishment of the Company's embedded derivatives.

CASH FLOW ANALYSIS

The Group recorded cash outflows from operating activities of US$26.5 million for FY2014, compared to an outflow of US$14.1 million in FY2013. This was mainly due to a larger operating loss before working capital changes, a decrease in deferred income following the fulfilment of the contract and increases in inventories and trade and other receivables as a result of higher sales during the year and the ramping up of production of Chocolate PTA, Chocolate PTCA and Glider PTCA. This was partially offset by the increase in trade and other payables, including derivatives, for amounts owing to suppliers for purchases made to support the Group's operations.

Net cash used in investing activities for FY2014 was US$3.8 million, compared to an outflow of US$4.3 million in FY2013. This was mainly due to lower additions to intangible assets. Net cash from financing activities was higher at US$46.2 million in FY2014, mainly due to net proceeds received from its IPO of US$40.8 million, the issue of convertible notes of US$2.5 million and the exercise of warrants of US$3.5 million. This was partially offset by the repayment of convertible note interests of US$0.7 million during the year.

As a result, cash and cash equivalents increased by US$15.0 million from US$5.2 million at end FY2013 to US$20.2 million at end FY2014 reflective of an overall increase in cash and cash equivalents of US$16.0 million offset by a foreign exchange loss on cash and cash equivalents of US$1.0 million.

CORPORATE **INFORMATION**

BOARD OF DIRECTORS

Non-Executive:

Mark Allen Wan
Non-Executive Chairman

Robert Michael Kleine
Lead Independent Director

Gregory David Casciaro
Independent Director

Hoon Ching Sing
Independent Director

Executive:

Eitan Konstantino
Chief Executive Officer

AUDIT COMMITTEE

Hoon Ching Sing *(Chairman)*
Robert Michael Kleine
Gregory David Casciaro

NOMINATING COMMITTEE

Gregory David Casciaro *(Chairman)*
Eitan Konstantino
Robert Michael Kleine

REMUNERATION COMMITTEE

Robert Michael Kleine *(Chairman)*
Gregory David Casciaro
Mark Allen Wan

COMPANY SECRETARIES

Tan Siew Hua (ACIS)
Low Mei Wan (ACIS)

REGISTERED OFFICE

80 Robinson Road
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Singapore 068898
Tel: (65) 6236 3333
Fax: (65) 6236 4399

SHARE REGISTRAR

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

AUDITORS

KPMG LLP
16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581

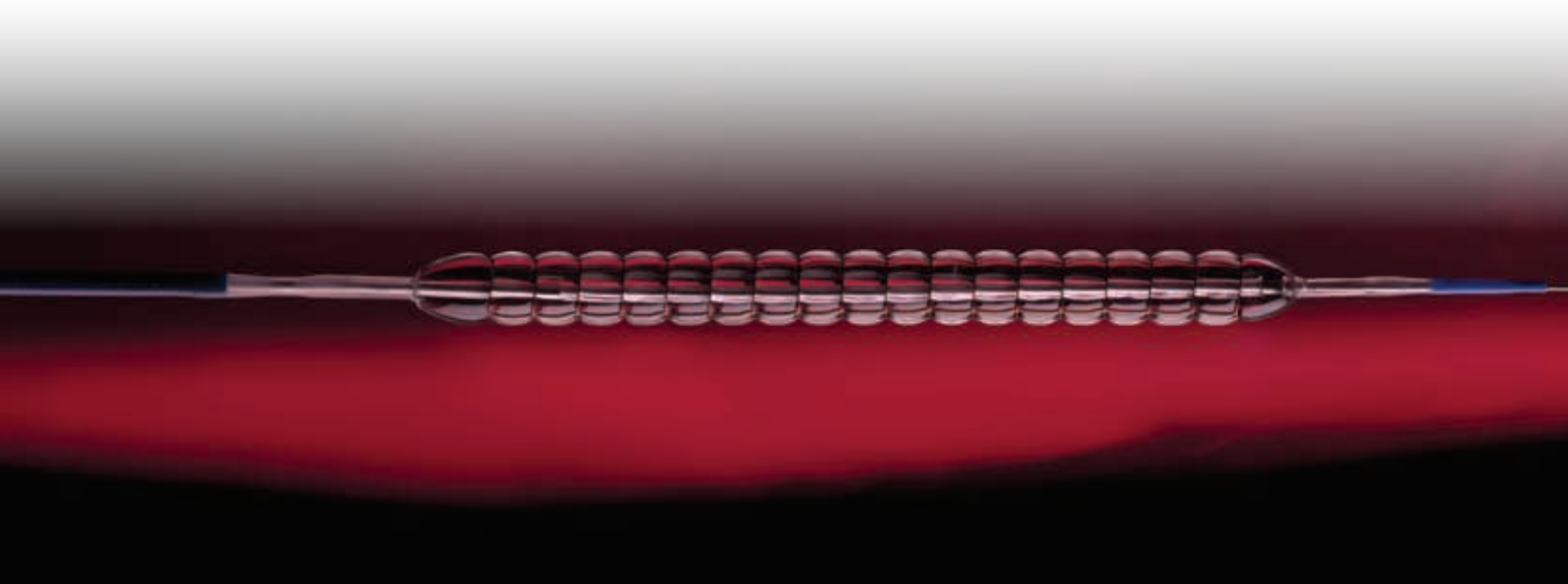
Audit Partner-in-charge
Chu Sook Fun
Since Financial Year 2013

SPONSOR

PrimePartners Corporate Finance Pte. Ltd.
16 Collyer Quay
#10-00 Income at Raffles
Singapore 049318

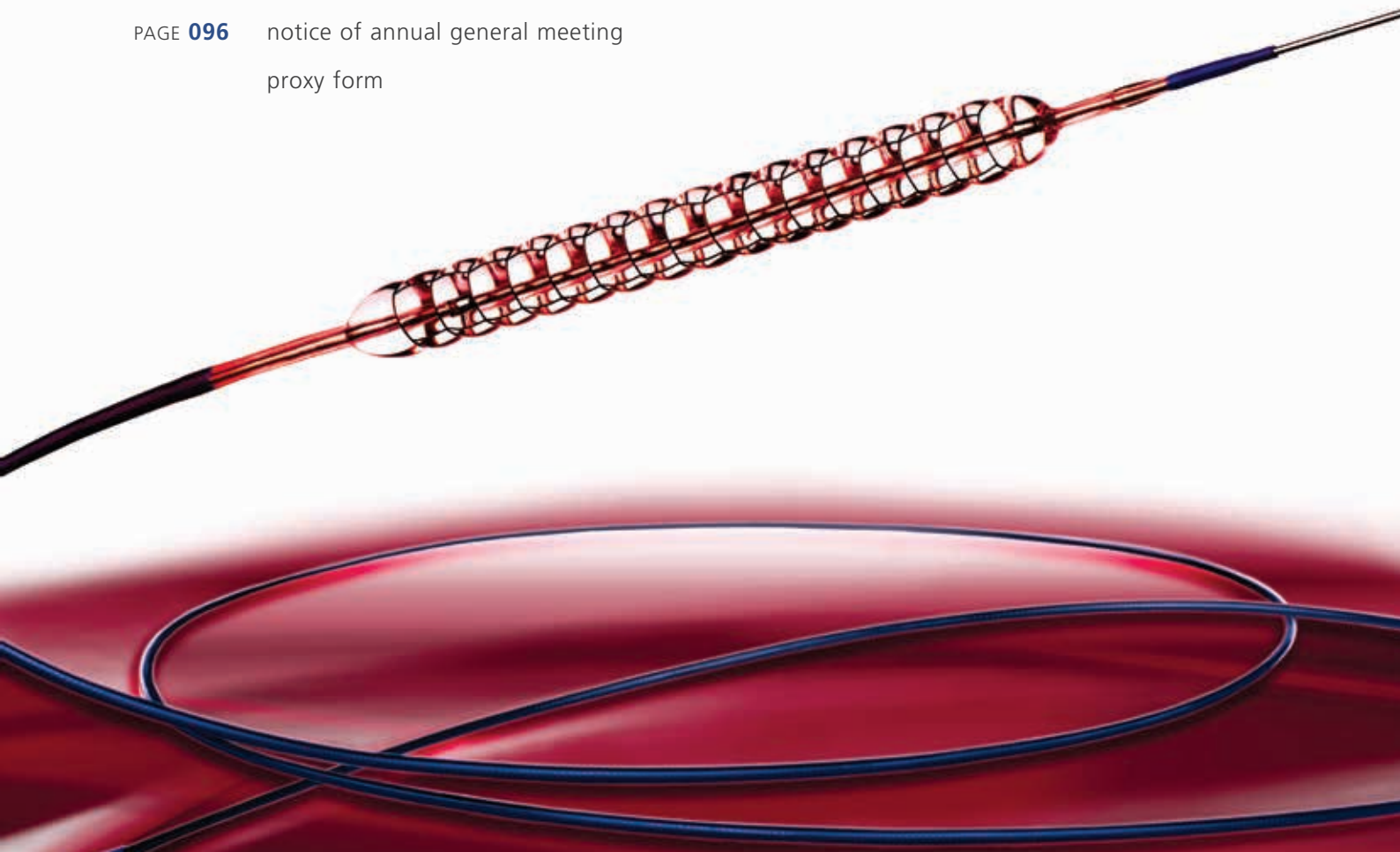
PRINCIPAL BANKER

Citibank Singapore Limited
8 Marina View
#21-01 Asia Square Tower 1
Singapore 018960



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proxy form



CORPORATE GOVERNANCE

The Board of Directors (the "**Board**") of QT Vascular Ltd. (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 disclosure table outlines the Company's corporate governance practices that were in place during the financial year ended 31 December 2014 ("**FY2014**"), with specific reference made to the principles of the Code of Corporate Governance 2012 (the "**Code**") and the disclosure guide developed by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") in January 2015 (the "**Guide**").

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
General	(a) Has the Company complied with all the principles and guidelines 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 guidelines 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.
	(b) 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 FY2014.

CORPORATE GOVERNANCE

<table>
<tr><th>Guideline</th><th>Code and/or Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td colspan="3">BOARD MATTERS</td></tr>
<tr><td colspan="3"><u>The Board's Conduct of Affairs</u></td></tr>
<tr><td>1.1</td><td>What is the role of the Board?</td><td>The Board has 5 members and comprises the following:

Table 1.1 – Composition of the Board
<table><tr><th>Name of Director</th><th>Designation</th></tr><tr><td>Mark Allen Wan</td><td>Non-Executive Chairman</td></tr><tr><td>Eitan Konstantino</td><td>Chief Executive Officer</td></tr><tr><td>Robert Michael Kleine</td><td>Lead Independent Director</td></tr><tr><td>Gregory David Casciaro</td><td>Independent Director</td></tr><tr><td>Hoon Ching Sing</td><td>Independent Director</td></tr></table>
The Board is entrusted to lead and oversee the Company, with the fundamental principle to act in the best interests of the Company. In addition to its statutory duties, the Board's principal functions are, inter alia:

• overseeing the Company, including its control and accountability systems;
• monitoring and reviewing senior management's performance and implementation of strategy;
• 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 considered the effectiveness of the operation of that system;
• 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; and
• providing overall corporate governance of the Company.</td></tr>
<tr><td>1.3</td><td>Has the Board delegated certain responsibilities to committees? If yes, please provide details.</td><td>The Board has delegated certain responsibilities to the Audit Committee (the "AC"), the Nominating Committee (the "RC") and the Remuneration Committee (the "NC") (collectively, the "Board Committees"). The compositions of the Board Committees are as follows:

Table 1.3 – Composition of the Board Committees
<table><tr><th></th><th>AC</th><th>NC</th><th>RC</th></tr><tr><td>Chairman</td><td>Hoon Ching Sing</td><td>Gregory David Casciaro</td><td>Robert Michael Kleine</td></tr><tr><td>Member</td><td>Robert Michael Kleine</td><td>Eitan Konstantino</td><td>Gregory David Casciaro</td></tr><tr><td>Member</td><td>Gregory David Casciaro</td><td>Robert Michael Kleine</td><td>Mark Allen Wan</td></tr></table></td></tr>
</table>

CORPORATE GOVERNANCE

<table>
<tr><th>Guideline</th><th>Code and/or Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td>1.4</td><td>Have the Board and Board Committees met in the last financial year?</td><td>The Company was admitted to the Official List of the Catalist of the SGX-ST on 29 April 2014. The Board meets at least four (4) times a year, and as and when circumstances require. During the financial year ended 31 December 2014, the number of the Board and Board Committee meetings held and the attendance of each Board member are shown below.
<table>
<tr><th></th><th>Board</th><th>AC</th><th>NC</th><th>RC</th></tr>
<tr><td>Number of Meetings Held</td><td>5</td><td>3(4)</td><td>–(4)</td><td>–(4)</td></tr>
<tr><td>Name of Director</td><td colspan="4">Number of Meetings Attended</td></tr>
<tr><td>Mark Allen Wan</td><td>5</td><td>NA</td><td>NA</td><td>–(4)</td></tr>
<tr><td>Eitan Konstantino</td><td>5</td><td>NA</td><td>–(4)</td><td>NA</td></tr>
<tr><td>Robert Michael Kleine</td><td>4</td><td>3(4)</td><td>–(4)</td><td>–(4)</td></tr>
<tr><td>Gregory David Casciaro</td><td>5</td><td>3(4)</td><td>–(4)</td><td>–(4)</td></tr>
<tr><td>Hoon Ching Sing(1)</td><td>4</td><td>3(4)</td><td>NA</td><td>NA</td></tr>
<tr><td>Choo Heng Tong(2)</td><td>1</td><td>NA</td><td>NA</td><td>NA</td></tr>
<tr><td>Foo Fatt Kah(3)</td><td>1</td><td>NA</td><td>NA</td><td>NA</td></tr>
</table>
Notes:
(1) Hoon Ching Sing was appointed as a Director of the Company on 1 April 2014.
(2) Choo Heng Tong resigned as a Director of the Company on 31 March 2014.
(3) Foo Fatt Kah resigned as a Director of the Company on 1 April 2014.
(4) One RC, NC and AC meeting each, was held subsequent to 31 December 2014 in respect of FY2014.

The Board is also briefed periodically by senior management on the Group's strategy and performance.

The Company's Articles of Association (the "Articles") allow for meetings to be held through teleconferencing and/or videoconferencing.</td></tr>
<tr><td>1.5</td><td>What are the types of material transactions which require approval from the Board?</td><td>Matters that require the Board's approval include, amongst others, the following:

• major capital expenditure, capital management and acquisitions and divestitures;
• Chapter 9 and Chapter 10 transactions in the SGX-ST Listing Manual Section B: Rules of Catalist (the "Catalist Rules");
• the Company's control and accountability systems;
• the Company's policies on risk oversight and management, internal compliance and control, Code of Conduct, and legal compliance;
• the Company's financial statements; and
• all matters which crosses the Materiality Threshold*.

Note:
* The Board will establish materiality thresholds from time to time which will reflect the stage of development of the company and will also take into consideration the guidelines provided in the Catalist Rules.</td></tr>
</table>

CORPORATE GOVERNANCE

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
1.6	(a) Are new Directors given formal training? If not, please explain why.	Any 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 the Group's business, organisation structure, corporate strategies and policies, and governance practices. The Company will also provide training for first-time Directors in areas such as accounting, legal and industry specific knowledge as appropriate. The training of Directors will be arranged and funded by the Company.
	(b) What are the types of information and training provided to (i) new Directors and (ii) existing Directors to keep them up-to-date?	Briefings, updates and trainings for the Directors in FY2014 include: • the external auditors ("**EA**") had briefed the AC on changes or amendments to accounting standards; and • Eitan Konstantino, Gregory David Casciaro and Hoon Ching Sing had attended the "Listed Company Director" course conducted by the Singapore Institute of Directors.
Board Composition and Guidance		
2.1 2.2 3.3	Does the Company comply with the guideline on the proportion of Independent Directors on the Board? If not, please state the reasons for the deviation and the remedial action taken by the Company.	The Chairman of the Board (the "**Chairman**") is not considered an independent director for the purposes of the Code. Guideline 2.2 of the Code is met as the Independent Directors make up 3/5 of the Board. Robert Michael Kleine has also been appointed as the Lead Independent Director of the Company and makes himself available to shareholders at the Company's general meetings.
2.3 4.3	Has the independence of the Independent Directors been reviewed in the last financial year?	The NC has reviewed and confirmed the independence of the Independent Directors in accordance with the Code. The Independent Directors have also confirmed their independence in accordance with the Code.
	(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. (b) What are the Board's reasons for considering him independent? Please provide a detailed explanation.	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.
2.4	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.	There is no Independent Director who has served beyond nine years since the date of his first appointment.

CORPORATE GOVERNANCE

<table>
<tr><th>Guideline</th><th>Code and/or Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td rowspan="3">2.6</td><td>(a) What is the Board's policy with regard to diversity in identifying director nominees?</td><td>The Board and board committees should comprise directors who as a group provide an appropriate balance and diversity of skills, experience, gender and knowledge of the Company. The Board's policy in identifying director nominees is primarily to have an appropriate mix of members with core competencies such as accounting or finance, business or management experience, industry knowledge, strategic planning experience and customer-based experience or knowledge.</td></tr>
<tr><td>(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.</td><td>The current Board composition provides a diversity of skills, experience and knowledge to the Company as follows:

<table>
<tr><td>Table 2.6 – Balance and Diversity of the Board</td><td></td><td></td></tr>
<tr><td></td><td>Number of Directors</td><td>Proportion of Board (%)</td></tr>
<tr><td>Core Competencies</td><td></td><td></td></tr>
<tr><td>– Accounting or finance</td><td>3</td><td>60</td></tr>
<tr><td>– Business management</td><td>5</td><td>100</td></tr>
<tr><td>– Legal or corporate governance</td><td>5</td><td>100</td></tr>
<tr><td>– Relevant industry knowledge or experience</td><td>5</td><td>100</td></tr>
<tr><td>– Strategic planning experience</td><td>5</td><td>100</td></tr>
<tr><td>– Customer based experience or knowledge</td><td>4</td><td>80</td></tr>
<tr><td>Gender</td><td></td><td></td></tr>
<tr><td>– Male</td><td>5</td><td>100</td></tr>
<tr><td>– Female</td><td>0</td><td>0</td></tr>
</table></td></tr>
<tr><td>(c) What steps have the Board taken to achieve the balance and diversity necessary to maximise its effectiveness?</td><td>The Board has taken the following steps 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, with a view to understand the range of expertise which is lacking by the Board.

