Condensed Interim Financial Statements for the three/year months ended 31 December 2021

Pursuant to Rule 705(2C) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist, QT Vascular Ltd. is required by SGX-ST to announce its quarterly financial statements.

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

		Group 3 months ended		
	Note	31 December 2021 US$'000	31 December 2020 US$'000	Change
Revenue	6	–	168	(100)%
Cost of sales		–	(75)	(100)%
Gross profit		–	93	(100)%
Sales and marketing		–	(17)	(100)%
Administrative expenses		(296)	(862)	(65.7)%
Research and development expenses		–	(444)	(100)%
Other income		54	1,225	(95.6)%
Other expenses		(1,887)	(164)	>100%
Results from operating activities		(2,129)	(169)	>100%
Finance income		–	353	(100)%
Finance costs		(24)	–	(100)%
Net finance (costs)/income		(24)	353	NM
(Loss)/Profit before taxation	7	(2,153)	184	NM
Tax expense[1]		–	(2)	(100)%
(Loss)/Profit for the period		(2,153)	182	NM
Other comprehensive loss				
Item that is or may be reclassified subsequently to profit or loss:				
Foreign currency translation differences		207	(607)	NM
Total comprehensive loss for the period		(1,946)	(425)	>100%
(Loss)/Profit attributable to:				
- Owners of the Company		(2,190)	182	NM
- Non-controlling interests		37	–	100%
(Loss)/Profit for the period		(2,153)	182	NM
Total comprehensive loss attributable to:				
- Owners of the Company		(1,983)	(425)	>100%
- Non-controlling interests		37	–	100%
Total comprehensive loss for the period		(1,946)	(425)	>100%
(Loss)/Earnings per share for the (loss)/profit attributable to the owners of the Company during the period:				
Basic (USD)	16	(0.0009)	0.0001	
Diluted (USD)	16	(0.0009)	0.0001	

NM denotes not meaningful

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONT'D)

	Note	Group 12 months ended 31 December 2021 US$'000	31 December 2020 US$'000	Change
Revenue	6	–	557	(100)%
Cost of sales		–	(616)	(100)%
Gross loss		–	(59)	(100)%
Sales and marketing		–	(10)	(100)%
Administrative expenses		(2,419)	(3,425)	(29.4)%
Research and development expenses		–	(4,024)	(100)%
Other income		420	411	2.2%
Other expenses		(1,887)	(164)	>100%
Results from operating activities		(3,886)	(7,271)	(46.6)%
Finance costs		(54)	(304)	(82.2)%
Net finance costs		(54)	(304)	(82.2)%
Loss before taxation	7	(3,940)	(7,575)	(48.0)%
Tax expense[1]		–	(2)	(100)%
Loss for the year		(3,940)	(7,577)	(48.0)%
Other comprehensive loss				
Item that is or may be reclassified subsequently to profit or loss:				
Foreign currency translation differences		253	(123)	NM
Total comprehensive loss for the year		(3,687)	(7,700)	(52.1)%
Loss attributable to:				
- Owners of the Company		(3,845)	(7,577)	(49.3)%
- Non-controlling interests		(95)	–	100%
Loss for the year		(3,940)	(7,577)	(48.0)%
Total comprehensive loss attributable to:				
- Owners of the Company		(3,592)	(7,700)	(53.3)%
- Non-controlling interests		(95)	–	100%
Total comprehensive loss for the year		(3,687)	(7,700)	(52.1)%
Loss per share for the loss attributable to the owners of the Company during the year:				
Basic (USD)	16	(0.0017)	(0.0030)	
Diluted (USD)	16	(0.0017)	(0.0030)	

NM denotes not meaningful

Note:

1 The tax expense of the Group is pending the assessment of corporate tax which is determined on an annual basis.

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Note	Group 31 December 2021 US$'000	Group 31 December 2020 US$'000	Company 31 December 2021 US$'000	Company 31 December 2020 US$'000
Assets:					
Plant and equipment		–	–	–	–
Intangible assets	9	–	1,464	–	40
Investment in subsidiaries	10	–	–	–	12,624
Other investment		–	255	–	255
Right-of-use assets		366	41	–	–
Other non-current assets		36	94	–	–
Non-current assets		402	1,854	–	12,919
Trade and other receivables		22	588	17	200
Cash and cash equivalents		255	970	5	29
Current assets		277	1,558	22	229
Total assets		679	3,412	22	13,148
Equity:					
Share capital	13	174,530	173,182	174,530	173,182
Reserves		3,555	3,866	5,777	4,638
Accumulated losses		(179,824)	(176,294)	(182,002)	(166,384)
Equity attributable to owners of the Company		(1,739)	754	(1,695)	11,436
Non-controlling interests	14	(184)	–	–	–
Total equity		(1,923)	754	(1,695)	11,436
Liabilities:					
Lease liabilities		229	–	–	–
Non-current liabilities		229	–	–	–
Loans and borrowings	11	360	1,000	360	1,000
Trade and other payables	12	1,862	1,613	1,357	712
Lease liabilities		151	45	–	–
Current liabilities		2,373	2,658	1,717	1,712
Total liabilities		2,602	2,658	1,717	1,712
Total equity and liabilities		679	3,412	22	13,148