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.</td></tr>
<tr><td>2.8</td><td>Have the Non-Executive Directors met in the absence of key management personnel in the last financial year?</td><td>The Non-Executive Directors have met once in the absence of key management personnel in FY2014.</td></tr>
</table>

CORPORATE GOVERNANCE

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
Chairman and Chief Executive Officer		
3.1	Are the duties between Chairman and CEO segregated?	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. The responsibilities of the Non-Executive Chairman are as follows: (a) to lead the Board to ensure its effectiveness on all aspects of its role; (b) to promote a culture of openness and debate at the Board; (c) to facilitate the effective contribution of non-executive directors in particular; (d) to promote high standards of corporate governance. The responsibilities of the CEO are as follows: (a) to progress and advance the strategic direction provided by the Board; (b) the operational running of the Company, pursuant to the Board delegating to the CEO certain of the Board's powers, authorities and discretions; (c) to set the agenda of Board meetings and ensure that adequate time is available for discussion of all agenda items, in particular strategic issues; (d) to ensure that the directors receive complete, adequate and timely information; (e) to ensure effective communication with shareholders; and (f) to encourage constructive relations within the Board and between the Board and Management.
3.4	Have the Independent Directors met in the absence of key management personnel?	The Independent Directors have met once in the absence of key management personnel in FY2014.
Board Membership		
4.1	What are the duties of the NC?	The NC is guided by key terms of reference as follows: (a) the review of board succession plans for directors, in particular, the Chairman and for the CEO; (b) the development of a process for evaluation of the performance of the Board, its board committees and directors; (c) the review of training and professional development programs for the Board; (d) to review and approve any new employment of related persons and proposed terms of their employment; (e) to decide whether or not a director of the Company is able to and has been adequately carrying out his duties as a director; and (f) board appointments and re-nominations of existing directors for re-election in accordance with the Company's Articles of Association (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. Ensuring all directors submit themselves for re-nomination and re-appointment at regular intervals and at least once every three years.

CORPORATE GOVERNANCE

<table>
<tr><th>Guideline</th><th>Code and/or Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td rowspan="4">4.4</td><td>(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?</td><td>The Board has set the maximum number of listed company board representations as 8.

Having assessed the capacity of the Directors based on factors disclosed in Section 4.4(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.</td></tr>
<tr><td>(b) If a maximum has not been determined, what are the reasons?</td><td>Not applicable.</td></tr>
<tr><td>(c) What are the specific considerations in deciding on the capacity of directors?</td><td>The considerations in assessing the capacity of Directors include the following:

• Expected and/or competing time commitments of Directors;
• Geographical location of Directors;
• Size and composition of the Board; and
• Nature and scope of the Group's operations and size.</td></tr>
<tr><td>(d) Have the Directors adequately discharged their duties?</td><td>The NC has reviewed the time spent and attention given by each of the Directors to the Company's affairs, and is satisfied that all Directors have discharged their duties adequately for FY2014.</td></tr>
<tr><td>4.5</td><td>Are there alternate Directors?</td><td>The Company does not have any alternate directors.</td></tr>
<tr><td>4.6</td><td>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.</td><td>
<table>
<tr><th colspan="3">Table 4.6(a) – Process for the Selection and Appointment of New Directors</th></tr>
<tr><td>1.</td><td>Determination of selection criteria</td><td>• 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.</td></tr>
<tr><td>2.</td><td>Search for suitable candidates</td><td>• The NC would consider candidates proposed by the Directors, management or substantial shareholders, and may engage professional search firms where necessary.</td></tr>
<tr><td>3.</td><td>Assessment of shortlisted candidates</td><td>• The NC would meet and interview the shortlisted candidates to assess their suitability.</td></tr>
<tr><td>4.</td><td>Appointment of director</td><td>• The NC would recommend the selected candidate to the Board for consideration and approval.</td></tr>
</table>
<table>
<tr><th colspan="3">Table 4.6(b) – Process for Re-electing Incumbent Directors</th></tr>
<tr><td>1.</td><td>Assessment of director</td><td>• The NC would assess the contributions and performance of the director in accordance with the performance criteria set by the Board; and
• The NC would also review the range of expertise, skills and attributes of current Board members and consider the current needs of the Board.</td></tr>
<tr><td>2.</td><td>Re-appointment of director</td><td>• Subject to the NC's satisfactory assessment, the NC would recommend the proposed re-appointment of the director to the Board for its consideration and approval.</td></tr>
</table>
</td></tr>
</table>

CORPORATE GOVERNANCE

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
		Pursuant to Article 98 of the Articles, 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. For the avoidance of doubt, each Director shall retire from office at least once every three (3) years. Pursuant to Article 99, Directors to retire by rotation shall include (so far as necessary to obtain the number required) any Director who wishes to retire and not to offer himself for re-election but shall not include any Director who is due to retire at the meeting by reason of age. 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 the three (3) years since their last election. As such, the Board has accepted the NC's recommendations to seek the approval of shareholders at the forthcoming AGM to re-elect Eitan Konstantino and Mark Allen Wan who will be retiring pursuant to Article 99 of the Articles. In making the recommendations, the NC had considered the directors' overall contribution and performance. Eitan Konstantino will, upon re-election as a Director, remain as a member of the Nominating Committee. Mark Allen Wan will, upon re-election as a Director, remain as the Non-Executive Chairman of the Board and a member of the Remuneration Committee.
4.7	Please provide Directors' key information.	The key information of the Directors, including their appointment dates and directorships held in the past 3 years, are set out in the table below.

Name of Director	Board Membership	Date of first appointment	Date of last re-appointment	Directorships in other listed companies		Principal Commitments
				Current	Past three years	
Mark Allen Wan	Non-Executive Chairman	11 July 2013	28 May 2014	AcelRx Pharmaceutical, Inc.	Biosensors International Group, Ltd. ePocrates, Inc.	Managing Member of Three Arch Management IV, LLC
Eitan Konstantino	CEO	11 July 2013	28 May 2014	Nil	Nil	Founding director of Singapore Medtech Accelerator Pte. Ltd.; Member of SPRING Singapore's Medtech Network of Advisors; Co-chairman of F04.30.06 Cardiovascular Standards Task Group of the American Society for Testing and Materials
Robert Michael Kleine	Lead Independent Director	14 August 2013	28 May 2014	Nil	Biosensors International Group, Ltd.	President & CEO of Miramar Labs, Inc. and a member of Miramar Labs, Inc.'s Board of Directors Executive Chairman of EndoGastric Solutions, Inc. and a member of EndoGastric Solutions, Inc.'s Board of Directors
Gregory David Casciaro	Independent Director	14 August 2013	28 May 2014	Nil	Nil	President & CEO of AccessClosure, Inc.
Hoon Ching Sing	Independent Director	1 April 2014	28 May 2014	Hoe Leong Corporation Ltd.	Nil	Business adviser and CEO of JH Advisers Sdn Bhd

CORPORATE GOVERNANCE

<table>
<tr><th>Guideline</th><th>Code and/or Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td colspan="3"><u>Board Performance</u></td></tr>
<tr><td>5.1
5.2
5.3</td><td>What is 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?</td><td>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 for assessing the contribution by each Director to the effectiveness of the Board:

Table 5
<table><tr><th>Performance Criteria</th><th>Board</th><th>Individual Directors</th></tr><tr><td>Qualitative</td><td>1. Size and composition
2. Access to information
3. Board processes
4. Strategic planning
5. Board accountability
6. CEO/Top Management interaction
7. Standards of Conduct</td><td>1. Commitment of time
2. Knowledge and abilities
3. Teamwork
4. Overall effectiveness</td></tr></table></td></tr>
<tr><td></td><td>(a) What was the process upon which the Board reached the conclusion on its performance for the financial year?</td><td>The review of the performance of the Board is conducted by the NC annually. The review of the performance of each Director is also conducted at least annually and when the individual Director is due for re-election.

For FY2014, the review process was as follows:

1. All Directors individually completed a board evaluation questionnaire on the effectiveness of the Board, and the individual Directors based on criteria disclosed in Table 5 above;

2. The questionnaire results are collated for the NC's discussion and the NC concluded the performance results during the NC meeting; and

3. All NC members have abstained from the voting or review process of any matters in connection with the assessment of his performance.

No external facilitator was used in the evaluation process.</td></tr>
<tr><td></td><td>(b) Has the Board met its performance objectives?</td><td>Yes, the Board has met its performance objectives.</td></tr>
<tr><td colspan="3"><u>Access to Information</u></td></tr>
<tr><td>6.1
10.3</td><td>What types of information does the Company provide to Non-Executive Directors to enable them to understand its business, the business and financial environment as well as the risks faced by the Company? How frequently is the information provided?</td><td>Table 6 – Types of information provided by key management personnel to Non-Executive Directors
<table><tr><th></th><th>Information</th><th>Frequency</th></tr><tr><td>1.</td><td>Board papers (with background or explanatory information relating to the matters brought before the Board, where necessary)</td><td>Quarterly</td></tr><tr><td>2.</td><td>Updates to the Group's operations and the markets in which the Group operates in</td><td>Quarterly</td></tr><tr><td>3.</td><td>Reports on on-going or planned corporate actions</td><td>Quarterly</td></tr><tr><td>4.</td><td>Enterprise risk framework and internal auditors' ("IA") report(s)</td><td>Yearly</td></tr></table>
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.</td></tr>
</table>

CORPORATE GOVERNANCE

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
6.3	What is the role of the Company Secretary?	The role of the Company Secretary, the appointment and removal of whom is a matter for the Board as a whole, is as follows: • Ensuring that board procedures are followed and that applicable rules and regulations are complied with; • Ensuring good information flows within the Board and its board committees and between the senior management and the Directors, advising the Board on all governance matters, facilitating orientation and assisting with professional developments; and • Attending all board and committee meetings.
REMUNERATION MATTERS		
Developing Remuneration Policies		
7.1	What is the role of the RC?	The RC is guided by key terms of reference which include, amongst others, the following: (a) 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; (b) Review annually the remuneration of the key management personnel and the Executive Director(s) including the terms of renewal for their Service Agreements; (c) Review the Company's obligations arising in the event of termination of the executive directors 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 (d) Oversee the administration of the Company's 2014 QTV Employee Share Option Scheme (or such other similar share plans as may be implemented by the Company from time to time) upon the terms of reference as defined in the said Plan, and the practical administration of the options granted under the QTV 2013 Share Plan, the 2005 Stock Plan and the 2010 Equity Incentive Plan.
7.3	Were remuneration consultants engaged in the last financial year?	In FY2014, two remuneration consultants, Mercer LLC and Compensia Inc., both of which do not have any relationship with the Company, were engaged by the Company to come up with equity grant guidelines for employees and Board of Directors as well as coverage of such guideline differentials for US and Singapore.

CORPORATE GOVERNANCE

<table>
<tr><th>Guideline</th><th>Code and/or Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td colspan="3"><u>Disclosure on Remuneration</u></td></tr>
<tr><td>9</td><td>What is the Company's remuneration policy?</td><td>The Company's remuneration policy 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.</td></tr>
<tr><td>9.1
9.2</td><td>Has the Company disclosed each Director's and the CEO's remuneration as well as a breakdown (in percentage or dollar terms) 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?</td><td>The breakdown for the remuneration of the Directors for FY2014 is as follows:

Table 9 – Directors' Remuneration
<table><tr><th>Name</th><th>Remuneration Bands[4]</th><th>Salary (%)</th><th>Bonus (%)</th><th>Directors Fees (%)</th><th>Benefits-in-kind (%)</th><th>Total (%)</th></tr><tr><td>Mark Allen Wan</td><td>–</td><td>–</td><td>–</td><td>100</td><td>–</td><td>100</td></tr><tr><td>Eitan Konstantino</td><td>C</td><td>70</td><td>21</td><td>–</td><td>9</td><td>100</td></tr><tr><td>Robert Michael Kleine</td><td>A</td><td>–</td><td>–</td><td>100</td><td>–</td><td>100</td></tr><tr><td>Gregory David Casciaro</td><td>A</td><td>–</td><td>–</td><td>100</td><td>–</td><td>100</td></tr><tr><td>Hoon Ching Sing</td><td>A</td><td>–</td><td>–</td><td>100</td><td>–</td><td>100</td></tr><tr><td>Choo Heng Tong[2]</td><td>–</td><td>–</td><td>–</td><td>–</td><td>–</td><td>–</td></tr><tr><td>Foo Fatt Kah[3]</td><td>–</td><td>–</td><td>–</td><td>–</td><td>–</td><td>–</td></tr></table>
Notes:
(1) Hoon Ching Sing was appointed as a Director of the Company on 1 April 2014.
(2) Choo Heng Tong resigned as a Director of the Company on 31 March 2014.
(3) Foo Fatt Kah resigned as a Director of the Company on 1 April 2014.
(4) Remuneration bands:
Band "A" refers to remuneration up to S$250,000 per annum;
Band "B" refers to remuneration from S$250,001 to S$500,000 per annum; and
Band "C" refers to remuneration from S$500,001 to S$700,000 per annum.

After reviewing the industry practice and analysing the advantages and disadvantages in relation to the disclosure of remuneration of each Director and key management personnel, the Company is of the view that such disclosure would be prejudicial to its business interest given the highly competitive environment.

There were no termination, retirement or past-employment benefits that may be granted to the Directors, the CEO and top key management personnel (who are not Directors or the CEO).</td></tr>
</table>

CORPORATE GOVERNANCE

<table>
<tr><th>Guideline</th><th>Code and/or Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td>9.3</td><td>(a) Has the Company disclosed each key executives remuneration, in bands of S$250,000 or more in detail, as well as a breakdown (in percentage or dollar terms) 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?</td><td>The Company only has three top key executives.

The breakdown for the remuneration of the Company's key executives (who are not Directors or the CEO) for FY2014 is as follows:

Table 9.3 – Remuneration of Key Executives
<table><tr><th>Name</th><th>Remuneration Bands(1)</th><th>Salary (%)</th><th>Bonus (%)</th><th>Benefits-in-kind (%)</th><th>Total (%)</th></tr><tr><td>Randal Farwell</td><td>B</td><td>89</td><td>–</td><td>11</td><td>100</td></tr><tr><td>Maria Pizarro</td><td>B</td><td>86</td><td>5</td><td>9</td><td>100</td></tr><tr><td>Momi Brosh</td><td>B</td><td>62</td><td>–</td><td>38</td><td>100</td></tr></table>
Note:
(1) "Band B" refers to remuneration from S$250,001 to S$500,000 per annum.</td></tr>
<tr><td></td><td>(b) Please disclose the aggregate remuneration paid to the top five key executives (who are not Directors or the CEO).</td><td>The total remuneration paid to the top three (3) key executives (excluding the CEO) for FY2014 was S$983,000.</td></tr>
<tr><td>9.4</td><td>Is there any employee who is an immediate family member of a Director or the CEO, and whose remuneration exceeds S$50,000 during the last financial year? If so, please identify the employee and specify the relationship with the relevant Director or the CEO.</td><td>There was no employee of the Group who was an immediate family member of a Director or the CEO whose remuneration exceeded S$50,000 in FY2014.</td></tr>
<tr><td>9.5</td><td>Please provide details of the employee share scheme(s).</td><td>Save for Eitan Konstantino, the Chief Executive Officer of the Company, Randal Farwell, the Chief Financial Officer of the Company and Maria Pizarro, the Executive Vice President and Vice President, Research and Development of the Company, there are no participants who received 5% or more of the total number of outstanding options that have been granted under the Scheme (as defined on page 31 of this Annual Report).

Information relating to the Company's options for ordinary shares in the Company is set out on pages 31, 32, 70 to 72 of this Annual Report, and further information can be found in the Company's offer document dated 16 April 2014.</td></tr>
<tr><td>9.6</td><td>(a) Please describe how the remuneration received by Executive Directors and key management personnel has been determined by the performance criteria.</td><td>The remuneration received by the Executive Directors and key management personnel takes into consideration his or her individual performance and contribution towards the overall performance of the Group for FY2014. Their remuneration is made up of fixed and variable compensations. 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.</td></tr>
<tr><td></td><td>(b) What were the performance conditions used to determine their entitlement under the short term and long term incentive schemes?</td><td>The following performance conditions were chosen for the Group to remain competitive and to motivate the Executive Directors and key management personnel to work in alignment with the goals of all stakeholders:
<table><tr><th>Performance Conditions</th><th>Short-term Incentives (such as performance bonus)</th></tr><tr><td>Qualitative</td><td>1. Leadership
2. People development
3. Commitment
4. Teamwork</td></tr></table></td></tr>
<tr><td></td><td>(c) Were all of these performance conditions met? If not, what were the reasons?</td><td>Yes, the RC has reviewed and is satisfied that the performance conditions were met for FY2014.</td></tr>
</table>

CORPORATE GOVERNANCE

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
ACCOUNTABILITY AND AUDIT		
Risk Management and Internal Controls		
11.3	(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.	The Board 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 FY2014. The bases for the Board's view are as follows: 1. Assurance has been received from the CEO and CFO (refer to Section 11.3(b) below); 2. An internal audit has been done by the IA and significant matters highlighted to the AC and key management personnel were appropriately addressed; 3. Key management personnel regularly evaluates, monitors and reports to the AC on material risks, if any; 4. Discussions were held between the AC and auditors in the absence of the key management personnel to review and address any potential concerns; 5. An enterprise risk management framework has been established to identify, manage and mitigate significant risks; and 6. Risk appetite statements with tolerance limits have been approved by the Board to contain risks within acceptable levels. The Company is gradually placing emphasis on sustainability and would implement appropriate policies and programmes when the opportunities arise.
	(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?	Yes, the Board has obtained such assurance from the CEO and CFO in respect of FY2014. The Board has additionally relied on IA's reports issued to the Company for FY2014 as assurances that the Company's risk management and internal control systems are effective.