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

Group	Attributable to owners of the Company								
	Ordinary 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	Attributable to equity holders of the Company US$'000	Non-controlling interests US$'000	Total equity US$'000
At 1 January 2020	173,182	(1,385)	(77)	(3,715)	9,229	(168,717)	8,517	–	8,517
Total comprehensive loss for the year									
Loss for the year	–	–	–	–	–	(7,577)	(7,577)	–	(7,577)
Other comprehensive loss									
Foreign currency translation differences	–	–	–	(123)	–	–	(123)	–	(123)
Total comprehensive loss for the year	–	–	–	(123)	–	(7,577)	(7,700)	–	(7,700)
Contribution by and distribution to owners									
Share-based payment transactions	–	–	–	–	(63)	–	(63)	–	(63)
Total contribution by and distribution to owners	–	–	–	–	(63)	–	(63)	–	(63)
at 31 December 2020	173,182	(1,385)	(77)	(3,838)	9,166	(176,294)	754	–	754
At 1 January 2021	173,182	(1,385)	(77)	(3,838)	9,166	(176,294)	754	–	754
Total comprehensive loss for the year									
Loss for the year	–	–	–	–	–	(3,845)	(3,845)	(95)	(3,940)
Other comprehensive loss									
Foreign currency translation differences	–	–	–	253	–	–	253	–	253
Total comprehensive loss for the year	–	–	–	253	–	(3,845)	(3,592)	(95)	(3,687)
Contribution by and distribution to owners									
Shares issued pursuant to exercise of share options	146	–	–	–	–	–	146	–	146
Shares issued pursuant to settlement of loans and payables	1,202						1,202	–	1,202
Partial disposal of interests in a subsidiary to non-controlling interests (see Note 10)	–	–	–	–	–	315	315	(89)	226
Share-based payment transactions	–	–	–	–	(564)	–	(564)	–	(564)
Total contribution by and distribution to owners	1,348	–	–	–	(564)	315	1,099	(89)	1,010
at 31 December 2021	174,530	(1,385)	(77)	(3,585)	8,602	(179,824)	(1,739)	(184)	(1,923)

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

	Attributable to owners of the Company							
Company	**Ordinary shares US$'000**	**Other reserve US$'000**	**Reserve for own shares US$'000**	**Capital contribution US$'000**	**Translation reserve US$'000**	**Share-based payment reserve US$'000**	**Accumulated losses US$'000**	**Total equity US$'000**
At 1 January 2020	173,182	(32,390)	(77)	33,124	(5,994)	9,229	(156,743)	20,331
Total comprehensive loss for the year								
Loss for the year	–	–	–	–	–	–	(9,641)	(9,641)
Other comprehensive loss								
Foreign currency translation differences	–	–	–	–	(123)	–	–	(123)
Total comprehensive loss for the year	–	–	–	–	(123)	–	(9,641)	(9,764)
Contribution by and distribution to owners								
Share-based payment transactions	–	–	–	–	–	(63)	–	(63)
Capital contribution pursuant to capitalisation of intercompany debts	–	–	–	932	–	–	–	932
Total contribution by and distribution to owners	–	–	–	932	–	(63)	–	869
At 31 December 2020	173,182	(32,390)	(77)	34,056	(6,117)	9,166	(166,384)	11,436
At 1 January 2021	173,182	(32,390)	(77)	34,056	(6,117)	9,166	(166,384)	11,436
Total comprehensive loss for the year								
Loss for the year	–	–	–	–	–	–	(15,618)	(15,618)
Other comprehensive loss								
Foreign currency translation differences	–	–	–	–	1,703	–	–	1,703
Total comprehensive loss for the year	–	–	–	–	1,703	–	(15,618)	(13,915)
Contribution by and distribution to owners								
Shares issued pursuant to exercise of share options	146	–	–	–	–	–	–	146
Share-based payment transactions	–	–	–	–	–	(564)	–	(564)
Shares issued pursuant to settlement of loans and payables	1,202	–	–	–	–	–	–	1,202
Total contribution by and distribution to owners	1,348	–	–	–	–	(564)	–	784
At 31 December 2021	174,530	(32,390)	(77)	34,056	(4,414)	8,602	(182,002)	(1,695)

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Group 12 months ended 31 December 2021 US$'000	31 December 2020 US$'000
Cash flows from operating activities		
Receipts from customers	2,478	1,055
Payments to suppliers and employees	(3,478)	(7,050)
Total net cash used in operating activities	(1,000)	(5,995)
Cash flows from investing activities		
Cash receipts from disposal of assets to Medtronic, Inc.	–	400
Cash receipts from disposal of assets to Teleflex, Inc.	–	951
Cash receipts from disposal of assets to G Vascular Private Limited	–	3,900
Total net cash from investing activities	–	5,251
Cash flows from financing activities		
Proceeds from short-term loans	121	1,000
Proceeds from issuance of shares due to exercise of share options	146	–
Proceeds from non-controlling interest	269	–
Interest paid	–	(13)
Payment of lease liabilities	(203)	(354)
Payment of short-term loans	(44)	(363)
Total net cash from financing activities	289	270
Net decrease in cash and cash equivalents	(711)	(474)
Effect of exchange rate changes on cash and cash equivalents	(4)	(60)
Cash and cash equivalents at beginning of year	970	1,504
Cash and cash equivalents at end of year	255	970

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

1 General Information

QT Vascular Ltd. (the "**Company**") is a public limited liability company incorporated and domiciled in Singapore and whose shares are publicly traded on the Catalist board of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). These condensed interim consolidated financial statements as at and for the three months and full year ended 31 December 2021 comprise the Company and its subsidiaries (collectively, the "**Group**").

The principal activities of the Company are those of investment holding. The principal activities of the subsidiaries are:

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

2 Basis of Preparation

The condensed interim financial statements for the three months and full year ended 31 December 2021 have been prepared in accordance with Singapore Financial Reporting Standard (International) ("**SFRS(I)**") 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last interim financial statements for the period ended 30 September 2021.

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

The condensed interim financial statements are presented in United States dollar which is the Company's functional currency.

2.1 Going concern assumption

For the year ended 31 December 2021 ("**FY2021**"), the Group incurred a loss attributable to owners of the Company and a total comprehensive loss attributable to owners of the Company of US$3,845,000 (31 December 2020: US$7,577,000) and US$3,592,000 (31 December 2020: US$7,700,000), respectively, and has net cash used in operating activities of US$1,000,000 (31 December 2020: US$5,995,000). As at 31 December 2021, the Group and the Company have (i) net current liabilities of US$2,096,000 (31 December 2020: US$1,100,000) and US$1,695,000 (31 December 2020: US$1,483,000), and (ii) negative equity attributable to owners of the Company of US$1,739,000 (31 December 2020: equity attributable to owners of the Company US$754,000) and US$1,695,000 (31 December 2020: equity attributable to owners of the Company of US$11,436,000) respectively.

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

Notwithstanding the above, the directors of the Company believe that the use of the going concern assumption in the preparation and presentation of the condensed interim consolidated financial statements for the financial period ended 31 December 2021 is appropriate after taking into account the following considerations:

i. Management is of the view that the Group will have sufficient working capital for at least the next 12 months from the date of these condensed interim consolidated financial statements and will be able to meet its obligations as and when they fall due based on the Group's cash flow forecast;
ii. Management will continue to implement comprehensive cost-containment measures and does not expect the Group to have any significant commitments that will require significant cash outflow in the next 12 months other than those incurred in the ordinary course of business;
iii. As announced on 8 December 2021, the outstanding short-term loans with third parties of US$1,033,842 was partially settled by an amount of US$700,000 with the Company's shares and the remaining outstanding loan of US$333,842 will be interest bearing at 8% per annum, repayable on demand and secured over the Company's remaining 50% plus one share shareholding in TriReme Medical, LLC ("**TMI US**");
iv. On 13 January 2022, following the receipt of shareholders approval at an extraordinary general meeting held on 8 January 2022, the Company announced that it had:
    (a) completed the acquisition of 60% of the entire issued and paid-up share capital of Asia Dental Group Pte. Ltd. and its subsidiaries (the "**Proposed Acquisition**"); and
    (b) received a gross cash injection of S$7.3 million (of which S$4.3 million will be used as general working capital) from certain investors following the issuance of an aggregate of 4,055,555,556 new shares (the "**Proposed Subscription**")

    (together with the Proposed Diversification, the Proposed Transfer of Controlling Interest and the Proposed Distribution collectively, the "**Proposed Transactions**"); and
v. Management continues to explore the possibility of corporate actions involving entering into potential acquisition opportunities to generate new sources of revenue and/or fund-raising exercises.

Some of the above considerations are premised on future events which are inherently uncertain. In the event that the Group and the Company are unable to continue as going concerns, the Group and the Company may be unable to discharge their liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are recorded in the statement of financial position. In addition, the Group and the Company may have to provide for further liabilities that might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. No such adjustments have been made to these interim condensed consolidated financial statements as at 31 December 2021.

2.2 New and amended standards adopted by the Group

The Group has adopted all the applicable new SFRS(I) and Interpretations of SFRS(I) ("**INT SFRS(I)**") that are relevant to its operations and effective for annual periods beginning on 1 January 2021. The adoption of these new and revised SFRS(I) and INT SFRS(I) did not result in any substantial change to the Group's accounting policies and had no material effect on the disclosures or amounts reported in these condensed interim consolidated financial statements.

2.3 Use of judgement and estimates

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

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for FY2020 (as defined below).