CORPORATE GOVERNANCE

<table>
<tr><th>Guideline</th><th>Code and/or Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td colspan="3"><u>Audit Committee</u></td></tr>
<tr><td>12.1
12.4</td><td>What is the role of the AC?</td><td>The AC is guided by the following key terms of reference:

(a) consider the appointment or re-appointment of the external auditors, the level of their remuneration and matters relating to resignation or removal of the external auditors, and review 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;
(b) consider the appointment or re-appointment of the internal auditors, the level of their remuneration and matters relating to resignation or removal of the internal auditors, and review 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);
(c) review the system of internal accounting controls and procedures established by management and discuss 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);
(d) oversees the development of the Company's risk framework to manage the current risk exposures and future risk strategy of the Company;
(e) review the annual and quarterly 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;
(f) review the effectiveness and adequacy of the Company's administrative, operating, internal accounting and financial control procedures;
(g) review the scope and results of the external audit, and the independence and objectivity of the external auditors; and
(h) review arrangements 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.</td></tr>
<tr><td>12.5</td><td>Has the AC met with the auditors in the absence of key management personnel?</td><td>Yes, the AC has met with the IA and the EA once in the absence of key management personnel in FY2014.</td></tr>
<tr><td rowspan="3">12.6</td><td>Has the AC reviewed the independence of the EA?</td><td>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.</td></tr>
<tr><td>(a) Please provide a breakdown of the fees paid in total to the EA for audit and non-audit services for the financial year.</td><td>
<table>
<tr><td colspan="3">Table 12.6(a) – Fees Paid/Payable to the EA for FY2014</td></tr>
<tr><td></td><td>US$'000</td><td>% of total</td></tr>
<tr><td>Audit fees (including IPO fees)</td><td>1,096</td><td>98</td></tr>
<tr><td>Non-audit fees
– Tax and enterprise risk management related advices</td><td>19</td><td>2</td></tr>
<tr><td>Total</td><td>1,115</td><td>100</td></tr>
</table>
</td></tr>
<tr><td>(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.</td><td>The non-audit services rendered during FY2014 were not substantial.</td></tr>
</table>

CORPORATE GOVERNANCE

<table>
<tr><th>Guideline</th><th>Code and/or Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td>12.7</td><td>Does the Company have a whistle-blowing policy?</td><td>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:

<table><tr><th>Name</th><th>Email Address</th></tr><tr><td>Robert Michael Kleine</td><td>mikekleine@gmail.com</td></tr><tr><td>Gregory David Casciaro</td><td>gcasciaro@yahoo.com</td></tr><tr><td>Hoon Ching Sing</td><td>jeremyhoon@gmail.com</td></tr></table></td></tr>
<tr><td>12.8</td><td>What are the AC's activities or the measures it has taken to keep abreast of changes to accounting standards and issues which have a direct impact on financial statements?</td><td>In FY2014, the AC was briefed by the external auditors on the changes or amendments to the accounting standards which may have a direct impact on the financial statements.</td></tr>
<tr><td>12.9</td><td>Are there any member of the AC who is a former partner or director of the Company's existing auditing firm or auditing corporation (a) within a period of 12 months commencing on the date of his ceasing to be a partner of the auditing firm or the auditing corporation; and in any case (b) for as long as he has any financial interest in the auditing firm or auditing corporation?</td><td>Yes. Hoon Ching Sing, the Chairman of the AC who has over 31 years of experience in various financial aspects such as auditing, acquisitions, corporate finance, corporate governance as well as risk management.

He was also formerly a partner of KPMG for 19 years from October 1994 to September 2013. However, he had never been engaged in the audit of the Group and had no other past or present business dealings with the Group.

Therefore, the Board is of the opinion that he is suitable to carry out his duties as an Independent Director and Chairman of the AC, based on his extensive audit experience as set out above and his familiarity of corporate governance rules and the conduct of a director of a board of a listed company.</td></tr>
<tr><td colspan="3"><u>Internal Audit</u></td></tr>
<tr><td>13.1
13.2
13.3
13.4
13.5</td><td>Please provide details of the Company's internal audit function, if any.</td><td>The Company's internal audit function is outsourced to PriceWaterhouseCoopers Management Consultants Pte. Ltd. that reports directly to the AC Chairman and administratively to the CEO and CFO. The AC reviews and approves the internal audit plan to ensure the adequacy of the scope of audit. The AC is satisfied that the IA is adequately qualified (given, inter alia, its adherence to standards set by internationally recognised professional bodies) and resourced, and has the appropriate standing in the Company to discharge its duties effectively.</td></tr>
</table>

CORPORATE GOVERNANCE

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
SHAREHOLDER RIGHTS AND RESPONSIBILITIES		
Communication with Shareholders		
15.2 15.3 15.4	(a) Does the Company regularly communicate with shareholders and attend to their questions? How often does the Company meet with institutional and retail investors?	The Company solicits feedback from and addresses the concerns of shareholders via the following: • an investor relations contact whose contact details can be found on the Investor Relations page of the Company's website, www.qtvascular.com; and • investor/analyst briefings. The Company held numerous investor briefings and investor roadshows in FY2014 to meet with its institutional and retail investors.
	(b) Is this done by a dedicated investor relations team (or equivalent)? If not, who performs this role?	The Company has an internal investor relations team. In addition, the Company has engaged an external investor relations firm, Waterbrooks Consultants Pte. Ltd. to assist the Company in its investor relations initiatives.
	(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 www.qtvascular.com.
15.5	Does the Company have a dividend policy?	The Company does not have a fixed dividend policy. Nonetheless, key management personnel will review, *inter alia*, 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.
	Is the Company paying dividends for the financial year? If not, please explain why.	The Board has not declared or recommended any dividends for FY2014, as the Company was not profitable for FY2014.
CONDUCT OF SHAREHOLDER MEETINGS		
16.1 16.3 16.4 16.5	How are the general meetings of shareholders conducted?	The Company's Articles allow for abstentia voting. The Company requires all Directors (including the respective chairman of the Board Committees) to be present at all general meetings of shareholders, unless of exigencies. 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. All resolutions are put to vote by poll, and their detailed results will be announced via SGXNET after the conclusion of the general meeting. All minutes of general meetings will made available to shareholders upon their request after the general meeting.

CORPORATE GOVERNANCE

COMPLIANCE WITH APPLICABLE CATALIST RULES		
Catalist Rule	**Rule Description**	**Company's Compliance or Explanation**
712, 715 or 716	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 FY2014 or if not then subsisting, entered into since the end of the previous financial year.
1204(10)	Confirmation of adequacy of internal controls	The Board and the AC are of the opinion that the internal controls are adequate and effective to address the financial, operational and compliance risks for FY2014 based on the following: • internal controls and the risk management system established by the Company; • work performed by the IA and EA; • assurances from the CEO and CFO; and • reviews done by the various Board Committees and key management personnel.
1204(17)	Interested Persons Transaction ("**IPT**")	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. Other than the interested person transactions as disclosed on pages 169 to 181 of the Company's offer document dated 16 April 2014 ("**Offer Document**") there were no new interested person transactions which were more than S$100,000 entered into during the current financial period reported on. The Group does not have a general mandate for recurrent interested person transactions.
1204(19)	Dealing in Securities	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. 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.

CORPORATE GOVERNANCE

<table>
<tr><td>1204(21)</td><td>Non-sponsor fees</td><td>For FY2014, the Company paid to its sponsor, PrimePartners Corporate Finance Pte. Ltd. non-sponsor fees of S$572,000 in cash and S$2,116,000 in shares of the Company for acting as issue manager, sponsor and joint placement agent in relation to the Company's IPO.</td></tr>
<tr><td>Catalist Rule</td><td>Rule Description</td><td>Company's Compliance or Explanation</td></tr>
<tr><td>1204(22)</td><td>Use of IPO Proceeds</td><td>Pursuant to the IPO, the Company received gross proceeds of S$55,000,000 ("IPO Proceeds"). As at 25 February 2015, the IPO proceeds has been utilized as follows:
<table>
<tr><th></th><th>Amount allocated S$'000</th><th>Amount utilised S$'000</th><th>Balance S$'000</th></tr>
<tr><td>Commercial expansion(1)</td><td>5,000</td><td>4,250</td><td>750</td></tr>
<tr><td>Development of new products and product enhancements</td><td>15,000</td><td>12,701</td><td>2,299</td></tr>
<tr><td>General working capital purposes(2)</td><td>30,261</td><td>22,232</td><td>8,029</td></tr>
<tr><td>Listing expenses(3)</td><td>4,739</td><td>4,718</td><td>21</td></tr>
<tr><td>Total</td><td>55,000</td><td>43,901</td><td>11,099</td></tr>
</table>
Notes:
(1) Commercial expansion includes marketing activities, expenses incurred in entering into further supplier and distributorship agreements, market expansion activities and costs of our sales force.
(2) Utilized mainly for the payment of salaries and wages and raw material purchases.
(3) Of the total listing expenses to be borne by our Company, approximately S$3.8 million (or the equivalent of US$3.0 million) was capitalized against share capital and the balance of the estimated listing expenses was charged to the income statement of our Company. This excludes professional fees paid by our Company to PPCF by the issue and allotment of 7,558,828 shares. The amount of placement commission for each placement share, agreed upon between the Joint Placement Agents and our Company, is 5.0% of the issue price for each placement share. Please refer to the section entitled "General and Statutory Information – Placement Arrangement" of the Company's Offer Document for further details.

The above utilizations are in accordance with the intended use of IPO proceeds, as stated in the Offer Document.</td></tr>
</table>

DIRECTORS' REPORT

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 31 December 2014.

DIRECTORS

The directors in office at the date of this report are as follows:

Eitan Konstantino
Mark Allen Wan
Robert Michael Kleine
Gregory David Casciaro
Hoon Ching Sing

DIRECTORS' INTERESTS

According to the register kept by the Company for the purposes of Section 164 of the Singapore Companies Act, Chapter 50 (the Act), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and infant children) in shares, debentures and share options in the Company and in related corporations (other than wholly-owned subsidiaries) are as follows:

Name of director and interests held	Holdings at beginning of the year	Holdings at end of the year
Eitan Konstantino		
• Ordinary shares	13,054,336 [1]	13,054,336
• Options	44,271,792 [1]	44,271,792
Robert Michael Kleine		
• Options	2,496,304 [1]	2,496,304
Gregory David Casciaro		
• Options	3,298,768 [1]	3,298,768

DIRECTORS' REPORT

Name of director and interests held	Holdings at beginning of the year	Holdings at end of the year
Mark Allen Wan		
• Ordinary shares [2]	–	157,284,444 [2]
• Options [1,2]	1,920,000 [1,2]	1,920,000 [1,2]
• Preference shares [2]	5,831,362 [2]	–
• Convertible notes [2]	US$4,000,000 [2]	–

1 For illustrative and comparison purposes, the number of shares were calculated assuming the subdivision of 1 share to 16 shares, which was completed on 9 April 2014, had taken place at the beginning of the financial year.

2 Deemed interest held by Three Arch Partners IV, LP and Three Arch Associates IV, LP

By virtue of Section 7 of the Act, Mark Allen Wan is deemed to have an interest in shares of the subsidiaries by virtue of his deemed interest in the shares held by Three Arch Partners IV, LP and Three Arch Associates IV, LP. Save as aforesaid, no directors are deemed to have interests in the subsidiaries of the Company, all of which are wholly-owned, at the beginning of the financial year or at the end of the financial year.

There were no changes in any of the above mentioned interest in the Company between the end of the financial year and 21 January 2015.

Except as disclosed in this report, no director who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

Except as disclosed under the "Share options" section of this report, 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 body corporate.

Since the end of the last financial year, other than as disclosed in Note 28, no director has received or become entitled to receive, a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

OPTIONS TO PURCHASE ORDINARY SHARES

In September 2005 ("2005 Stock Plan"), November 2010 ("2010 Stock Plan"), and September 2013 ("2013 Stock Plan"), the Group established share options plans that entitle certain employees, directors and consultants to purchase ordinary shares. For details of the share options plans, refer to Note 15.

On 9 April 2014, the Company adopted the 2014 QTV Employee Share Option Scheme ("2014 Stock Plan") which became effective upon the listing of the Company on the Catalist Board of the SGX-ST on 29 April 2014. The Group's 2005, 2010, 2013 and 2014 Stock Plans (collectively, the "Scheme") are administered by the Remuneration Committee, comprising three directors, Robert Michael Kleine, Gregory David Casciaro and Mark Allen Wan.

DIRECTORS' REPORT

	Number of options 31 December 2014 '000	Number of options 31 December 2013 '000
Outstanding at 1 January	7,443	–
Outstanding following completion of restructuring exercise	–	2,835
Subdivision of options from 1 to 16 options	110,239	–
Granted during the year	–	4,784
Forfeited during the year	(1,043)	(30)
Exercised during the year	(4,247)	(146)
Outstanding at 31 December	112,392	7,443
Exercisable at 31 December	89,781	5,092

Except as disclosed above, there were no unissued shares of the Company or its subsidiaries under options granted by the Company or its subsidiaries as at the end of the financial year.

Details of options granted to directors of the Company under the Scheme are as follows:

Name of director	Options granted for financial year ended 31 December 2014	Aggregate options granted since commencement of Scheme to 31 December 2014	Aggregate options exercised since commencement of Scheme to 31 December 2014	Aggregate options outstanding as at 31 December 2014
Eitan Konstantino	–	44,271,792 [1]	–	44,271,792
Mark Allen Wan	–	1,920,000 [1]	–	1,920,000
Robert Michael Kleine	–	2,496,304 [1]	–	2,496,304
Gregory David Casciaro	–	3,298,768 [1]	–	3,298,768

1 For illustrative and comparison purposes, the number of shares were calculated assuming the subdivision of 1 share to 16 shares, which was completed on 9 April 2014, had taken place at the beginning of the financial year.

DIRECTORS' REPORT

AUDIT COMMITTEE

The Audit Committee was formed on 1 April 2014. The members of the Audit Committee at the date of this report are:

- Hoon Ching Sing (Chairman), non-executive director
- Robert Michael Kleine, non-executive director
- Gregory David Casciaro, non-executive director

The Audit Committee performs the functions specified in Section 201B of the Act, the SGX- ST Listing Manual and the Code of Corporate Governance.

The Audit Committee has held three meetings during the year. In performing its functions, the Audit Committee has discussed with the Company's external and internal auditors the scope of their work, the results of their examination and evaluation of the Company's internal accounting control system.

The Audit Committee also reviewed the following:

- assistance provided by the Company's officers to the internal and external auditors;
- annual financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption; and
- interested person transactions (as defined in Chapter 9 of the SGX-ST Listing Manual).

The Audit Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The Audit Committee also recommends the appointment of the external auditors and reviews the level of audit and non-audit fees.

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, KPMG LLP, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

In appointing our auditors for the Company and subsidiaries, we have complied with Rules 712 and 715 of the SGX-ST Listing Manual.

DIRECTORS' REPORT

AUDITORS

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

Eitan Konstantino
Director

Hoon Ching Sing
Director

31 March 2015

STATEMENT BY DIRECTORS

In our opinion:

(a) the financial statements set out on pages 38 to 93 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2014 and the results, changes in equity and cash flows of the Group for the year ended on that date, in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

On behalf of the Board of Directors

Eitan Konstantino
Director

Hoon Ching Sing
Director

31 March 2015

INDEPENDENT AUDITORS' REPORT

Members of the Company
QT Vascular Ltd.

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of QT Vascular Ltd. (the Company) and its subsidiaries (the Group), which comprise the statements of financial position of the Group and the Company as at 31 December 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 38 to 93.

Management's responsibility 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, Chapter 50 ("the Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2014 and the results, changes in equity and cash flows of the Group for the year ended on that date.