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

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 condensed interim consolidated financial statements are:

- Note 9 – impairment test of intangible assets: underlying key assumptions
- Note 10 – impairment test of investment in subsidiaries: underlying key assumptions

3. Seasonal operations

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

4. Operating segments

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

Geographical segments

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

	Revenue			
	3 months ended		12 months ended	
Group	31 December 2021 US$'000	31 December 2020 US$'000	31 December 2021 US$'000	31 December 2020 US$'000
United States of America	–	142	–	478
Europe	–	26	–	79
	–	168	–	557

4. Operating segments (cont'd)

Geographical segments (cont'd)

Group	Non-current assets	
	31 December 2021 US$'000	31 December 2020 US$'000
United States of America	398	1,483
Singapore	4	371
	402	1,854

There was no revenue generated during the three/twelve months ended 31 December 2021 as there were no sales to Teleflex, Inc. following the cessation of the product manufacturing and supply agreement as at 31 December 2020.

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 December 2021 and 31 December 2020:

	Group		Company	
	31 December 2021 US$'000	31 December 2020 US$'000	31 December 2021 US$'000	31 December 2020 US$'000
Financial Assets				
Other non-current assets	36	94	–	–
Amount due from subsidiaries	–	–	–	12,201
Cash and bank balances	255	970	5	29
Trade and other receivables (excluding prepayments)	2	354	–	–
	293	1,418	5	12,230
Financial Liabilities				
Trade and other payables (excluding accrued payroll and other related costs)	(1,689)	(1,143)	(1,357)	(712)
Loans and borrowings	(360)	(1,000)	(360)	(1,000)
Loans due to a subsidiary – capital contribution	–	–	–	(34,056)
Lease liabilities	(151)	(45)	–	–
	(2,200)	(2,188)	(1,717)	(35,768)
Net financial liabilities	(1,907)	(770)	(1,712)	(23,538)

6. Revenue from Contracts with Customers

Disaggregation of revenue from contract with customers

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

	3 months ended		12 months ended	
	31 December 2021 US$'000	31 December 2020 US$'000	31 December 2021 US$'000	31 December 2020 US$'000
Type of good or services				
Sale of goods	–	168	–	557
Timing of transfer of good or services				
At a point in time	–	168	–	557

7. (Loss)/Profit before taxation

7.1 Significant items

	Group			
	3 months ended		12 months ended	
	31 December 2021 US$'000	31 December 2020 US$'000	31 December 2021 US$'000	31 December 2020 US$'000
Depreciation of plant and equipment	–	(18)	–	(63)
Amortization of intangible assets	–	(15)	–	(151)
Impairment of intangible assets	(1,464)	–	(1,464)	–
Exchange (loss)/gain	(2)	392	(28)	(29)
Equity-settled share-based payment transactions	–	(14)	564	63
Interest expense	(22)	(39)	(26)	(275)

8. Net (Liability)/Asset Value

	Group		Company	
	31 December 2021 US$	31 December 2020 US$	31 December 2021 US$	31 December 2020 US$
Net (liability)/asset value per ordinary share [(1), (2)]	(0.0008)	0.0003	(0.0007)	0.005

Notes:

(1) The net (liability)/asset value per ordinary share of the Group is calculated based on net liabilities of US$1,923,000 as at 31 December 2021 (31 December 2020: net assets of US$754,000). The net (liability)/asset value per ordinary share of the Company is calculated based on net liabilities of US$1,695,000 as at 31 December 2021 (31 December 2020: net assets of US$11,436.000).

(2) For both the Group and the Company, the net asset value per ordinary share were calculated based on 2,559,739,174 ordinary shares in issue as at 31 December 2021 and 2,235,271,500 ordinary shares in issue as at 31 December 2020.

9. Intangible assets

Group	Intellectual property US$'000	Developed technology in progress US$'000	Total US$'000
At 31 December 2020			
Opening net book amount	372	1,426	1,798
Accumulated amortisation and impairment	(332)	(2)	(334)
Closing net book amount	40	1,424	1,464
At 31 December 2021			
Opening net book amount	40	1,424	1,464
Impairment loss	(40)	(1,424)	(1,464)
Closing net book amount	–	–	–
Company			
At 31 December 2020			
Opening net book amount	40	–	40
Closing net book amount	40	–	40
At 31 December 2021			
Opening net book amount	40	–	40
Addition	–	1,409*	1,409
Impairment loss	(40)	(1,409)	(1,449)
Closing net book amount	–	–	–

* The intangible asset addition of US$1.4 million at the Company level was due to the transfer of the Chocolate Heart™ product line from TMI US following the entry into the Proposed US Transactions on 5 May 2021.

Impairment of intangible assets

As at 31 December 2021, the recoverability of the Group's and the Company's intangible assets is measured by comparing the carrying amount of the intangible assets to the recoverable amount.

Based on the assessment performed by management as at 31 December 2021, management concluded that full impairment loss is to be recognised for the Group's and the Company's intangible assets as the carrying amount of the respective intangible asset is assessed to be not recoverable in light of the future business plans of the Group and the Company.

10. Investment in Subsidiaries

	Company	
	31 December 2021 US$'000	31 December 2020 US$'000
Unquoted shares in subsidiaries, at costs	423	423
Amount due from subsidiaries:		
- waiver of loans to subsidiaries	73,352	74,742
- amounts due from subsidiaries	47,389	47,559
- capital contributions related to share-based payment awards	8,839	8,839
	129,580	131,140
Less: Allowance for impairment loss	(130,003)	(118,939)
	(423)	12,201
	–	12,624

10. Investment in Subsidiaries (cont'd)

Interest in a subsidiary with material non-controlling interests

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

Name of subsidiary	Place of incorporation and principal place of business	Proportion of ownership interests	
		31 December 2021	31 December 2020
TMI US	United States of America	50% plus 1 share	100%

	Loss allocated to non-controlling interests 31 December 2021 US$'000	Accumulated non-controlling interests 31 December 2021 US$'000
TMI US	95	(184)

The summarized financial information below for TMI US represents amounts before intragroup eliminations.

TMI US	31 December 2021 US$'000
Current assets	251
Non-current assets	409
Current liabilities	(498)
Non-current liabilities	(229)
Equity attributable to owners of the Company	(18)
Non-controlling interests	(186)
Revenue	–
Expenses	(487)
Loss for the year	(487)
Loss attributable to owners of the Company	(392)
Loss attributable to the non-controlling interests	(95)
Loss for the year	(487)
Total comprehensive loss attributable to owners of the Company	(392)
Total comprehensive loss attributable to non-controlling interests	(95)
Total comprehensive loss for the year	(487)
Net cash outflow from operating activities	(704)
Net cash inflow from financing activities	66
Net cash outflow	(638)

There is no comparative financial information presented for the corresponding period of the immediately preceding financial year as the Company only diluted its interest in TMI US in 16 July 2021 (see below for more details). Prior to July 2021, TMI US was a wholly owned subsidiary of the Company and the Group did not have any non-controlling interests.

10. Investment in Subsidiaries (cont'd)

Change in the Group's ownership interest in TriReme Medical, LLC

On 16 July 2021, the Group diluted approximately 50% of its interests in TMI US, reducing its continuing interest to 50% plus 1 share. A portion of the proceeds of the disposal of US$166,158 were offset against an existing loan owing to MDIE Pte. Ltd.

An amount of US$89,000 (being the proportionate share of the carrying amount of the net liabilities of TMI US) has been transferred to non-controlling interests (see Note 14 Non-controlling interests). The difference of US$315,000 between the increase in non-controlling interests and the consideration received has been credited to accumulated losses.

The following summarises the effect of the change in the Group's ownership interest in TMI US on the equity attributable to owners of the Company:

	31 December 2021 US$'000
Proceeds from sale of 50% ownership interests	226
Net liabilities attributable to non-controlling interests	89
Increase in equity attributable to the Company	315

11. Loans and borrowings

	Secured		Unsecured	
	31 December 2021 US$'000	31 December 2020 US$'000	31 December 2021 US$'000	31 December 2020 US$'000
Group and Company				
Amount repayable within one year or less or on demand:				
Loans and borrowings	334	–	26	1,000

As at 31 December 2021, there are no loans and borrowings that are repayable after one year.

Details of loans and borrowings

During the year, a short-term loan of US$1,000,000 was partially settled by an amount of US$666,000 and the remaining outstanding loan of US$334,000 is repayable on demand and secured over the Company's remaining 50% plus one share shareholding in TMI US.

All loans outstanding as at 31 December 2021 incurs an interest rate charge of 8% per annum. The loan outstanding as at 31 December 2020 was interest free.

12. Trade and other payables

	Group		Company	
	31 December 2021 US$'000	31 December 2020 US$'000	31 December 2021 US$'000	31 December 2020 US$'000
Trade payables	514	6	–	–
Accruals	1,101	1,408	682	615
Non-trade payables	247	115	675	97
Other payables	–	84	–	–
	1,862	1,613	1,357	712

13. Share capital

	Group and Company			
	31 December 2021		31 December 2020	
	Number of ordinary shares '000	US$'000	Number of ordinary shares '000	US$'000
Issued and fully paid:				
As at 1 October 2021 and 1 January 2020	2,239,453	173,200	2,235,271	173,182
Shares issued pursuant to exercise of share options under QTV 2013 Share Plan on 18 November 2021	28,853	128	–	–
Shares issued pursuant to vesting of share awards on 10 December 2021	30,000	–	–	–
Shares issued pursuant to settlement of loans and payables on 10 December 2021	261,433	1,202	–	–
As at 31 December 2021 and 31 December 2020	2,559,739	174,530	2,235,271	173,182

The Company does not hold any treasury shares as at 31 December 2021 and 31 December 2020.

The Company's subsidiaries do not hold any shares in the Company as at 31 December 2021 and 31 December 2020.

As at 31 December 2021, the issued and paid-up share capital excluding treasury shares of the Company comprised 2,559,739,174 (31 December 2020: 2,235,271,500) ordinary shares.

14. Non-controlling interests

	Group 31 December 2021 US$'000
Balance at beginning of the year	–
Share of loss for the period	95
Partial disposal of interest in TMI US to non-controlling interests, without loss of control (Note 10)	89
Balance at end of the year	184

15. Outstanding Convertibles

Save as disclosed below, there were no outstanding convertibles held by the Company as at 31 December 2021 and 31 December 2020.