INDEPENDENT AUDITORS' REPORT

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
31 March 2015

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

YEAR ENDED 31 DECEMBER 2014

	Note	Group		Company	
		31/12/2014 US$'000	31/12/2013 US$'000	31/12/2014 US$'000	31/12/2013 US$'000
Assets:					
Property, plant and equipment	5	**827**	376	**–**	–
Intangible assets	6	**9,235**	6,833	**40**	–
Investment in subsidiaries	7	**–**	–	**73,232**	44,106
Other non-current assets		**201**	185	**–**	–
Non-current assets		**10,263**	7,394	**73,272**	44,106
Inventories	9	**6,174**	3,525	**–**	–
Trade and other receivables	10	**3,474**	1,872	**14**	239
Cash and cash equivalents	11	**20,152**	5,197	**11,516**	–
Current assets		**29,800**	10,594	**11,530**	239
Total assets		**40,063**	17,988	**84,802**	44,345
Equity:					
Share capital	12	**133,263**	52,733	**133,263**	52,733
Reserves	12	**(821)**	1,850	**(33,287)**	(29,308)
Accumulated losses		**(100,747)**	(66,573)	**(15,929)**	(4,836)
Equity attributable to owners of the Company/Total equity		**31,695**	(11,990)	**84,047**	18,589
Liabilities:					
Loans and borrowings	13	**12**	5,475	**–**	5,475
Trade and other payables, including derivatives	17	**175**	4,824	**–**	4,674
Non-current liabilities		**187**	10,299	**–**	10,149
Loans and borrowings	13	**1**	6,904	**–**	6,904
Trade and other payables, including derivatives	17	**8,180**	12,128	**755**	8,703
Deferred income	16	**–**	647	**–**	–
Current liabilities		**8,181**	19,679	**755**	15,607
Total liabilities		**8,368**	29,978	**755**	25,756
Total equity and liabilities		**40,063**	17,988	**84,802**	44,345

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31 DECEMBER 2014

	Note	Group	
		31/12/2014 US$'000	**31/12/2013 US$'000**
Revenue	19	**13,159**	5,466
Cost of sales		**(9,820)**	(5,855)
Gross profit/(loss)		**3,339**	(389)
Sales and marketing		**(8,800)**	(7,756)
Administrative expenses		**(13,732)**	(7,691)
Research and development expenses		**(6,720)**	(2,258)
Other income		**–**	332
Other expenses		**(197)**	(105)
Results from operating activities		**(26,110)**	(17,867)
Finance income		**1,424**	102
Finance costs		**(9,487)**	(17,838)
Net finance costs	20	**(8,063)**	(17,736)
Loss before tax		**(34,173)**	(35,603)
Tax expense	22	**(1)**	(1)
Loss for the year	21	**(34,174)**	(35,604)
Other comprehensive income			
Item that is or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences		**(3,213)**	463
Total comprehensive income for the year		**(37,387)**	(35,141)
Loss attributable to:			
Owners of the Company		**(34,174)**	(34,523)
Non-controlling interests		**–**	(1,081)
Loss for the year		**(34,174)**	(35,604)
Total comprehensive income attributable to:			
Owners of the Company		**(37,387)**	(34,060)
Non-controlling interests		**–**	(1,081)
Total comprehensive income for the year		**(37,387)**	(35,141)
Earnings per share			
Basic loss per share (dollars)	23	**(0.06)**	(16.32)
Diluted loss per share (dollars)	23	**(0.06)**	(16.32)

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2014

	Attributable to owners of the Company									
	Ordinary shares US$'000	Convertible preference shares US$'000	Other reserve US$'000	Reserve for own shares US$'000	Translation reserve US$'000	Share-based payment reserve US$'000	Accumulated losses US$'000	Total US$'000	Non-controlling interests US$'000	Total equity US$'000
Group										
At 1 January 2013	–	–	1,793	–	(107)	887	(32,050)	(29,477)	(1,989)	(31,466)
Total comprehensive income for the year										
Loss for the year	–	–	–	–	–	–	(34,523)	(34,523)	(1,081)	(35,604)
Other comprehensive income										
Foreign currency translation differences	–	–	–	–	463	–	–	463	–	463
Total comprehensive income for the year	–	–	–	–	463	–	(34,523)	(34,060)	(1,081)	(35,141)
Contributions by and distributions to owners										
Acquisition of non-controlling interest without change in control	–	–	(3,070)	–	–	–	–	(3,070)	3,070	–
Conversion of preference shares into ordinary shares	–	–	3,719	–	–	–	–	3,719	–	3,719
Issuance of ordinary shares upon restructuring	5,512	–	(5,512)	–	–	–	–	–	–	–
Issuance of series A-1 to A-6 and Series B convertible preference shares	–	47,204	1,685	–	–	–	–	48,889	–	48,889
Share buy back	–	–	–	(77)	–	–	–	(77)	–	(77)
Share options exercised	17	–	–	–	–	(17)	–	–	–	–
Share-based payment transactions	–	–	–	–	–	2,086	–	2,086	–	2,086
Total contributions by and distributions to owners	5,529	47,204	(3,178)	(77)	–	2,069	–	51,547	3,070	54,617
At 31 December 2013	5,529	47,204	(1,385)	(77)	356	2,956	(66,573)	(11,990)	–	(11,990)

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2014

	Attributable to owners of the Company							
	Ordinary shares US$'000	Convertible preference shares US$'000	Other reserve US$'000	Reserve for own shares US$'000	Translation reserve US$'000	Share-based payment reserve US$'000	Accumulated losses US$'000	Total equity US$'000
Group								
At 1 January 2014	**5,529**	**47,204**	**(1,385)**	**(77)**	**356**	**2,956**	**(66,573)**	**(11,990)**
Total comprehensive income for the year								
Loss for the year	–	–	–	–	–	–	(34,174)	(34,174)
Other comprehensive income								
Foreign currency translation differences	–	–	–	–	(3,213)	–	–	(3,213)
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**(3,213)**	**–**	**(34,174)**	**(37,387)**
Contributions by and distributions to owners								
Preference shares issued pursuant to exercise of warrants	–	3,487	–	–	–	–	–	3,487
Issuance of preference shares	–	200	–	–	–	–	–	200
Conversion of preference shares into ordinary shares	50,891	(50,891)	–	–	–	–	–	–
Shares issued pursuant to the initial public offering	43,775	–	–	–	–	–	–	43,775
Shares issued in satisfaction of professional fees	1,684	–	–	–	–	–	–	1,684
Transaction costs pursuant to the initial public offering	(4,691)	–	–	–	–	–	–	(4,691)
Shares issued pursuant to conversion of convertible notes	35,911	–	–	–	–	–	–	35,911
Share options exercised	164	–	–	–	–	–	–	164
Share-based payment transactions	–	–	–	–	–	542	–	542
Total contributions by and distributions to owners	**127,734**	**(47,204)**	**–**	**–**	**–**	**542**	**–**	**81,072**
At 31 December 2014	**133,263**	**–**	**(1,385)**	**(77)**	**(2,857)**	**3,498**	**(100,747)**	**31,695**

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2014

	Note	Group	
		31/12/2014 US$'000	**31/12/2013 US$'000**
Cash flows from operating activities			
Net loss for the year		**(34,174)**	(35,604)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation of property, plant and equipment		**360**	574
Amortisation of intangible assets		**570**	383
Interest income		**(21)**	(3)
Interest expense on convertible notes		**4,477**	3,691
Gain on disposal of property, plant and equipment		**(3)**	–
Property, plant and equipment written off		**25**	–
Exchange gain		**(1,401)**	(99)
Equity-settled share-based payment transactions		**542**	2,086
Changes in fair value of financial instruments		**5,010**	14,147
		(24,615)	(14,825)
Changes in working capital:			
– Trade and other receivables		**(1,581)**	(1,330)
– Inventories		**(2,649)**	(700)
– Other assets		**(16)**	4
– Trade and other payables, including derivatives		**3,048**	3,127
– Deferred income		**(647)**	(353)
Net cash used in operating activities		**(26,460)**	(14,077)
Cash flows from investing activities			
Purchase of property, plant and equipment		**(811)**	(183)
Proceeds from disposal of property, plant and equipment		**–**	7
Additions to intangible assets		**(2,975)**	(4,084)
Net cash used in investing activities		**(3,786)**	(4,260)

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2014

	Note	Group	
		31/12/2014 US$'000	**31/12/2013 US$'000**
Cash flows from financing activities			
Proceeds from issue of ordinary shares		**43,775**	–
Transaction costs pursuant to the initial public offering		**(3,007)**	–
Repayment of convertible note interests		**(702)**	–
Repayment of hire purchase creditor		**(2)**	–
Proceeds from issuance of preference shares		**–**	3,941
Proceeds from issuance of convertible notes		**2,500**	14,612
Proceeds from exercise of share options		**164**	–
Proceeds from exercise of warrants		**3,487**	–
Net cash from financing activities		**46,215**	18,553
Net increase in cash and cash equivalents		**15,969**	216
Effect of exchange rate changes on cash and cash equivalents		**(1,014)**	(16)
Cash and cash equivalents at beginning of year		**5,197**	4,997
Cash and cash equivalents at end of year	11	**20,152**	5,197

In 2014, the Group acquired property, plant and equipment with an aggregate cost of US$826,000 (2013: US$183,000), of which US$15,000 (2013: US$Nil) was acquired under finance lease arrangements.

Significant non-cash transaction

During the year ended 31 December 2014, the Company issued ordinary shares to a third party in satisfaction of professional fees amounting to US$1,684,000.

NOTES TO THE FINANCIAL STATEMENTS

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 31 March 2015.

1 DOMICILE AND ACTIVITIES

QT Vascular Ltd. (the "Company") is incorporated in the Republic of Singapore. The address of the Company's registered office is 80 Robinson Road, #02-00, Singapore 068898 and the principal place of business is 3A International Business Park, #09-10/11/12 ICON @ IBP Tower B, Singapore 609935.

The financial statements of the Group as at and for the year ended 31 December 2014 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities").

The Group is primarily involved in the development and manufacturing of advanced therapeutic solutions for the treatment of complex vascular disease.

The Company was admitted to the official list of the Catalist Board of SGX-ST on 29 April 2014.

2 BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

2.3 Functional and presentation currency

These financial statements are presented in United States dollars ("USD"). The functional currency of the Company is Singapore dollars ("SGD"). The subsidiaries' functional currencies include both the USD and SGD. All financial information presented in United States dollars has been rounded to the nearest thousand, unless otherwise stated.

NOTES TO THE FINANCIAL STATEMENTS

3 USE OF ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with FRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In particular, significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are:

(i) Valuation of inventories

The valuation of inventories at the lower of cost and net realisable value requires the Group to review inventories for their saleability and for indications of obsolescence. This requires the Group management to make estimates based on future market demand and past experience with similar inventories and their usage. In addition, judgements and estimates regarding future selling prices, level of demand and indications of obsolescence must be made and used in connection with evaluating whether such write-downs are necessary and the amounts of such write-downs.

(ii) Useful lives of property, plant and equipment and intangible assets

Property, plant and equipment and intangible assets are stated at cost and are depreciated and amortised on a straight-line basis over their estimated useful lives. The estimated useful lives represent the estimate of the periods that the Group management expects to derive economical benefits from these assets. In estimating these useful lives and in determining whether subsequent revisions to useful lives are necessary, the Group management considers the likelihood of obsolescence arising from changes in production techniques, technology, market demand and intended use.

NOTES TO THE FINANCIAL STATEMENTS

3 USE OF ESTIMATES AND JUDGEMENTS (CONTINUED)

(iii) Valuation of long-lived assets

The carrying amounts of the Group's assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment. Management judgement is critical in assessing whether events or changes in circumstances have occurred that may indicate that the carrying value of such assets may no longer be recoverable.

If any such indicator exists, the assets recoverable amounts are estimated. The recoverable amount is the greater of the assets net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and risks specific to the asset. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

The determination of recoverability is based on estimates of future cash flows expected to result from the use of the assets and its eventual disposition. The estimate of cash flows is dependent, among other things, on certain assumptions about expected future operating performance, future selling prices, utilisation rates, market demand and other factors. If the Group management made different estimates of the future cash flows, different conclusions regarding impairments might be reached.

(iv) Valuation of subsidiaries

The Company recognises impairment losses at a level considered adequate to provide for potential non-recoverability of investment in subsidiaries. The level of allowance is evaluated by the Company on the basis of factors that affect the recoverability of the investments. These factors include, but are not limited to, the activities and financial position of the entities and market factors. The Company reviews and identifies balances that are to be impaired on a continuous basis. The amount and timing of recorded expenses for any period would differ if the Company made different judgement, or utilised different estimates. An increase in the Company's impairment losses would increase the Company's recorded "other expenses" and decrease the carrying value of "investment in subsidiaries".

In addition to the above, information about the significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements is included in Note 24 – Determination of fair values.

NOTES TO THE FINANCIAL STATEMENTS

4 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities.

4.1 Accounting policies for new transactions and events

On 1 January 2014, the Group adopted the new or amended FRS and Interpretations of FRS ("INT FRS") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the accounting policies of the Group and the Company and had no material effect on the amounts reported for the current or prior financial years.

4.2 Basis of consolidation

Business combinations

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners and therefore no adjustments are made to goodwill and no gain or loss is recognised in profit or loss. Adjustments to non-controlling interests arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it 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. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Investments in subsidiaries are stated in the Company's statement of financial position at cost less accumulated impairment losses.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

NOTES TO THE FINANCIAL STATEMENTS

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.2 Basis of consolidation (Continued)

Acquisitions from entities under common control

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative year presented or, if later, at the date that common control was established; for this purpose comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within Group equity and any gain/loss arising is recognised directly in equity.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

4.3 Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.3 Foreign currency (Continued)

Foreign operations

The assets and liabilities of foreign operations, excluding fair value adjustments arising on acquisition, are translated to USD at exchange rates at the end of the reporting period. The income and expenses of certain foreign operations are translated to USD at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve (translation reserve) in equity. However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of a net investment in a foreign operation are recognised in other comprehensive income, and are presented in the translation reserve in equity.

4.4 Financial instruments

Non-derivative financial assets

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

The Group classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, held-to-maturity financial assets, loans and receivables and available-for-sale financial assets.

The Group has financial assets classified in the financial assets at fair value through profit or loss and, loans and receivable categories.

NOTES TO THE FINANCIAL STATEMENTS

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.4 Financial instruments (Continued)

Financial assets at fair value through profit or loss

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Group's documented risk management or investment strategy. Attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein, which takes into account any dividend income, are recognised in profit or loss.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents, loan receivables and, trade and other receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments. For the purpose of the statement of cash flows, deposits pledged are excluded from cash and cash equivalents.

NOTES TO THE FINANCIAL STATEMENTS

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.4 Financial instruments (Continued)

Non-derivative financial liabilities

The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expires. The Group considers an exchange of financial liabilities as an extinguishment where it has discharged the liability by paying the creditor or is legally released from primary responsibility for the liability and where the terms of the new liability are substantially different. A gain or loss in profit or loss is recognised for the difference between the carrying value of the existing liability and the sum of the carrying value of the new liability and any consideration or non-cash assets paid or transferred.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group has designated certain classes of preference shares as a financial liability at fair value through profit or loss account on initial recognition. Directly attributable transaction costs are recognised in profit or loss as incurred. Financial liabilities at fair value through profit or loss are measured at fair value and changes therein, included any dividend are recognised in profit or loss.

All other non-derivative financial liabilities have been classified into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise convertible promissory notes, and trade and other payables.

NOTES TO THE FINANCIAL STATEMENTS

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.4 Financial instruments (Continued)

Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

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 presented in other reserve.

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.

Preference share capital

Preference share capital is classified as equity if it is non-redeemable, or redeemable only at the Company's option, and any dividends are discretionary. Discretionary dividends thereon are recognised as distributions within equity upon approval by the Company's shareholders.

Preference share capital is classified as a financial liability if it is redeemable on a specific date or at the option of the shareholders, or if dividend payments are not discretionary. Non-discretionary dividends thereon are recognised as interest expense in profit or loss as accrued.

Variation clauses

Certain classes of convertible preference shares contain anti-dilution clauses, which are included within the contract with the intention of preserving the rights of the holders of the preference shares relative to other equity holders. Such anti-dilution clauses alter the conversion ratio that may affect its classification as equity. Where the variation clauses cause the 'fixed for fixed' test to fail, the preference shares are classified as liability. In other cases, the preference shares are classified as equity. 'Fixed for fixed' criteria is met when the contract will, or may, be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments.

NOTES TO THE FINANCIAL STATEMENTS

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.4 Financial instruments (Continued)

Derivative financial instruments

Derivatives are recognised initially at fair value; any attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

The Group accounts for certain warrants convertible to ordinary shares and preference shares as derivative liabilities as they fail to meet the 'fixed for fixed' criteria required for a contract to be classified as equity.

The classification of a financial instrument or its components as either equity or liability is made at initial recognition and may be reclassified only if there has been an amendment of terms of the instrument or the effective terms of an instrument change without any amendment of the contractual terms.

Embedded derivative and hybrid financial instruments

Derivatives may be embedded in another contractual arrangement (a host contract). The Group accounts for an embedded derivative separately from the host contract when the host contract is not itself carried at fair value through profit or loss, the terms of the embedded derivative would meet the definition of an embedded derivative if they were contained in a separate contract, and the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract.

A hybrid contract is a contract that includes both a non-derivative host contract and one or more embedded derivatives. Hybrid financial instruments issued by the Group comprise convertible notes denominated in USD and SGD that can be converted to share capital at the option of the holder, where the number of shares to be issued is variable.

The initial bifurcation of a separable embedded derivative does not result in any gain or loss being recognised. The embedded derivative is measured at fair value on initial recognition. The carrying amount of the liability component thus, is the difference between the carrying amount of the convertible note and the fair value of the embedded derivative.

Subsequent to initial recognition, the liability component of convertible notes is measured at amortised cost using the effective interest method. The separated embedded derivatives are measured at fair value, with all changes in fair value recognised in profit or loss.

Interest and gains and losses related to the financial liability component are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.5 Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes:

- the cost of materials and direct labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use;
- when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- capitalised borrowing costs.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of day-to-day servicing of property, plant and equipment are recognised in profit or loss.

Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The estimated useful lives for the current and comparative years are as follows:

- Furniture, fixtures and office equipment 3 years
- Computer, network and software 3 years
- Machinery and equipment 3 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

NOTES TO THE FINANCIAL STATEMENTS

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.6 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 measured 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 measured at cost less accumulated amortisation and accumulated impairment losses.

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.

Amortisation

Amortisation is calculated based on the cost of the asset, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use. The estimated useful lives for the current and comparative years are as follows:

- Developed technology 10 years
- Licensed royalties 15 years
- Intellectual property 5 years

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

NOTES TO THE FINANCIAL STATEMENTS

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.7 Leased assets

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and are not recognised in the Group's statement of financial position.

4.8 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories are based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

4.9 Impairment

Non-derivative financial assets

A financial asset not carried at fair value through profit or loss is assessed at the end of each reporting period to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event has a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the Group, economic conditions that correlate with defaults or the disappearance of an active market for a security.

NOTES TO THE FINANCIAL STATEMENTS

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.9 Impairment (Continued)

Loans and receivables

The Group considers evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant loans and receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for Group management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When a subsequent event (e.g. repayment by a debtor) causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. 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 or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

NOTES TO THE FINANCIAL STATEMENTS

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.10 Employee benefits

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 Group accounts for share-based compensation arrangements with employees using a fair value method which requires the recognition of compensation expense for costs related to all share-based payments including stock options. The fair value method requires the Group to estimate the fair value of share-based payment awards on the date of grant using an option-pricing model. The Group uses the Black-Scholes option-pricing model to estimate the fair value of options granted that are expensed on a straight-line basis over the vesting period.

The grant date fair value of share-based payment awards granted to employees is 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.