	As at 31 December 2021	As at 31 December 2020
(A) Options[1]		
Number of unexercised Options	22,504,160	76,123,027
Maximum number of shares that may be issued on exercise of all unexercised Options ("**Maximum Issuable Option Shares**")	22,504,160	76,123,027
Maximum Issuable Option Shares as a % of Company's issued share capital as at the end of the respective financial periods	0.9%	3.4%
(B) Share Awards[2]		
Number of Share Awards granted but not yet vested ("**Unvested Share Awards**")	1,241,544	5,905,743
Total number of shares which are the subject of Unvested Share Awards ("**Maximum Issuable Awards Shares**")	1,241,544	5,905,743
Maximum Issuable Awards Shares as a % of Company's issued share capital as at the end of the respective financial periods	0.05%	0.26%
(C) Warrants[3]		
Number of unexercised Warrants	35,000,000	35,000,000
Maximum number of shares that may be issued on exercise of all unexercised Warrants ("**Maximum Issuable Warrants Shares**")	35,000,000	35,000,000
Maximum Issuable Warrants Shares as a % of Company's issued share capital as at the end of the respective financial periods	1.37%	1.57%
Maximum number of Shares that may be issued on conversion of all Outstanding Convertibles ("Maximum Issuable Shares")	**58,745,704**	**117,028,770**
Maximum Issuable Shares as a % of Company's issued share capital as at the end of the respective financial periods	**2.3%**	**5.2%**

Notes:

1. Options issued under the following share plans:
   i. 2005 Stock Plan of TriReme Medical, LLC, a wholly owned subsidiary of the Group ("**2005 Stock Plan**").
   ii. 2010 Equity Incentive Plan of Quattro Vascular Pte. Ltd., a wholly owned subsidiary of the Group ("**2010 Equity Incentive Plan**").

15. Outstanding Convertibles (cont'd)

Notes:

1. Options issued under the following share plans:
   iii. 2013 QTV Share Plan.
   iv. 2014 QTV Employee Share Option Scheme.

   The Company had ceased the issuance of options under the 2005 Stock Plan, 2010 Equity Incentive Plan and QTV 2013 Share Plan after the close of placement of shares in relation to its IPO on 25 April 2014.

2. Share awards granted under the QT Vascular Restricted Share Plan 2015.

3. Unlisted warrants issued to GEM Global Yield Fund LLC SCS on 4 May 2017 ("**Warrants**"). Each Warrant carry the right to subscribe for 1 new Share at an exercise price of S$0.10 for each new Share and is exercisable within five years from the date of the issuance of the Warrants – 4 May 2017.

16. Loss per share

	3 months ended		12 months ended	
Group	**31/12/2021**	**31/12/2020**	**31/12/2021**	**31/12/2020**
(Loss)/Profit for the period/year attributable to owners of the Company **(US$'000)** used to compute:				
- Basic loss per share	(2,190)	182	(3,845)	(7,577)
- Diluted loss per share	(2,190)	182	(3,845)	(7,577)
Weighted average number of ordinary shares **('000)** used to compute:				
- Basic loss per share	2,322,942	2,171,181	2,259,786	2,171,181
- Diluted loss per share	2,322,942[(1)]	2,171,181[(1)]	2,259,786[(1)]	2,171,181[(1)]
(Loss)/Earnings per share **(US$)**				
(a) Based on the weighted average number of ordinary shares	(0.0009)	0.0001	(0.0017)	(0.0035)
(b) On a fully diluted basis[(1)]	(0.0009)	0.0001	(0.0017)	(0.0035)

Note:

(1) For the three and twelve months ended 31 December 2020 and 31 December 2021, the basic and diluted loss per share were the same as the outstanding options and warrants are anti-dilutive as the effect of the share conversions for any outstanding options and warrants would be to decrease the loss per share.

17. Subsequent event

On 13 January 2022, the Company announced that it had completed the Proposed Transactions following the approval received from shareholders at the extraordinary general meeting held on 8 January 2022 (refer to Note 2.1(iv) for more details).

Following the approval of the Proposed Transactions, the Company will diversify the Group's core business to include:

(a) provision of dental services;
(b) provision of operations management and consultancy services to certain government entities and/or corporate clients;
(c) research, develop and design of medical equipment and other related products including but not limited to geriatric medical rehabilitation equipment and medical equipment for use in hospitals as well as for emergency and rescue ("**Medical Equipment**");
(d) engaging in the trading, manufacturing, distributing and/or marketing of these Medical Equipment; and
(e) the medical and wellness business, which includes the provision of general and specialized medical care including but not limited to the fields of aesthetics and wellness services.

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

Other Information Required by Catalist Rule Appendix 7C

A. Review

The condensed consolidated statement of financial position of the Company and its subsidiaries as at 31 December 2021 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the three/twelve-month period then ended and explanatory notes have not been audited or reviewed.

The Company's auditors for the financial year ended 31 December 2020 ("**FY2020**"), Moore Stephens LLP, had issued a disclaimer of opinion on the Group's financial statements for FY2020 as highlighted on pages 47 and 48 of the Company's Annual Report for FY2020.