The Group accounts for stock options issued to non-employees based on the estimated fair value of the awards using the Black-Scholes option-pricing model. The measurement of stock-based compensation is subject to periodic adjustments as the underlying equity instruments vest, and the resulting change in value, if any, is recognised as employee benefits expense in profit or loss.

4.11 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

NOTES TO THE FINANCIAL STATEMENTS

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.12 Revenue

Sale of goods

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognised when significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

The Group's customers have no return rights, other than a limited standard warranty.

4.13 Government grants

Government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant. These grants are then recognised in profit or loss as other income on a systematic basis over the useful life of the asset. Grants that compensate the Group for expenses incurred are recognised in profit or loss as other income on a systematic basis in the same periods in which the expenses are recognised.

4.14 Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

4.15 Finance income and finance costs

Finance income comprises interest income on funds invested and fair value gains on financial assets and liabilities at fair value through profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, dividends on preference shares classified as liabilities, fair value losses on financial assets and liabilities at fair value through profit or loss and impairment losses recognised on financial assets (other than trade receivables).

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.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

NOTES TO THE FINANCIAL STATEMENTS

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.16 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future.

The measurement of deferred taxes reflects the tax consequences that would follow 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. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

NOTES TO THE FINANCIAL STATEMENTS

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.17 Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

4.18 Segment reporting

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 chief executive officer (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 segment.

4.19 Standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective after the date of these financial statements, and have not been applied in the preparation of these financial statements. None of these are expected to have a significant effect on the financial statements of the Group.

NOTES TO THE FINANCIAL STATEMENTS

5 PROPERTY, PLANT AND EQUIPMENT

Group	Furniture, fixtures and office equipment US$'000	Computer, network and software US$'000	Machinery and equipment US$'000	Construction in progress US$'000	Total US$'000
Cost or deemed cost					
At 1 January 2013	856	296	1,316	–	2,468
Additions	8	3	172	–	183
Disposals	–	(22)	(78)	–	(100)
Effects of movements in exchange rates	(18)	(1)	(11)	–	(30)
At 31 December 2013	846	276	1,399	–	2,521
Additions	110	103	220	393	826
Disposals	(13)	(52)	(65)	–	(130)
Effects of movements in exchange rates	(39)	(4)	(22)	–	(65)
At 31 December 2014	**904**	**323**	**1,532**	**393**	**3,152**
Accumulated depreciation and impairment losses					
At 1 January 2013	525	217	936	–	1,678
Depreciation for the year	230	59	285	–	574
Disposals	–	(22)	(71)	–	(93)
Effects of movements in exchange rates	(9)	(1)	(4)	–	(14)
At 31 December 2013	746	253	1,146	–	2,145
Depreciation for the year	110	46	204	–	360
Disposals	(5)	(51)	(52)	–	(108)
Effects of movements in exchange rates	(29)	(8)	(35)	–	(72)
At 31 December 2014	**822**	**240**	**1,263**	**–**	**2,325**
Carrying amounts					
At 1 January 2013	331	79	380	–	790
At 31 December 2013	100	23	253	–	376
At 31 December 2014	**82**	**83**	**269**	**393**	**827**

Property, plant and equipment with carrying amount of US$12,000 (2013: US$Nil) were acquired under finance lease arrangements.

NOTES TO THE FINANCIAL STATEMENTS

6 INTANGIBLE ASSETS

Group	Developed technology US$'000	Licensed royalties US$'000	Intellectual property US$'000	Developed technology in progress US$'000	Total US$'000
Cost					
At 1 January 2013	3,159	172	343	460	4,134
Additions	–	–	–	4,084	4,084
At 31 December 2013	3,159	172	343	4,544	8,218
Additions	–	–	42	2,933	2,975
Reclassification	2,768	–	–	(2,768)	–
Effects of movements in exchange rates	(1)	–	(2)	–	(3)
At 31 December 2014	**5,926**	**172**	**383**	**4,709**	**11,190**
Amortisation					
At 1 January 2013	789	33	180	–	1,002
Amortisation for the year	316	12	55	–	383
At 31 December 2013	1,105	45	235	–	1,385
Amortisation for the year	493	11	66	–	570
At 31 December 2014	**1,598**	**56**	**301**	**–**	**1,955**
Carrying amounts					
At 1 January 2013	2,370	139	163	460	3,132
At 31 December 2013	2,054	127	108	4,544	6,833
At 31 December 2014	**4,328**	**116**	**82**	**4,709**	**9,235**

Company	Intellectual property US$'000
Cost	
At 1 January 2013 and 31 December 2013	–
Additions	42
Effects of movements in exchange rates	(2)
At 31 December 2014	**40**
Amortisation	
At 1 January 2013, 31 December 2013 and 31 December 2014	**–**
Carrying amounts	
At 1 January 2013 and 31 December 2013	–
At 31 December 2014	**40**

The amortisation expenses have been included in cost of sales.

NOTES TO THE FINANCIAL STATEMENTS

6 INTANGIBLE ASSETS (CONTINUED)

Source of estimation uncertainty

We make judgments about the recoverability of finite-lived intangible assets whenever events or changes in circumstances indicate that impairment may exist. Recoverability of finite-lived intangible assets is measured by comparing the carrying amount of the asset to the future undiscounted cash flows that the asset is expected to generate. We perform an annual impairment assessment for indefinite-lived intangible assets, or more frequently if indicators of potential impairment exist, to determine whether it is more likely than not that the carrying value of the assets may not be recoverable. Recoverability of indefinite-lived intangible assets is measured by comparing the carrying amount of the asset to the future discounted cash flows that the asset is expected to generate. If we determine that an individual asset is impaired, the amount of any impairment is measured as the difference between the carrying value and the fair value of the impaired asset.

The assumptions and estimates used to determine future values and remaining useful lives of our intangible and other long-lived assets are complex and subjective. They can be affected by various factors, including external factors such as industry and economic trends, and internal factors such as changes in our business strategy and our forecasts for specific product lines.

7 INVESTMENT IN SUBSIDIARIES

	Company	
	31/12/2014	31/12/2013
	US$'000	US$'000
Unquoted shares in subsidiaries, at cost	**405**	422
Amounts due from subsidiaries	**69,420**	40,674
Capital contributions related to share-based payment awards	**3,407**	3,010
	73,232	44,106

Amounts due from subsidiaries which form part of the Company's net investments in subsidiaries, are interest-free, unsecured and settlement is neither planned nor likely to occur in the foreseeable future. As the amounts are, in substance, a part of the Company's net investment in subsidiaries, they are stated at cost.

Share options were issued by the Company primarily to employees and consultants of its subsidiaries; however some directors of the Company have received these awards. These awards are treated as capital contributions related to share-based payment awards in the Company's separate financial statements as the Company is obligated to settle the share-based payment awards in its ordinary shares. The related expense is recorded by the entity that received the service from the employee and consultant.

		Company	
	Country of incorporation	**31/12/2014**	31/12/2013
		%	%
TriReme Medical, LLC ("TMI US")	United States of America	**100**	100
Quattro Vascular Pte. Ltd. ("Quattro")	Singapore	**100**	100
TriReme Medical (Singapore) Pte. Ltd.	Singapore	**100**	100

NOTES TO THE FINANCIAL STATEMENTS

7 INVESTMENT IN SUBSIDIARIES (CONTINUED)

KPMG LLP is the auditor of all the above subsidiaries.

The Company was incorporated on 6 March 2013 under the name of QT Vascular Pte. Ltd.. The name was changed to QT Vascular Ltd. on 22 August 2013. The Company underwent a restructuring exercise on 11 July 2013 to amalgamate all the subsidiaries within the Group to the Company. The restructuring is considered to be acquisitions of equity interests by entities under common control and therefore the entities acquired by the Group pursuant to the restructuring have been accounted for in a manner similar to the pooling-of-interests method. Accordingly, the assets and liabilities of these entities have been included in the consolidated financial statements at their historical carrying amounts. Although the master restructuring agreement was entered into on 11 July 2013, the consolidated financial statements present the financial condition, results of operations and cash flows as if the restructuring had occurred as of the beginning of the earliest period presented.

8 DEFERRED TAX ASSETS AND LIABILITIES

Unrecognised deferred tax assets and liabilities

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

	Group		Company	
	31/12/2014	**31/12/2013**	**31/12/2014**	**31/12/2013**
	US$'000	**US$'000**	**US$'000**	**US$'000**
Deductible temporary differences	**3,119**	7,505	**–**	–
Research and development tax credits	**2,112**	1,659	**–**	–
Tax losses	**96,687**	43,327	**3,746**	4,836
	101,918	52,491	**3,746**	4,836

The Group's ability to utilise, in the future, the tax losses and other tax credits relating to its subsidiary 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 United States of America and similar state tax laws. Such annual limitations could result in the expiration of the tax losses and tax credits before utilisation.

As of 31 December 2014, the Group has unrecognised tax losses for federal and state income tax purposes of approximately US$37,373,000 (2013: US$12,800,000) and US$40,942,000 (2013: US$13,700,000), respectively, which will expire from 2031. The unrecognised federal and state income tax losses are primarily generated in the subsidiary incorporated in the United States of America and the remainder are generated in the subsidiaries incorporated in Singapore.

As of 31 December 2014, the Group has federal and state research and development tax credits of US$1,031,000 (2013: US$759,000) and US$1,081,000 (2013: US$900,000), respectively. The federal research and development tax credits which will expire from 2027 and the state research and development tax credits have no expiration.

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

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

NOTES TO THE FINANCIAL STATEMENTS

9 INVENTORIES

	Group	
	31/12/2014	31/12/2013
	US$'000	US$'000
Raw materials	**1,257**	1,378
Work in progress	**4,046**	896
Finished goods	**871**	1,251
	6,174	3,525
Inventories included in cost of sales	**9,820**	5,442

10 TRADE AND OTHER RECEIVABLES

	Group		Company	
	31/12/2014	31/12/2013	**31/12/2014**	31/12/2013
	US$'000	US$'000	**US$'000**	US$'000
Trade receivables	**2,642**	1,411	**–**	–
Others	**102**	2	**–**	–
Loan and receivables	**2,744**	1,413	**–**	–
Prepayments	**730**	459	**14**	239
Total receivables	**3,474**	1,872	**14**	239

The Group's exposure to credit and currency risks related to trade and other receivables are disclosed in Note 18. To date, the Group has not established an allowance for doubtful accounts as there has not been a history of uncollected balances.

11 CASH AND CASH EQUIVALENTS

	Group		Company	
	31/12/2014	31/12/2013	**31/12/2014**	31/12/2013
	US$'000	US$'000	**US$'000**	US$'000
Bank balances	**20,107**	5,099	**11,516**	–
Deposits pledged	**45**	98	**–**	–
Total cash and cash equivalents	**20,152**	5,197	**11,516**	–

Amounts in deposits pledged relate to security for various company credit cards both in the United States of America and Singapore.

The Group's exposure to credit and currency risks related to cash and cash equivalents are disclosed in Note 18.

NOTES TO THE FINANCIAL STATEMENTS

12 SHARE CAPITAL AND RESERVES

	Group and Company	
Share capital	**Number of ordinary shares '000**	**Number of convertible preference shares '000**
In issue at date of incorporation	–	–
Issuance of shares for acquisition of subsidiaries' share capital	4,399	–
Conversion of old preference shares of subsidiaries to series A1 to A6 preference shares	–	8,882
Conversion of old convertible notes of subsidiaries to series B preference shares	–	6,497
Issuance of series B preference shares	–	1,141
Exercise of share options	147	–
In issue at 31 December 2013	4,546	16,520
Issuance of shares pursuant to exercise of warrants	1,168	1,204
Issuance of shares pursuant to conversion from preference shares	18,755	(17,724)
Subdivision of shares from 1 ordinary share to 16 ordinary shares	367,244	–
Issuance of shares pursuant to conversion from convertible notes	160,164	–
Issuance of shares pursuant to the initial public offering	196,429	–
Issuance of shares in satisfaction of professional fees	7,559	–
Issuance of shares pursuant to exercise of share options	4,263	–
In issue at 31 December 2014	**760,128**	**–**

All shares rank equally with regard to the Company's residual assets, except that preference shareholders participate only to the extent of the face value of the shares.

All issued shares are fully paid with no par value.

Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at general meetings of the Company.

Convertible preference shares

During the financial year ended 31 December 2013, the Company had issued convertible preference shares of Series A-1, A-2, A-3, A-4, A-5, A-6 and Series B which were entitled to receive non-cumulative dividends, out of any assets legally available, prior and in preference to any declaration of payment of any dividend on the ordinary shares of the Company.

Pursuant to the initial public offering of the Company, all convertible preference shares was converted into ordinary shares of the Company.

As at 31 December 2014, the Company do not have any outstanding convertible preference shares.

NOTES TO THE FINANCIAL STATEMENTS

12 SHARE CAPITAL AND RESERVES (CONTINUED)

Other reserve

Merger reserve

Included in other reserve was reserve which represents the combined amount of issued capital of respective subsidiaries under common control that were subsequently combined to form the Group under the restructuring exercise which was completed on 11 July 2013.

Warrants

During the financial year ended 31 December 2013, the Group issued warrants in conjunction with certain convertible preference shares.

Pursuant to the initial public offering of the Company, the holders of the convertible warrants exercised their right to purchase shares in the Company and the Company allotted and issued both ordinary and preference shares.

As at 31 December 2014, the Company do not have any outstanding warrants.

Translation reserve

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

Share-based payment reserve

The share-based payment reserve comprises the cumulative value of employee services received for the issue of share options.

Reserve for own shares

The reserve for the Company's own shares comprises the total cost of the Company's shares held by the Group. At 31 December 2014, the Group held 16,000 (2013: 16,000) of the Company's shares.

NOTES TO THE FINANCIAL STATEMENTS

13 LOANS AND BORROWINGS

	Note	Group		Company	
		31/12/2014 US$'000	31/12/2013 US$'000	31/12/2014 US$'000	31/12/2013 US$'000
Convertible notes	14	–	12,379	–	12,379
Finance lease liability		**13**	–	–	–
		13	12,379	–	12,379
Current loans and borrowings		**1**	6,904	–	6,904
Non-current loans and borrowings		**12**	5,475	–	5,475
		13	12,379	–	12,379

At 31 December 2014, the Group had an obligation for a finance lease that is repayable as follows:

	Payments 2014 US$'000	Interest 2014 US$'000	Principal 2014 US$'000	Payments 2013 US$'000	Interest 2013 US$'000	Principal 2013 US$'000
Repayable:						
Within 1 year	**1**	*	**1**	–	–	–
After 1 year but within 5 years	**13**	**(1)**	**12**	–	–	–
Total	**14**	**(1)**	**13**	–	–	–

* less than US$1,000

14 CONVERTIBLE NOTES

	Note	Group		Company	
		31/12/2014 US$'000	31/12/2013 US$'000	31/12/2014 US$'000	31/12/2013 US$'000
Face value of the convertible notes		–	16,532	–	16,532
Fair value of option (embedded derivatives)	17	–	10,565	–	10,565
Amortised cost of liability component	13	–	12,379	–	12,379

NOTES TO THE FINANCIAL STATEMENTS

15 SHARE-BASED PAYMENT ARRANGEMENTS

Description of the share-based payment arrangements

During the financial years ended 31 December 2013 and 2014, the Group had 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"), the Group established share option plans that entitle certain employees and consultants to purchase shares in the Company. On 9 April 2014, the Company adopted the 2014 QTV Employee Share Option Scheme ("2014 Stock Plan") with become effective upon the listing of the Company on the Catalist Board of the SGX-ST on 29 April 2014.

The Group's 2005, 2010, 2013 and 2014 Stock Plans are administered by the Remuneration Committee, comprising three directors, Robert Michael Kleine, Gregory David Casciaro and Mark Allen Wan.

In accordance with these plans, holders of vested options are entitled to purchase shares at the market price of the shares at the date of grant.

The terms and conditions under the share option plans are as follows; all options are to be settled by physical delivery of shares.

Grant date/employees entitled	Number of instruments '000[#]	Vesting conditions[*]	Contractual life of options
Grants Existing as at 1 January 2013	185,984	1,2,3,4,5, 6,7,8,9,10, 11,13,14,15	10 years
2013 grants – Employees, Consultants and Key Management	76,544	6,12	10 years
Grants Existing as at 31 December 2013 and 2014	262,528		

* Each set of share option grants has multiple vesting conditions.

[#] The number of instruments granted includes subdivision of options from 1 to 16 options in April 2014. There were no options granted in 2014.

Vesting Conditions

1. 1,500 vesting at start date; 1,500 vesting on last day of month
2. Rateable over one year (1/12 per month)
3. Rateable over two years (1/24 per month)
4. Rateable over three years (1/36 per month)
5. Rateable over four years (1/48 per month)
6. 25% after one year; rateable over four years (1/48 per month) thereafter
7. 25% at start date; rateable over three years (1/36 per month) thereafter
8. 25% at start date; rateable over four years (1/48 per month) thereafter
9. 25% after one year; rateable over three years (1/36 per month) thereafter
10. 25% at start date; 25% per year thereafter
11. 50% at start date; rateable over two years
12. 50% at start then rateable over three years (1/36 per month) thereafter
13. 100% vesting at start date
14. 100% vesting at milestone completion date
15. One third on 31 May 2006, 30 September 2006 and 31 December 2006 respectively

Vested stock options may be exercised up to ten years from the vesting commencement date.

NOTES TO THE FINANCIAL STATEMENTS

15 SHARE-BASED PAYMENT ARRANGEMENTS (CONTINUED)

Measurement of fair values

The fair value of the Group's share-based payment plans was measured based on the Black-Scholes option-pricing model. Estimates of the volatility of our common stock were based on available information on the volatility of the common stock of comparable, publicly-traded companies and estimates of expected term were based on the estimated time to liquidity event.

Equity-settled share-based payment plans

The inputs used in the measurement of the fair values at grant date of the equity-settled share-based payment plans are as follows:

	Group		Company	
	31/12/2014	**31/12/2013**	**31/12/2014**	**31/12/2013**
Fair value at grant date (weighted average)	**US$0.40**	US$0.40	**US$0.40**	US$0.40
Share price at grant date	**US$0.85**	US$0.85	**US$0.85**	US$0.85
Exercise price	**US$0.05***	US$0.85	**US$0.05***	US$0.85
Expected volatility (weighted average)	**50%**	50%	**50%**	50%
Expected life (weighted average)	**5.5 years**	5.5 years	**5.5 years**	5.5 years
Expected dividends	**–**	–	**–**	–
Risk-free interest rate (weighted average based on government bonds)	**1.8%**	1.8%	**1.8%**	1.8%
Share-based compensation expense	**US$542,000**	US$2,086,000	**US$23,000**	–

* The change in exercise price during the financial year ended 31 December 2014 was to account for the subdivision of shares of the Company from 1 share to 16 shares. The change in exercise price does not have any impact on the measurements of the fair values of the equity-settled share based payment plans.

NOTES TO THE FINANCIAL STATEMENTS

15 SHARE-BASED PAYMENT ARRANGEMENTS (CONTINUED)

Reconciliation of outstanding share options

The number and weighted average exercise prices of share options under share option programme, replacement awards and share purchase plan is as follows:

	Group and Company		Group and Company	
	Weighted average exercise price 31/12/2014 US$	**Number of options 31/12/2014 '000**	**Weighted average exercise price 31/12/2013 US$**	**Number of options 31/12/2013 '000**
Outstanding at 1 January	**0.11 – 0.85**	**7,443**	0.11	10,363
Reduction due to restructuring	**–**	**–**	0.11	(7,528)
Forfeited during the year	**0.04 – 0.07**	**(1,043)**	0.11	(30)
Subdivision of options from 1 to 16 options	**0.01 – 0.07**	**110,239**	–	–
Exercised during the year	**0.01 – 0.07**	**(4,247)**	0.10 – 0.11	(146)
Granted during the year	**–**	**–**	0.85	4,784
Outstanding at 31 December	**0.01 – 0.07**	**112,392**	0.11 – 0.85	7,443
Exercisable at 31 December	**0.01 – 0.07**	**89,781**	0.11 – 0.85	5,092

The options outstanding at 31 December 2014 have an exercise price in the range of US$0.01 to US$0.11 (2013: US$0.10 to US$0.85) and a weighted average contractual life of 5.8 years (2013: 5.7 years).

The weighted average share price at the date of exercise for share options exercised in 2014 was S$0.35 (2013: S$0.25).

16 DEFERRED INCOME

	Group	
	31/12/2014 US$'000	**31/12/2013 US$'000**
Non-current	**–**	–
Current	**–**	647
	–	647

Deferred income relates to advances received from a customer for a product designed specifically for the Japan market which was delivered during the financial year ended 31 December 2014. There was no such deferred income as at 31 December 2014.

NOTES TO THE FINANCIAL STATEMENTS

17 TRADE AND OTHER PAYABLES, INCLUDING DERIVATIVES

	Note	Group		Company	
		31/12/2014 US$'000	31/12/2013 US$'000	31/12/2014 US$'000	31/12/2013 US$'000
Non-current:					
Provisions		**175**	150	**–**	–
Embedded derivatives	14	**–**	4,674	**–**	4,674
		175	4,824	**–**	4,674
Current:					
Trade payables		**1,846**	1,887	**–**	–
Accrued expenses		**3,469**	3,089	**484**	70
Provisions		**158**	40	**–**	–
Other payables		**2,707**	–	**194**	–
Amounts due to subsidiaries, non-trade		**–**	–	**77**	1,521
Accrued interest		**–**	1,221	**–**	1,221
Embedded derivatives	14	**–**	5,891	**–**	5,891
		8,180	12,128	**755**	8,703
Trade and other payables, including derivatives					
Non-current		**175**	4,824	**–**	4,674
Current		**8,180**	12,128	**755**	8,703
		8,355	16,952	**755**	13,377

The amounts due to subsidiaries are unsecured, interest-free and repayable on demand.

The Group's exposure to currency and liquidity risks related to trade and other payables, including derivatives are disclosed in Note 18.

NOTES TO THE FINANCIAL STATEMENTS

18 FINANCIAL RISK MANAGEMENT

Overview

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board of Directors oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk of the industry and geographical region in which customers operate, as these factors may have an influence on credit risk.

The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, when available, and in some cases bank references. Purchase limits are established for each customer, which represents the maximum open amount without requiring approval from Executive Management; these limits are reviewed quarterly. Customers failing to meet the Group's benchmark creditworthiness may transact with the Group only on a prepayment basis.

The carrying amount of financial assets in the statement of financial position represents the Group's maximum exposure to credit risk, before taking into account any collateral held. The Group does not hold any collateral in respect of its financial assets.

NOTES TO THE FINANCIAL STATEMENTS

18 FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk (Continued)

The ageing of trade and other receivables at the reporting date were as follows:

Ageing of trade and other receivables (excluding prepayments)

	Group		Company	
	31/12/2014	**31/12/2013**	**31/12/2014**	**31/12/2013**
	US$'000	**US$'000**	**US$'000**	**US$'000**
Neither past due or impaired	**2,447**	880	**–**	–
Past due 0-30 days	**278**	406	**–**	–
Past due 31-90 days	**9**	121	**–**	–
Past due 91-180 days	**10**	6	**–**	–
Greater than 180 days past due	**–**	–	**–**	–
Total	**2,744**	1,413	**–**	–

The maximum exposure to credit risk for trade and other receivables (excluding prepayments) at the reporting date analysed by geographical region were as follows:

	Group		Company	
	31/12/2014	**31/12/2013**	**31/12/2014**	**31/12/2013**
	US$'000	**US$'000**	**US$'000**	**US$'000**
North America	**2,433**	1,297	**–**	–
Asia	**205**	106	**–**	–
European Union	**16**	8	**–**	–
Others	**90**	2	**–**	–
Total	**2,744**	1,413	**–**	–

NOTES TO THE FINANCIAL STATEMENTS

18 FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risk

Risk management policy

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group's liquidity needs include working capital expenditures, conduct of research and development, testing and regulatory compliance activities, business development activities and paying down outstanding debt. To meet its liquidity needs, the Group primarily relies on financing in the form of issuance of ordinary shares or debt securities. During the year, the Group raised funds through issue of ordinary shares via an initial public offering.

The following are the contractual maturities of the Group's financial liabilities, including estimated interest payments:

	Carrying amount US$'000	Contractual cash flows US$'000	Within 1 year US$'000	1-2 years US$'000	2-5 years US$'000	> 5 years US$'000	Total US$'000
Group							
31 December 2014							
Non-derivative financial liabilities							
Trade and other payables	8,355	8,355	8,180	175	–	–	8,355
Finance lease liabilities	13	14	1	13	–	–	14
	8,368	8,369	8,181	188	–	–	8,369
31 December 2013							
Non-derivative financial liabilities							
Trade and other payables	6,387	7,035	6,083	592	160	200	7,035
Company							
31 December 2014							
Non-derivative financial liabilities							
Trade and other payables	755	755	755	–	–	–	755
31 December 2013							
Non-derivative financial liabilities							
Trade and other payables	2,812	3,206	2,654	552	–	–	3,206

NOTES TO THE FINANCIAL STATEMENTS

18 FINANCIAL RISK MANAGEMENT (CONTINUED)

Interest rate risk

Risk management policy

Interest rate risk is the risk associated with holding fixed-rate and floating-rate instruments in a changing interest rate environment.

The Group adopts a policy of ensuring that its exposure to changes in interest rates on borrowings is on a fixed-rate basis, taking into account assets with exposure to changes in interest rates.

	Group		Company	
	31/12/2014	**31/12/2013**	**31/12/2014**	**31/12/2013**
	US$'000	**US$'000**	**US$'000**	**US$'000**
Fixed rate instruments				
Financial assets	**45**	98	**–**	–
Financial liabilities	**–**	(16,532)	**–**	(16,532)
	45	(16,434)	**–**	(16,532)

The fixed rate financial assets and liabilities comprised of the deposits pledged and the face value of the outstanding notes at the reporting dates, respectively. The Group did not have any variable rate instruments at the respective reporting dates included in these financial statements.

The Group does not have any available-for-sale financial assets or cash flow hedge relationships. As such, a change in interest rates at the reporting date does not affect the Group's equity balance.

In addition, the Group measures its fixed rate instruments at amortised cost. As such, a change in interest rates at the reporting date would not affect the carrying value of fixed rate instruments.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

NOTES TO THE FINANCIAL STATEMENTS

18 FINANCIAL RISK MANAGEMENT (CONTINUED)

Currency risk

Foreign exchange risk is the risk that the fair value of the instrument will vary due to changes in currency exchange rates.

The Group is exposed to currency risk on sales, purchases and borrowings, including inter-company sales, purchases and inter-company balances that are denominated in a currency other than the respective functional currencies of Group entities. The currencies in which these transactions primarily are denominated are the SGD and the USD. To date, the Group has not hedged any of its currency exposure.

In 2013, the interest on the Group's convertible notes was denominated in the currency of the convertible notes. Generally, borrowings are denominated in currencies that match the cash flows generated by the underlying operations of the Group, primarily SGD, but also USD. This provides an economic hedge without derivatives being entered into and therefore hedge accounting is not applied in these circumstances.

The Group is exposed to currency risk on financial assets and liabilities that are denominated in a currency other than the functional currency.

A summary of quantitative data about the Group's exposure to foreign currency risk is as follows:

	Group			Company	
	31/12/2014		31/12/2013	31/12/2014	31/12/2013
	SGD	USD	SGD	USD	USD
	US$'000	US$'000	US$'000	US$'000	US$'000
Cash and cash equivalents	**71**	**267**	219	**260**	–
Deposits pledged	**37**	**–**	39	**–**	–
Trade and other receivables	**68**	**134**	94	**–**	–
Amount due from subsidiaries	**–**	**–**	–	**31,430**	–
Trade and other payables	**(103)**	**(622)**	(54)	**(156)**	–
Net position of financial currency exposure	**73**	**(221)**	298	**31,534**	–

NOTES TO THE FINANCIAL STATEMENTS

18 FINANCIAL RISK MANAGEMENT (CONTINUED)

Currency risk (continued)

Sensitivity analysis

The Group's and the Company's exposure to foreign currencies and the sensitivity to a 10% strengthening of the respective functional currencies of the Group's entities against the foreign currencies, are shown below. A 10% strengthening of the respective functional currencies of the Group's entities against the foreign currencies at the reporting date would increase/(decrease) profit or loss by the amounts shown below. The analysis assumes that all other variables, in particular interest rates, remain constant.

	Profit/(Loss) US$'000
Group	
31 December 2014	
SGD	(7)
USD	22
31 December 2013	
SGD	(30)
Company	
31 December 2014	
USD	(3,153)
31 December 2013	
USD	–

A 10% weakening of USD/SGD against the above currencies would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Capital management

Capital management policy

The Group defines "capital" to be the share capital and accumulated losses.

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an efficient capital structure so as to maximise shareholder value. In order to maintain or achieve an efficient capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, obtain new borrowings or sell assets to reduce borrowings.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

There were no changes in the Group's approach to capital management during the year.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

NOTES TO THE FINANCIAL STATEMENTS

19 REVENUE

	Group	
	31/12/2014	**31/12/2013**
	US$'000	**US$'000**
Sale of goods	**13,159**	5,466

20 FINANCE COSTS

	Group	
	31/12/2014	**31/12/2013**
	US$'000	**US$'000**
Finance income		
Interest income	**21**	3
Net foreign exchange gain	**1,401**	99
Others, net	**2**	–
	1,424	102
Finance costs		
Interest expense on convertible notes	**(4,477)**	(3,691)
Changes in fair value of financial instruments	**(5,010)**	(14,147)
	(9,487)	(17,838)
Net finance costs	**(8,063)**	(17,736)

21 LOSS FOR THE YEAR

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

	Group	
	31/12/2014	**31/12/2013**
	US$'000	**US$'000**
Audit fees paid/payable to auditors of the Company:		
– statutory audit and review fees	**479**	318
– initial public offering fees	**617**	–
Non-audit fees paid/payable to*:		
– auditors of the Company	**19**	61
– other auditors	**42**	260
Professional fees*	**7,445**	728
Operating lease expense	**511**	430
Depreciation of property, plant and equipment	**360**	574
Amortisation of intangible assets	**570**	383
Employee compensation expense:		
– Salaries and bonus	**12,467**	9,287
– Employee benefit expense	**1,939**	2,308
– Expenses related to defined contribution plans	**358**	38
– Equity settled share-based payment transactions	**542**	2,086

* Includes fees paid/payable for the Company's initial public offering.

NOTES TO THE FINANCIAL STATEMENTS

22 TAX EXPENSE

Tax recognised in profit or loss

	Group	
	31/12/2014	**31/12/2013**
	US$'000	**US$'000**
Current tax expense		
Current year	**1**	1

Reconciliation of effective tax rate

Loss before tax	**(34,173)**	(35,603)
Tax using the Singapore tax rate of 17%	**(5,809)**	(6,053)
Effect of tax rates in foreign jurisdictions	**(3,445)**	(1,802)
Non-deductible expenses	**1,846**	3,337
Non-taxable items	**(481)**	(54)
Restructuring gain	**–**	12,326
Change in unrecognised temporary differences	**7,890**	(7,753)
	1	1

23 EARNINGS PER SHARE

Basic and diluted loss per share are based on:

Losses used in calculating loss per share

	Group	
	31/12/2014	**31/12/2013**
	US$'000	**US$'000**
Loss attributable to ordinary shareholders	**(34,174)**	(34,523)

NOTES TO THE FINANCIAL STATEMENTS

23 EARNINGS PER SHARE (CONTINUED)

Weighted average number of ordinary shares

	Group	
	31/12/2014 '000	**31/12/2013 '000**
Issued ordinary shares at 1 January	**72,688**	–
Issue of ordinary shares for acquisition of entities under common control	**–**	1,321
Subdivision of 1 share to 16 shares	**218,784**	–
Issue of new shares pursuant to conversion from preference shares	**13,731**	–
Issue of new shares pursuant to conversion from convertible notes	**116,284**	–
Issue of new shares pursuant to conversion from warrants	**861**	–
Issuance of ordinary shares during the year	**140,277**	776
Effects of share options exercised	**739**	19
Weighted average number of shares during the year	**563,364**	2,116

For the purposes of earnings per share computation, the number of shares as at 31 December 2013 comprises the ordinary shares issued by the Company as a result of the acquisition of subsidiaries' entire share capital upon restructuring and exercises of share options during the year.

There were no share options to purchase ordinary shares which has dilutive potential as of 31 December 2013 and 2014.

The average market value of the Company's shares for purposes of calculating the dilutive effect of share options was based on valuation studies for each period during which the options were outstanding.

24 DETERMINATION OF FAIR VALUES

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. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

a) Management has determined that the carrying amounts of cash, including deposits pledged, trade and receivables (excluding prepayments), inventories, other financial assets, amounts owing by/(to) related companies and, trade and other payables on their notional amounts which reasonably approximate their fair values because of their short term nature.

b) The fair value of the employee share options 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.

NOTES TO THE FINANCIAL STATEMENTS

24 DETERMINATION OF FAIR VALUES (CONTINUED)

c) The fair value of the warrants issued along with the issue of convertible notes during the financial year ended 31 December 2013 was measured using the standard Black-Scholes option-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 historical volatility of the Company's share price, particularly over the historical period commensurate with the expected term), expected terms of the instrument, expected dividends and the risk-free interest rate.

Similarly, the fair value of the warrants issued along with the issue of preference shares in 2013 was measured using the standard Black-Scholes option pricing model.

d) For the financial year ended 31 December 2013, the fair value of the conversion option embedded in the convertible notes issued on 3 August 2011 and 22 November 2011 was measured based on the discounted expected cash flows, if IPO or change of control occurs. The Group had estimated the expected cash flow upon conversion based on the potential upside expected and the probability of an IPO or change of control. In computing the potential upside, the Group had assumed that an IPO or change of control with an estimated probability would occur at the mid period between the valuation date and the maturity date.

The Pre-IPO convertible notes issued in September and October 2013 was valued using the same method.

On the other hand, the fair value of the embedded derivative of the convertible notes issued in 2013 and 2014 was measured using the standard Black-Scholes option-pricing model. The computed fair values of the embedded derivative were then multiplied by the probability of IPO or change in control not happening before the 1 year anniversary date to obtain a probability weighted fair value of the embedded derivative. Measurement inputs include the share price on the measurement date, the exercise price of the instrument, expected volatility (based on an evaluation of the historical volatility of the Company's share price, particularly over the historical period commensurate with the expected term), expected terms of the instrument, expected dividends and the risk-free interest rate.

e) Other non-derivative financial liabilities are measured at fair value at initial recognition and for disclosure purposes, at each annual 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.

f) For the financial year ended 31 December 2013, the valuation of preference shares for TMI US, Quattro and the Company was performed using the Option Pricing Model ("OPM"). This model treated the preference shares as call options on the aggregate enterprise value. The call option price reflected the price at which the Company will be bought at a future date. The call option values was derived using the Black-Scholes option-pricing model. Breakpoints was computed to determine the liquidation rights for different series of shares issued to investors based on Articles of Incorporation. The valuation of preference share price using OPM contains various scenarios in which each class of shares will receive liquidated assets. Under each scenario, the assets was then allocated to each class of shares according to their respective proportion of holdings. Finally, the value of a particular share class was the summation of all the allocated assets under each scenario.

NOTES TO THE FINANCIAL STATEMENTS

24 DETERMINATION OF FAIR VALUES (CONTINUED)

f) (Continued)

Measurement inputs include the total equity value (which is calculated using various valuation methodologies and applying a weightage to these methodologies), the exercise price of the instrument, expected volatility (based on an evaluation of the historical volatility of the Company's share price, particularly over the historical period commensurate with the expected term), expected terms of the instrument, expected dividends and the risk-free interest rate.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- *Level 1:* quoted prices (unadjusted) in active markets for identical assets or liabilities.
- *Level 2:* inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- *Level 3:* inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of the asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Fair value hierarchy – Financial instruments

The tables below analyse fair value measurements for financial assets and financial liabilities, by the levels in the fair value hierarchy based on the inputs to valuation techniques. The different levels are defined 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 (i.e., as prices) or indirectly (i.e., derived from prices).
- *Level 3:* unobservable inputs for the asset or liability.