Update on efforts to resolve accounting issue arising from the latest audited financial statements for FY2020

Efforts taken to resolve each outstanding audit issue are as follows:

(i) Recoverability of the Group's intangible assets

Please refer to Note 9 for management's assessment of the recoverability of the Group's intangible assets as at 31 December 2021.

(ii) Recoverability of the Company's investment in subsidiaries

The Company continues to monitor the carrying amount of its investment in subsidiaries which is linked to the intangible assets assessment indicated in Note 9 as the value of the Company's subsidiaries are supported by the value of the intangible assets held by the respective subsidiaries. As at 31 December 2021, the Company had recognised an additional allowance for impairment loss for its investment in subsidiaries amounting to approximately US$11.1 million, as highlighted in Note 10, based on management's assessment following the full impairment loss recognised on the Group and the Company's intangible assets during the period.

(iii) Material uncertainty related to going concern

Please refer to Note 2.1 for the steps taken by management to address the going concern assumption of the Group as at 31 December 2021.

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

B. Review of performance of the Group

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

FY2021 vs FY2020

The Group did not record any revenue and cost of sales for the year ended 31 December 2021 ("**FY2021**") as there were no sales to Teleflex, Inc. following the cessation of the product manufacturing and supply agreement as at 31 December 2020.

As a result of the above, the Group did not record any gross loss or profit for FY2021 as compared to a gross loss of US$59,000 in the year ended 31 December 2020 ("**FY2020**").

In FY2021, the Group's loss before taxation decreased by US$3,635,000 mainly due to the following reasons:

- Our administrative expenses decreased by US$1.0 million in FY2021 mainly due to reduction in overall spending resulting from progressive cost cutting measures implemented since the financial year ended 31 December 2017. US$0.5 million of this decrease was attributable to reversal of equity-settled share-based payment transactions relating to share awards/share options that had lapsed/cancelled;

- There was no research and development expenses incurred upon completion of the disposal of Chocolate Touch® in 28 August 2020 to G Vascular Pte. Ltd.;

- Other income increased mainly due to recharge of lease and services to Expanse Medical, Inc. ("**Expanse Medical**") since May 2021. The increase was partially offset by the reduction in grants received as well as the service income charged to Teleflex, Inc.;

- The increase in other expenses by US$1,723,000 was mainly due to the impairment losses recognised on the Group's (i) intangible assets of approximately US$1,464,000 and (ii) investment in Sano V Pte Ltd of $255,000. There was no such expense recorded in FY2020;

- Finance cost position decreased by US$250,000 during FY2021 mainly due to decrease in interest expenses accrued for a third-party loan of US$249,000 which reduced from US$275,000 in FY2020 to US$26,000 in FY2021 after repayment was made as well as the conversion of the loan from interest bearing to non-interest bearing during the year;

- Depreciation of plant and equipment decreased by US$63,000, or 100% as all of the Group's assets were fully depreciated in FY2020; and

- Amortisation of intangible assets decreased by US$151,000 as none of the existing intangible assets were required to be amortised.

Condensed statements of financial position

Group	As at 31 December 2021 US$'000	As at 31 December 2020 US$'000	Change %
Non-current assets	402	1,854	(78.3)%
Current assets	277	1,558	(82.2)%
Total assets	679	3,412	(80.0)%
Total equity	(1,923)	754	NM
Non-current liabilities	229	–	100%
Current liabilities	2,373	2,658	(10.7)%
Total liabilities	2,602	2,658	(2.1)%

Our non-current assets decreased by US$1,452,000 mainly due to:

(i) impairment loss of US$1,464,000 recognised on the Group's intangible assets;
(ii) impairment loss of US$255,000 recognised on the Group's other investment in Sano V Pte Ltd.;
(iii) decrease of other non-current assets of US$58,000 due to decrease in amount of security deposit for leased units; and
(iv) partially offset by the increase in right-of-use assets in relation to the Group's office rental leases of US$325,000.

Our current assets decreased by US$1,281,000 mainly due to:

(i) decrease in cash and cash equivalents of US$715,000 due to reasons presented in the cashflow analysis below; and
(ii) decrease in trade and other receivables of US$566,000 mainly due to collection of trade receivables from customers.

Our non-current liabilities increased by US$229,000 due to the accounting recognition of lease liabilities following the lease renewal by TMI US in March 2021.

Our current liabilities decreased by US$285,000 mainly due to:

(i) decrease in loans and borrowings of approximately US$666,000 due to partial loan settlement as highlighted in Note 11;
(ii) the decrease in current liabilities is partially offset by the following increases:
    a. lease liabilities in relation to the Group's office rental leases of approximately US$106,000;
    b. trade and other payables and accrued expenses of approximately US$249,000 mainly due to professional services fees incurred in relation to the Proposed Transactions; and
    c. increase in loans and borrowings of approximately US$26,000.

The Group has undertaken the steps highlighted in Note 2.1 to address the Group's negative working capital of US$2,096,000 and deficit in shareholders' equity of US$1,923,000 as at 31 December 2021. The Board confirms that the Group will be able to meet its short-term debt obligations when they fall due based on the implementation of the aforementioned steps and continue to operate as a going concern and confirmed that all material disclosures have been provided for trading of the Company's shares to continue in an orderly manner.