NOTES TO THE FINANCIAL STATEMENTS

24 DETERMINATION OF FAIR VALUES (CONTINUED)

Fair value hierarchy – Financial instruments (Continued)

Financial assets and financial liabilities carried at fair value

	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Total US$'000
Group and Company				
31 December 2013				
Financial liabilities				
Embedded derivatives (if in liability position)	–	–	10,565	10,565
Total liabilities	–	–	10,565	10,565

No disclosure was made by the Group and the Company in respect of the financial year ended 31 December 2014 as there were no financial assets or liabilities which were carried at fair value that meets the above fair value hierarchy disclosure requirements.

*Financial assets and financial liabilities not carried at fair value but for which fair values are disclosed**

	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Total US$'000
Group and Company				
31 December 2013				
Convertible notes – liability component	–	–	15,647	15,647
Total liabilities	–	–	15,647	15,647

No disclosure was made by the Group and the Company in respect of the financial year ended 31 December 2014 as there were no financial assets or liabilities which were not carried at fair value that meets the above fair value hierarchy disclosure requirements.

* Excludes financial assets and financial liabilities whose carrying amounts measured on the amortised cost basis approximate their fair values due to their short term nature and where the effect of discounting is immaterial.

NOTES TO THE FINANCIAL STATEMENTS

24 DETERMINATION OF FAIR VALUES (CONTINUED)

Level 3 fair values

The following table shows reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy:

	Warrants			
	Convertible to ordinary shares US$'000	Convertible to preference shares US$'000	Embedded derivatives US$'000	Convertible preference shares US$'000
Group				
As at 1 January 2014	–	–	10,565	–
Additional issues	–	–	384	–
Total unrealised gains or losses recognised in profit or loss	–	–	3,172	–
Terminations/Settlements	–	–	(14,121)	–
As at 31 December 2014	–	–	–	–
As at 1 January 2013	207	585	1,519	19,097
Additional issues	221	159	4,449	639
Terminations/Settlements	(722)	(873)	–	(27,179)
Reclassified to equity	–	–	–	(3,719)
Total unrealised gains or losses recognised in profit or loss	294	129	4,597	11,162
As at 31 December 2013	–	–	10,565	–
Company				
As at 1 January 2014	–	–	10,565	–
Additional issues	–	–	384	–
Total unrealised gains or losses recognised in profit or loss	–	–	3,172	–
Terminations/Settlements	–	–	(14,121)	–
As at 31 December 2014	–	–	–	–
As at 6 March 2013	–	–	–	–
Additional issues	–	–	4,449	–
Additions on restructuring	–	–	3,610	–
Total unrealised gains or losses recognised in profit or loss	–	–	2,506	–
As at 31 December 2013	–	–	10,565	–

NOTES TO THE FINANCIAL STATEMENTS

24 DETERMINATION OF FAIR VALUES (CONTINUED)

Warrants convertible to ordinary shares

The following table shows the valuation technique and key unobservable inputs used in the determination of fair value of the warrants.

Valuation technique	**Significant unobservable inputs**	**Inter-relationship between significant unobservable inputs and fair value measurement**
The fair value of the warrants is calculated using the standard Black-Scholes option-pricing model	• Market price of the share • Volatility	The estimated fair value would increase if: • The market price of the share increases; or • The volatility was higher

Management considers that changing one or more of the significant unobservable inputs used to other reasonably possible alternative assumptions would not result in a significant change in the estimated fair value.

Warrants convertible to preference shares

Valuation technique	**Significant unobservable inputs**	**Inter-relationship between significant unobservable inputs and fair value measurement**
The fair value of the warrants is calculated using the standard Black-Scholes option-pricing model	• Market price of the share • Volatility	The estimated fair value would increase if: • The market price of the share increases; or • The volatility was higher

Management considers that changing one or more of the significant unobservable inputs used to other reasonably possible alternative assumptions would not result in a significant change in the estimated fair value.

NOTES TO THE FINANCIAL STATEMENTS

24 DETERMINATION OF FAIR VALUES (CONTINUED)

Embedded derivatives – conversion feature within the convertible notes

Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
The fair value of the embedded derivative within the convertible notes issued in 2011 and the Pre-IPO convertible notes issued in September and October 2013 is measured based on the discounted expected cash flows, if IPO or change of control occurs.	• Discount rate • Probability of IPO or change in control	The estimated fair value would increase if: • The discount rate decreases; or • Probability of the IPO or change in control was higher
The fair value of the embedded derivative within the convertible notes issued in 2012 and 2013 is calculated using the standard Black-Scholes option-pricing model	• Market price of the share • Volatility	The estimated fair value would increase if: • The market price of the share increases; or • The volatility was higher

Management considers that changing one or more of the significant unobservable inputs used to other reasonably possible alternative assumptions would not result in a significant change in the estimated fair value.

Convertible preference shares

Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
The fair value of the convertible preference share for Quattro, TMI US and QTV is calculated using the OPM	• Total equity value • Volatility	The estimated fair value would increase if: • The market price of the share increases; or • The volatility was higher

Management considers that changing one or more of the significant unobservable inputs used to other reasonably possible alternative assumptions would not result in a significant change in the estimated fair value.

NOTES TO THE FINANCIAL STATEMENTS

25 OPERATING LEASES

Non-cancellable operating leases, rentals are payable as follows:

	Group	
	31/12/2014	**31/12/2013**
	US$'000	**US$'000**
Within one year	**552**	272
Between 1 to 5 years	**753**	24
Total	**1,305**	296

The Group leases five facilities located in Pleasanton, California under an operating lease. The lease will expire in February 2018. The company recognises rent expense on a straight line basis over the lease term and records the difference between cash rent payments and the recognition of rent expense as a deferred rent liability.

The Group also leases two facilities and an apartment in Singapore under three operating leases. One of the leases for the facilities will expire in April 2016 and the other operating lease will expire in January 2015. The operating lease for the apartment will expire in August 2015 with an optional renewal term which will expire in August 2016.

26 CAPITAL COMMITMENTS

	Group	
	31/12/2014	**31/12/2013**
	US$'000	**US$'000**
Property, plant and equipment	**136**	7
Development costs	**1,021**	6
	1,157	13

27 CONTINGENCIES

As at the reporting date, the Group is engaged in a civil action suit in the U.S. district court for the Northern District of California for infringement of a patent with AngioScore Inc ("AngioScore"). As at the date of the financial statements, the case has not been resolved. For various reasons, the Board of Directors believes that there is no merit to AngioScore's claim(s), and it is unlikely that the claim(s) will prevail.

NOTES TO THE FINANCIAL STATEMENTS

28 RELATED PARTIES

For the purposes of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Key management personnel compensation comprised:

	Group		Company	
	31/12/2014 US$'000	**31/12/2013 US$'000**	**31/12/2014 US$'000**	**31/12/2013 US$'000**
Transaction				
Short-term employee benefits	**2,846**	2,093	**121**	–
Share-based payments	**409**	1,565	**23**	–
	3,255	3,658	**144**	–

Key management personnel and director transactions

	⟵ Transaction value ⟶ Group	
	31/12/2014 US$'000	**31/12/2013 US$'000**
Transaction		
Consulting	**–**	111
Royalty	**334**	120
	334	231

	Group Balance outstanding as at	
	31/12/2014 US$'000	**31/12/2013 US$'000**
Transaction		
Consulting	**–**	9
Royalty	**90**	53
	90	62

NOTES TO THE FINANCIAL STATEMENTS

28 RELATED PARTIES (CONTINUED)

Key management personnel and director transactions (Continued)

On 10 August 2010, the Company entered into a consulting agreement with its CEO, Eitan Konstantino, who is also the co-founder of the Company and co-inventor of 'chocolate' balloon catheter, to provide consulting services related to research and development and engineering design. Under the agreement, the Company pays Eitan Konstantino a monthly compensation of US$10,000. This consultancy agreement was terminated with effect from 30 September 2013.

On 27 April 2014, the CEO, Eitan Konstantino, entered into an amended and restated intellectual property assignment agreement with the Company and Quattro under which he assigned the Company 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.

In January 2007, the Company entered into a consulting agreement with Michal Konstantino, the spouse of the CEO, Eitan Konstantino, to provide consulting services on the bio-safety aspects of the product design process. During the year, the Company incurred consulting expenses paid/payable to Michal Konstantino which amounted to US$17,000 (2013: US$17,000).

Transactions with subsidiaries

Other than disclosed elsewhere in the financial statements, during the financial year, there were the following significant transactions with subsidiaries:

	Company Transaction value for the year ended	
	31/12/2014 US$'000	**31/12/2013 US$'000**
Working capital loans to subsidiaries	**32,588**	40,675
Payments on behalf by subsidiaries	**(500)**	(1,521)
	32,088	39,154

The loans provided to subsidiaries are interest free with no fixed repayment dates.

NOTES TO THE FINANCIAL STATEMENTS

28 RELATED PARTIES (CONTINUED)

Other related party transactions and balances

	Group Transaction value for the year ended		Company Transaction value for the year ended	
	31/12/2014 US$'000	**31/12/2013 US$'000**	**31/12/2014 US$'000**	**31/12/2013 US$'000**
Convertible notes				
Three Arch Partners IV, L.P.	**–**	2,647	**–**	–
Three Arch Associates IV, L.P.	**–**	59	**–**	–
Interest expense				
Adams Street 2006 Direct Fund, L.P.	**–**	31	**–**	–
Adams Street 2007 Direct Fund, L.P.	**–**	35	**–**	–
Luminor Pacific Fund 1 Ltd*	**86**	240	**86**	113
Three Arch Partners IV, L.P.	**67**	411	**67**	88
Three Arch Associates IV, L.P.	**1**	9	**1**	2
	154	3,432	**154**	203

	Group Balance outstanding as at		Company Balance outstanding as at	
	31/12/2014 US$'000	**31/12/2013 US$'000**	**31/12/2014 US$'000**	**31/12/2013 US$'000**
Convertible notes				
Luminor Pacific Fund 1 Ltd*	**–**	3,855	**–**	3,855
Three Arch Partners IV, L.P.	**–**	2,983	**–**	2,983
Three Arch Associates IV, L.P.	**–**	66	**–**	66
Accrued interest				
Luminor Pacific Fund 1 Ltd*	**–**	570	**–**	570
Three Arch Partners IV, L.P.	**–**	390	**–**	390
Three Arch Associates IV, L.P.	**–**	9	**–**	9
	–	7,873	**–**	7,873

* Luminor Pacific Fund 1 Ltd was a related party to the Group effective July 2013. In August 2011, the Group entered into a convertible note agreement with Luminor Pacific Fund 1 Ltd with a face value of S$5,000,000 that was outstanding as at 31 December 2013.

NOTES TO THE FINANCIAL STATEMENTS

29 GEOGRAPHICAL SEGMENTS

The Group operates principally in 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 assets.

	Revenue		Non-current assets	
	31/12/2014	**31/12/2013**	**31/12/2014**	**31/12/2013**
	US$'000	**US$'000**	**US$'000**	**US$'000**
United States of America	**11,738**	4,573	**6,266**	4,097
Singapore	**–**	–	**3,997**	3,297
Japan	**1,025**	499	**–**	–
Europe	**258**	341	**–**	–
China	**87**	**–**	**–**	–
Australia	**51**	**–**	**–**	–
United Arab Emirates	**–**	50	**–**	–
Thailand	**–**	3	**–**	–
	13,159	5,466	**10,263**	7,394

Revenues from one customer of the United States of America segment represents approximately US$9,068,000 (2013: Nil) of the Group's total revenues.

STATISTICS OF SHAREHOLDINGS

AS AT 18 MARCH 2015

ISSUED AND FULLY PAID-UP CAPITAL	:	S$122,635,333
NUMBER OF SHARES IN ISSUE	:	764,096,122
CLASS OF SHARES	:	ORDINARY SHARES
VOTING RIGHTS	:	ONE VOTE PER ORDINARY SHARE

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS AS AT 18 MARCH 2015

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	1	0.04	16	0.00
100 – 1,000	25	0.96	21,547	0.00
1,001 – 10,000	693	26.70	5,416,324	0.71
10,001 – 1000,000	1,826	70.34	141,548,165	18.53
1,000,001 AND ABOVE	51	1.96	617,110,070	80.76
TOTAL	**2,596**	**100.00**	**764,096,122**	**100.00**

TWENTY LARGEST SHAREHOLDERS

	SHAREHOLDER'S NAME	NUMBER OF SHARES HELD	%
1	THREE ARCH PARTNERS IV, L.P.	153,887,339	20.14
2	LUMINOR PACIFIC FUND 1 LTD	102,120,176	13.36
3	BIOMEDICAL SCIENCES INVESTMENT FUND PTE LTD	66,596,116	8.72
4	UOB KAY HIAN PTE LTD	33,601,096	4.40
5	RAFFLES NOMINEES (PTE) LTD	22,602,000	2.96
6	HSBC (SINGAPORE) NOMINEES PTE LTD	18,996,192	2.49
7	CITIBANK NOMINEES SINGAPORE PTE LTD	15,217,728	1.99
8	EITAN KONSTANTINO	14,974,336	1.96
9	JOHNSON & JOHNSON DEVELOPMENT CORPORATION	14,147,321	1.85
10	DBS NOMINEES PTE LTD	11,491,508	1.50
11	PHILLIP VENTURES ENTERPRISE FUND 3 LTD	11,377,164	1.49
12	TANHUM FELD	11,174,336	1.46
13	ADAMS STREET 2007 DIRECT FUND, L.P.	9,857,920	1.29
14	ADAMS STREET 2006 DIRECT FUND, L.P.	8,729,416	1.14
15	TOMMIE GOH THIAM POH	8,198,665	1.07
16	OCBC SECURITIES PRIVATE LTD	7,707,892	1.01
17	JUNIPER CAPITAL VENTURES (PTE) LTD	7,295,498	0.95
18	CHEONG FOONG YIM CHRISTINA	7,000,000	0.92
19	LUMINOR PACIFIC FUND 2 LTD	6,913,760	0.90
20	TAN CHIN HWEE (CHEN JINGHUI)	6,463,665	0.85
	TOTAL	538,352,128	70.45

STATISTICS OF SHAREHOLDINGS

AS AT 18 MARCH 2015

SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS

No.	Name	No. of shares held as Direct	%	No. of shares held as Deemed	%
1	Three Arch Partners IV, L.P.[1]	153,887,339	20.14	–	–
2	Three Arch Management[2]	–	–	157,284,444	20.58
3	Mark Allen Wan[3]	–	–	157,284,444	20.58
4	Luminor Pacific Fund 1 Ltd.	102,120,176	13.36	–	–
5	Luminor Capital[4]	–	–	109,033,936	14.27
6	Biomedical Sciences Investment Fund Pte Ltd ("BMSIF")	66,596,116	8.72	–	–
7	EDB Investments Pte Ltd ("EDB lnvestments")[5]	–	–	66,596,116	8.72
8	Bio*One Capital Pte Ltd ("Bio*One Capital")[6]	–	–	66,596,116	8.72
9	EDBI Pte Ltd ("EDBI")[8]	–	–	66,596,116	8.72
10	Economic Development Board of Singapore ("EDB")[7]	–	–	66,596,116	8.72

Notes:

(1) 3,457,000 shares are held in the name of UOB Kay Hian Pte Ltd.

(2) Three Arch Management is the general partner of Three Arch Partners and Three Arch Associates. Accordingly, Three Arch Management is deemed interested in the shares held Three Arch Partners IV, LP. and the 3,397,105 shares held by Three Arch Associates IV, L.P.

(3) Mark Allen Wan is a managing member of Three Arch Management, the general partner of Three Arch Partners IV, L.P. and Three Arch Associates IV, L.P. and is deemed to have share voting and dispostive power over the shares held by Three Arch Partners IV, L.P. and Three Arch Associates IV, L.P.. Accordingly, Mark Allen Wan is deemed interested in the 153,887,339 ordinary shares held by Three Arch Partners IV, L.P. and 3,397,105 ordinary shares held by Three Arch Associates IV, L.P..

(4) Luminor Capital is the investment manager of Luminor Pacific Fund 1 Ltd and Luminor Pacific Fund 2 Ltd. Accordingly, Luminor Capital is deemed interested in the shares held by Luminor Pacific Fund 1 Ltd and the 6,913,760 shares held by Luminor Pacific Fund 2 Ltd.

(5) BMSIF is a wholly-owned subsidiary of EDB Investments. Accordingly, EDB Investments is deemed interested in the shares held by BMSIF.

(6) Bio*One Capital is the fund manager of BMSIF and is wholly-owned subsidiary of EDBI. Accordingly, Bio*One Capital and EDBI is deemed interested in the shares held by BMSIF.

(7) EDB Investments and EDBI are wholly-owned by EDB. Accordingly, EDB is deemed interested in the shares held by BMSIF.

SHAREHOLDING HELD IN THE HANDS OF PUBLIC

Based on information available to the Company as at 18 March 2015, approximately 54.47% 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 Catalist) of the Singapore Exchange Securities Trading Limited, is complied with.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of QT Vascular Ltd will be held at 3A International Business Park, #09-10/11/12 ICON @ IBP Tower B, Singapore 609935 on Thursday, 30 April 2015 at 12.00 p.m. (the "**AGM**") for the following purposes:

Ordinary Business

1. To receive and adopt the Directors' Report and Audited Financial Statements of the Company for the financial year ended 31 December 2014 together with the Auditors' Report thereon. **(Resolution 1)**

2. To approve the payment of Directors' fees of US$216,000/- for the financial year ended 31 December 2014. **(Resolution 2)**

3. To re-elect Eitan Konstantino who is retiring pursuant to Article 98 of the Company's Articles of Association. **(Resolution 3)**

4. To re-elect Mark Allen Wan who is retiring pursuant to Article 98 of the Company's Articles of Association. **(Resolution 4)**

5. To re-appoint KPMG LLP as the Company's auditors for the financial year ending 31 December 2015 and to authorise the Directors to fix their remuneration. **(Resolution 5)**

6. To transact any other ordinary business which may be properly transacted at the AGM.

Special Business

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

7. Authority to allot and issue shares

   THAT pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore (the "**Act**") and Rule 806 of the Catalist Rules, the Directors of the Company be authorised and empowered to:

   (I) (a) allot and issue ordinary 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

NOTICE OF ANNUAL GENERAL MEETING

(II) (notwithstanding that 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 to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments, made or granted pursuant to this Resolution), shall not exceed one hundred per cent (100%) of the total number of issued Shares (excluding treasury shares) (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 the existing shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed fifty per cent (50%) of the total number of issued Shares (excluding treasury shares) (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 of this Resolution is passed;

(b) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) that may be issued under sub-paragraph (a) above, the percentage of the issued Shares shall be based on the total number of issued Shares (excluding treasury shares) at the time this Resolution is passed, 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 and/or subsisting at the time of the passing of this Resolution, provided the share options or share awards (as the case may be) were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and

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

(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 has been waived by the SGX-ST), and all applicable legal requirements under the Act and the Company's Articles of Association for the time being; and

(d) the authority conferred by this Resolution shall, unless revoked or varied by the Company in general meeting, continue to be in force until the conclusion of the Company's next annual general meeting or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier.

(See Explanatory Note 1) **(Resolution 6)**

NOTICE OF ANNUAL GENERAL MEETING

8. Authority to allot and issue shares under the QTV 2013 Share Plan (the "**QTV 2013 Share Plan**"), the TriReme Medical, LLC 2005 Stock Plan ("**2005 Stock Plan**") and the Quattro Vascular Pte. Ltd. 2010 Equity Incentive Plan ("**2010 Equity Incentive Plan**")

   THAT pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore, 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 under the QTV 2013 Share Plan, the 2005 Stock Plan and the 2010 Equity Incentive Plan, such authority (unless revoked or varied by the Company in general meeting) to 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 2) **(Resolution 7)**

9. Authority to allot and issue Shares under the 2014 QTV Employee Share Option Scheme ("**Scheme**")

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

   (i) offer and grant options to purchase Shares ("**Options**") in accordance with the provisions of the Scheme;

   (ii) 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 Options; and

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

   such authority to 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 3) **(Resolution 8)**

*All capitalised terms used in Resolutions 9, 10, 11 and 12 below which are not defined herein shall have the same meanings ascribed to them in the Appendix to the Annual Report dated 15 April 2015 (the "**Appendix**").*

10. Proposed ratification of the determination of the limit on the number of options that can be granted under the Scheme

    THAT the determination of the limit on the number of options that can be granted under the Scheme as set out in paragraph 2.2 of the Appendix, be and are hereby approved, ratified and confirmed.

    (See Explanatory Note 4) ***(Resolution 9)***

NOTICE OF ANNUAL GENERAL MEETING

11. Proposed amendments to the rules of the Scheme

THAT:

(a) the proposed amendments to the Rules of the Scheme as set out in paragraph 3.2 of the Appendix, be and are hereby approved and adopted with immediate effect; and

(b) any Director be and is hereby authorised to complete and to do all such acts and things, and to approve, modify, ratify and execute such documents, acts and things as they may consider necessary, desirable or expedient to give effect to this Resolution.

(See Explanatory Note 5) **(Resolution 10)**

12. Proposed adoption of the QT Vascular Restricted Share Plan 2015

THAT:

(a) a new equity compensation scheme to be known as the QT Vascular Restricted Share Plan 2015 (***QTV Restricted Share Plan***), details and rules whereof are set out in the Appendix dated 15 April 2015, under which:

(i) awards (***Awards***) of fully paid-up Shares will be granted, free of payment, to selected employees of the Company and its subsidiaries, including Non-Executive Directors, Controlling Shareholders and their Associates who are eligible to participate (save that a Director who is also a Controlling Shareholder or his Associate shall not be eligible to receive Awards under the QTV Restricted Share Plan until such time as that Director ceases to be a Controlling Shareholder); and

(ii) the limit in the number of Shares to be delivered pursuant to the QTV Restricted Share Plan shall initially be set at 5.0% of the total issued share capital of the Company on the day preceding the initial adoption of the QTV Restricted Share Plan and thereafter, subject to a maximum period of five (5) years commencing on the date on which the QTV Restricted Share Plan is adopted by the Company in general meeting, on January 1st of each year, an additional number of Shares representing 2.5% of the total issued share capital of the Company on the day preceding January 1st of the second, third, fourth and fifth years from the adoption of the QTV Restricted Share Plan will be added to the QTV Restricted Share Plan and available for delivery thereunder,

be and is hereby approved;

NOTICE OF ANNUAL GENERAL MEETING

(b) the Directors be and are hereby authorized:

(i) to establish and administer the QTV Restricted Share Plan;

(ii) to modify and/or amend the QTV Restricted Share Plan from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the QTV Restricted Share Plan and to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the QTV Restricted Share Plan;

(iii) to grant Awards in accordance with the provisions of the QTV Restricted Share Plan and pursuant to Section 161 of the Companies Act, 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 vesting of Awards under the QTV Restricted Share Plan;

(iv) subject to the same being allowed by law, to apply any Shares purchased under any share purchase mandate or Shares held in treasury by the Company, towards the satisfaction of Awards granted under the QTV Restricted Share Plan;

(v) to complete and to do all such acts and things (including executing such documents as may be required) as they may consider necessary, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and authorised by this Resolution; and

(vi) to delegate any of the above to any committee of the Board.

(See Explanatory Note 6) **(Resolution 11)**

13. Proposed adoption of the Share Buy-Back Mandate

THAT:

(a) for the purposes of Sections 76C and 76E of the Companies Act (Chapter 50 of Singapore) ("**Companies Act**"), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire ordinary shares in the capital of the Company ("**Shares**") not exceeding in aggregate the Maximum Limit (as hereinafter defined), at such price(s) as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereinafter defined), whether by way of:

(i) market purchase(s) (each a "**Market Purchase**") on the Singapore Exchange Securities Trading Limited (the "SGX-ST"); and/or

NOTICE OF ANNUAL GENERAL MEETING

(ii) off-market purchase(s) (each an "**Off-Market Purchase**") effected otherwise than on the SGX-ST in accordance with an equal access scheme as may be determined or formulated by the Directors of the Company as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Listing Manual (Section B: Rules of Catalist) of the SGX-ST ("**Catalist Rules**") and the Companies Act,

and otherwise in accordance with all other laws and regulations, including but not limited to, the memorandum and articles of association of the Company and the Catalist Rules as may for the time being be applicable be and is hereby authorised and approved generally and unconditionally (the "**Share Buy-Back Mandate**");

(b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Buy-Back Mandate may be exercised by the Directors at any time and from time to time during the Relevant Period (as hereinafter defined) and expiring on the earliest of:

(i) the conclusion of the next annual general meeting of the Company is held or date by which such annual general meeting is required to be held;

(ii) the date on which the share buy-backs are carried out to the full extent of the Share Buy-Back Mandate; or

(ii) the date on which the authority contained in the Share Buy-Back Mandate is varied or revoked;

(c) for purposes of this ordinary resolution:

"**Maximum Limit**" means ten per cent. (10%) of the total issued Shares of the Company as at the date of the passing of this ordinary resolution, unless the Company has effected a reduction of the share capital of the Company (other than a reduction by virtue of a share buy-back) in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period (as hereinafter defined) in which event the issued Shares of the Company shall be taken to be the total number of the issued Shares as altered by such capital reduction (the total number of Shares shall exclude any Shares that may be held as treasury shares by the Company from time to time);

"**Relevant Period**" means the period commencing from the date of the passing of this ordinary resolution and expiring on the earliest of the date on which the next annual general meeting of the Company is held or is required by law to be held, the date on which the share buy-backs are carried out to the full extent of the Share Buy-Back Mandate, or the date the said mandate is revoked or varied by the Company in a general meeting;

"**Maximum Price**", in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) which shall not exceed:

(i) in the case of a Market Purchase, five per cent. (5%) above the average of the closing market prices of the Shares over the five (5) Market Days on which transactions in the Shares were recorded before the day on which the Market Purchase was made by the Company and deemed to be adjusted for any corporate action that occurs after the relevant five (5)-day period; and

NOTICE OF ANNUAL GENERAL MEETING

(ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, ten per cent. (10%) above the average of the closing market prices of the Shares over the five (5) Market Days on which transactions in the Shares were recorded before the day on which the Company makes an announcement of an offer under the Off-Market Purchase scheme stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five (5)-day period; and

"**Market Day**" means a day on which the SGX-ST is open for trading in securities;

(d) the number of Shares which may in aggregate be purchased or acquired by the Company during the Relevant Period shall be subject to the Maximum Limit;

(e) the Directors of the Company and/or any of them be and are hereby authorised to deal with the Shares purchased by the Company, pursuant to the Share Buy-Back Mandate in any manner as they think fit, which is permitted under the Companies Act; and

(f) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including without limitation, to execute all such documents as may be required and to approve any amendments, alterations or modifications to any documents), as they and/or he may consider desirable, expedient or necessary to give effect to the transactions contemplated by this Resolution.

(See Explanatory Note 7) **(Resolution 12)**

By Order of the Board

Tan Siew Hua
Company Secretary
Singapore

15 April 2015

NOTICE OF ANNUAL GENERAL MEETING

NOTES:

1. A member of the Company entitled to attend and vote at the AGM is entitled to appoint not more than two proxies to attend and vote instead of the member. A proxy need not be a member of the Company.

2. Where a member appoints more than one proxy, he shall specify the proportion of his shareholding to be represented by each proxy. If no such proportion is specified, the first named proxy may be treated as representing 100% of the shareholding and any second named proxy as an alternate to the first named.

3. If the member is a corporation, the instrument appointing the proxy must be given under its common seal or under the hand of its attorney or its officer duly authorised.

4. The original instrument appointing a proxy, duly executed, must be deposited at the registered office of the Company at 80 Robinson Road #02-00 Singapore 068898 not less than 48 hours before the time appointed for holding the AGM.

Explanatory Notes:

(1) The Resolution 6 above, if passed, will empower the Directors of the Company, 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 or revoked by the Company in a general meeting, whichever is the earlier, to allot and issue Shares, make or grant Instruments and to issue Shares pursuant to such Instruments, without seeking any further approval from shareholders in general meeting but within the limitation imposed by this Resolution, for such purposes as the Directors of the Company may consider would be in the best interests of the Company. The aggregate number of Shares (including Shares to be made in pursuance of Instruments made or granted pursuant to this Resolution) to be allotted and issued would not exceed one hundred per cent (100%) of the total number of issued Shares (excluding treasury shares) at the time of passing of this Resolution. For issue of Shares (including Shares to be made in pursuance of instruments made or granted pursuant to this Resolution) other than on a *pro-rata* basis to all shareholders shall not exceed fifty per cent (50%) of the total number of issued Shares (excluding treasury shares) at the time of the passing of this Resolution.

(2) The Resolution 7 above, 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 QTV 2013 Share Plan, the 2005 Stock Plan and the 2010 Equity Incentive Plan pursuant to the exercise of such outstanding options. Options granted under the 2005 Stock Plan and the 2010 Equity Incentive Plan had been assumed by the Company pursuant to the restructuring exercise entered into prior to the listing of the Company on Catalist. The Company had ceased issuing additional options under the QTV 2013 Share Plan since 25 April 2014. However, subsisting options granted prior to such date are not affected by the discontinuation and remain exerciseable in accordance with the rules of the QTV 2013 Share Plan, the 2005 Stock Plan and the 2010 Equity Incentive Plan.

(3) The Resolution 8 above, 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) offer and grant Options under the terms of the Scheme based on the Ratified Formula and (ii) allot and issue Shares pursuant to the exercise of Options to be granted under the Scheme.

(4) The Resolution 9 above, if passed, will empower the Directors to adopt the Ratified Formula set out in paragraph 2.2 of the Appendix in determining the number of Options to be granted under the Scheme at a point in time. Please refer to paragraph 2 of the Appendix dated 15 April 2015 for more details.

NOTICE OF ANNUAL GENERAL MEETING

(5) The Resolution 10 above, if passed, will empower the Directors to increase the limit on the number of Options to be granted under the Scheme from 15.0% to 18.0% so that the outstanding options (options that have not been either exercised or terminated) under the Scheme, the QTV 2013 Share Plan, the 2010 Equity Incentive Plan and the 2005 Stock Plan (and specifically excluding the QTV Restricted Share Plan) will be subjected to a new limit of 18.0% of the number of issued Shares in the capital of the Company. This will be effected by amending Rules 9(a) and 9(c) of the Scheme in the manner set out in paragraph 3.2 of the Appendix. Further, the Exercise Price payable for each Share in respect of which an Option is exercisable shall be at the Market Price at the date of the grant. This will be effected by amending Rule 5 of the Scheme in the manner set out in paragraph 3.2 of the Appendix. Please refer to paragraph 3 of the Appendix dated 15 April 2015 for more details.

All capitalized terms herein mentioned in this explanatory note 5 not defined in this Notice of AGM shall have the same meanings ascribed to them in the Scheme.

(6) The Resolution 11 above, if passed, will empower the Directors to adopt the QT Vascular Restricted Share Plan 2015 and grant Awards under it. Please refer to paragraph 4 of the Appendix dated 15 April 2015 for more details.

(7) The Resolution 12 above, if passed, will provide the mandate to allow the Company to purchase or otherwise acquire Shares, on the terms and subject to the conditions set out in the Resolution. Please refer to paragraph 5 of the Appendix dated 15 April 2015 for more details.

Personal data privacy:

By submitting an instrument 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.

QT VASCULAR LTD

Company Registration No. 201305911K
(Incorporated in the Republic of Singapore)

ANNUAL GENERAL MEETING
PROXY FORM

I/We, _____ (Name) _____ (NRIC No./Passport No./ Company Registration No.) _____ of _____ (Address) being a member/members of QT Vascular Ltd (the "**Company**"), hereby appoint

Name	Address	NRIC/Passport No.	Proportion of Shareholdings	
			No. of Shares	%

* and/or

Name	Address	NRIC/Passport No.	Proportion of Shareholdings	
			No. of Shares	%

or failing him/her/they, the Chairman of the Annual General Meeting ("**AGM**"), 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 QT Vascular Ltd, 3A International Business Park, #09-10/11/12 ICON @ IBP Tower B, Singapore 609935 on Thursday, 30 April 2015 at 12.00 p.m. and at any adjournment thereof.

*I/We direct *my/our *proxy/proxies to vote for or against the Ordinary Resolutions to be proposed at the AGM as indicated hereunder. If no specified directions as to voting is given, 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.

All resolutions put to the vote of the AGM shall be decided by way of poll.

No.	RESOLUTIONS	For[1]	Against[1]
	ORDINARY BUSINESS		
1.	To receive and adopt the Directors' Report and Audited Financial Statements for the financial year ended 31 December 2014 together with the Auditors' Report thereon.		
2.	To approve the payment of Directors' fees US$216,000/- for the financial year ended 31 December 2014.		
3.	To re-elect Eitan Konstantino who is retiring pursuant to Article 98 of the Company's Articles of Association.		
4.	To re-elect Mark Allen Wan who is retiring pursuant to Article 98 of the Company's Articles of Association.		
5.	To re-appoint KPMG LLP as auditors of the Company for the financial year ending 31 December 2015 and to authorise the Directors to fix their remuneration.		
	SPECIAL BUSINESS		
6.	To approve the authority to allot and issue shares.		
7.	To approve the authority to allot and issue shares pursuant to options granted by the Company under the QTV 2013 Share Plan and assumed by the Company under the 2005 Stock Plan and the 2010 Equity Incentive Plan.		
8.	To approve the authority to allot and issue shares under the 2014 QTV Employee Share Option Scheme.		
9.	To ratify the determination of the limit on the number of options that can be granted under the 2014 QTV Employee Share Option Scheme.		
10.	To approve the proposed amendments to the rules of the 2014 QTV Employee Share Option Scheme.		
11.	To approve the adoption of the QT Vascular Restricted Share Plan 2015.		
12.	To approve the adoption of the Share Buy-Back Mandate.		

[1] *If you wish to exercise all your votes "For" or "Against", please tick "√" within the box provided. Alternatively, please indicate the number of votes as appropriate.*

Dated this _____ day of _____ 2015

Total No. of Shares in	No. of Shares
CDP Register	
Register of Members	

_____
Signature of Member(s) or Common Seal
** Delete accordingly*

IMPORTANT: PLEASE READ NOTES FOR THIS PROXY FORM.

NOTES:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by you.

2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint not more than two proxies to attend and vote on his behalf. Attendance by a member shall invalidate his appointment of proxies.

3. A proxy or attorney need not be a member of the Company.

4. Where a member appoints two proxies, the member must specify the proportion of shareholding (expressed as a percentage of the whole) to be represented by each proxy. If no proportion of shareholdings is specified, the proxy whose name appears first shall be deemed to carry one hundred per cent (100%) of the shareholdings of his/its appointor and the proxy whose name appears after shall be deemed to be appointed as an alternate to the first named.

5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or its officer duly authorised.

6. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney or other authority, that power of attorney or other authority, or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the original instrument of proxy, failing which the instrument may be treated as invalid.

7. The original instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 80 Robinson Road #02-00 Singapore 068898 not less than 48 hours before the time appointed for holding the AGM.

8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with section 179 of the Companies Act, Chapter 50 of Singapore.

GENERAL:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of a member whose shares are entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 15 April 2015.

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QTVascular

(Company Registration No.: 201305911K)
(Incorporated in the Republic of Singapore on 6 March 2013)

QT Vascular Ltd.
80 Robinson Road #02-00, Singapore 068898