Condensed consolidated statement of cash flows

The Group recorded cash outflows from operating activities of US$1,000,000 for FY2021 due mainly to payments made to our suppliers and employees of US$3,478,000. The cash outflows from operating activities are partially offset by the receipts from customers amounting to approximately US$2,478,000.

Net cash from financing activities for FY2021 was approximately US$289,000 which is mainly due to proceeds received from (i) non-controlling interests for its investment in TMI US of US$269,000, (ii) short-term loans from third parties of US$121,000 and (iii) issuance of shares due to exercise of share options of US$146,000. The cash from financing activities were offset by (i) lease payments made during the period to third party lessors of US$203,000 and (ii) repayment of short-term loans of US$44,000.

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

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

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

The global situation in relation to the COVID-19 pandemic is still uncertain with some countries experiencing subsequent infections. This may have an impact on the Company's future potential strategic plans in respect of fund-raising activities due to the current weak economy and volatile market conditions. However, the Company will continue to monitor our operational business performance and costs and will respond accordingly where appropriate and necessary to adapt to the changing business environment.

Following the completion of the Proposed Transactions on 13 January 2022, the Company continues to actively explore various strategic options. The Company will update shareholders via SGXNET as and when there are any material developments on the aforementioned.

E. Dividend information

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

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

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

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

Not applicable.

(ii) Previous corresponding period (cents)

Not applicable.

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

Not applicable.

E. Dividend information (cont'd)

(d) The date the dividend is payable

Not applicable.

(e) Books closure date

Not applicable.

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

No dividends have been declared or recommended for the current reporting period as the Company wishes to retain the available funds for its working capital.

F. Interested person transactions

On 30 April 2021, the Company had obtained a general mandate for interested party transactions in respect of future transactions with Expanse Medical, a company wholly-owned by a director of the Company. The aggregate value of such transactions under the general mandate with Expanse Medical are as follows:

Name of Interested Person	Nature of Relationship	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)
		Twelve months ended 31 December 2021 US$'000	**Twelve months ended 31 December 2021 US$'000**
Expanse Medical	Associate of Mr. Konstantino*	Nil	161

* Mr Eitan Konstantino was the CEO of the Company up to 30 November 2021.

The interested person transactions with Expanse Medical during FY2021 were mainly other income arising from recharges for rental, salary and use of facilities and equipment to Expanse Medical.

G. Use of proceeds from share subscription

On 25 May 2021, the Company announced that it had entered into a subscription agreement with three investors to subscribe for an aggregate of 4,055,555,556 new shares in the capital of the Company at an issue price of S$0.0018 per share amounting to a total cash consideration of S$7.3 million ("**Gross Proceeds**") subject to the satisfaction of the terms and conditions in the subscription agreement. On 13 January 2022, the Company announced the completion of the proposed share subscription.

G. Use of proceeds from share subscription (cont'd)

As at the date of this announcement, the Gross Proceeds have been utilized as follows:

	Allocation of Gross Proceeds received S$'000	Amount utilised S$'000	Balance S$'000
General working capital purposes (1)	4,300*	(899)	3,401
Partial financing of the acquisition of dental group	3,000	(3,000)	–
Total	7,300	(3,899)	3,401

(1) A breakdown on the Gross Proceeds utilised for general working capital purposes is as follows:

	S$'000
Payment of salaries and wages	136
Payment to suppliers	728
Repayment of loan	35
Total	899

The use of proceeds is consistent with the Company's proposed use of funds as set out in the Company's circular dated 24 December 2021.

*Includes estimated expenses of S$1.1million.

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

Save as disclosed, the Company did not incorporate, acquire, dispose or realize any shares in subsidiaries pursuant to Catalist Rule 706A during the year ended 31 December 2021.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

I. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments

Please refer to review of performance of the Group above.

J. A breakdown of sales

	Group		
	Year ended		
	31 December 2021	31 December 2020	Increase / (Decrease)
	US$'000	US$'000	%
(a) Sales reported for the first half year	–	244	(100)%
(b) Operating loss after tax before deducting non-controlling interests reported for first half year	(1,060)	(4,755)	(77.7)%
(c) Sales reported for the second half year	–	313	(100)%
(d) Operating loss after tax before deducting non-controlling interests reported for second half year	(2,880)	(2,822)	2.1%

K. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Not applicable. No dividend has been declared or recommended for the financial years ended 31 December 2021 and 31 December 2020.

L. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Pursuant to Rule 704(10) of the Listing Manual Section B: Rules of Catalist of the SGX-ST, none of the employees occupying managerial positions in QT Vascular Ltd. (the "Company") or any of its principal subsidiaries are relatives of the Directors or Chief Executive Officer or Substantial Shareholders of the Company.

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

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

By order of the Board of Directors

Thomas Tan Gim Chua
Executive Director and
Chief Executive Officer

Singapore
1 March 2022

This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. ("Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Ms Lim Hui Ling, 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, sponsorship@ppcf.com.sg.