QTVascular

The Community We Care For

Annual Report 2018



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This Annual Report has been prepared by QT Vascular Ltd. (the "Company") and its contents have been reviewed by the Company's Sponsor, PrimePartners Corporate Finance Pte. Ltd. ("Sponsor") for compliance with the Singapore Exchange Securities Trading Limited ("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 (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: sponsorship@ppcf.com.sg).



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.

Peripheral 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

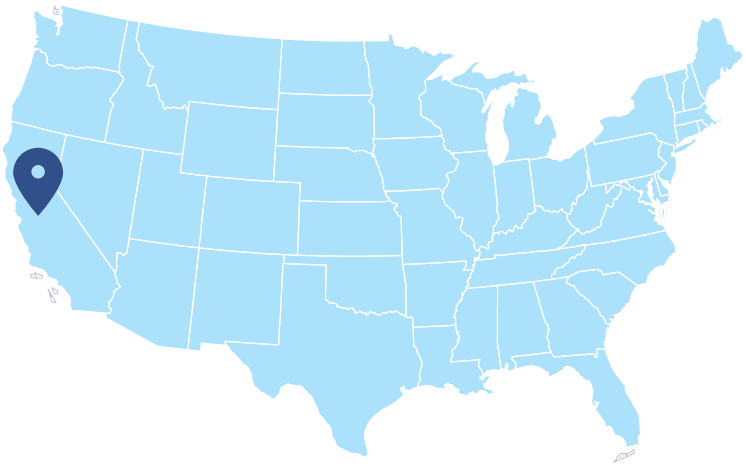
QTVascular

- **100%** TriReme Medical, LLC.
- **100%** TriReme Medical (Singapore) Pte. Ltd.
- **100%** Quattro Vascular Pte. Ltd.

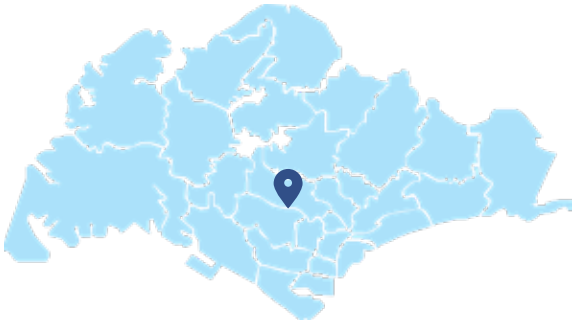
INDUSTRY SERVED

Health Care

Location Sites

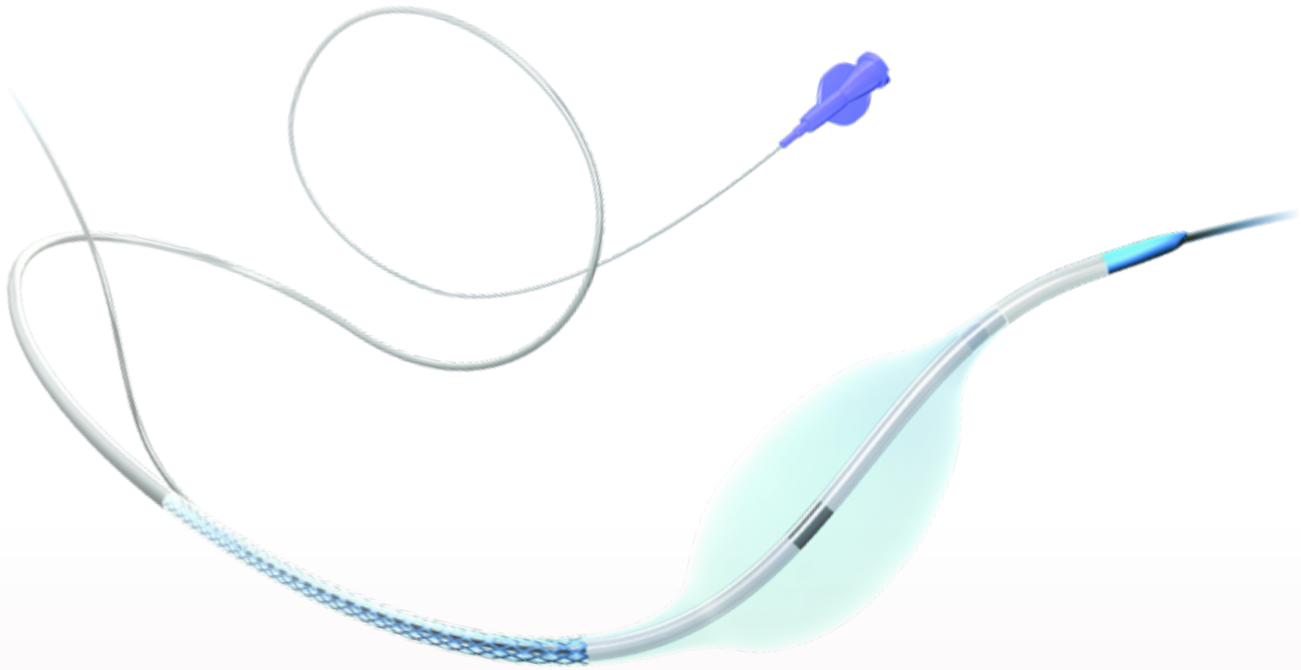


USA



ASIA, SINGAPORE

- U.S.A (Pleasanton, California) - TriReme Medical, LLC
- ASIA, SINGAPORE - QT Vascular Ltd.
  - TriReme Medical (Singapore) Pte. Ltd.
  - Quattro Vascular Pte. Ltd.



MESSAGE FROM THE CEO

Dear Shareholders:

On behalf of the board of directors and management, it is my pleasure to present QT Vascular's Annual Report for the financial year ended 31 December 2018 ("**FY2018**").

In FY2018, the Company announced the successful completion of the sale of Chocolate® PTA and non-coated coronary products to Medtronic, Inc. ("**Medtronic**") for US$25 million and Teleflex, Inc. for S$26.3 million with an option to acquire Chocolate Heart™ for S$65.6 million and in addition 5% royalty from products sales throughout the life of the patents, on 29 January 2018 and 25 June 2018 respectively. With the proceeds from the asset sales, the Company reduced its trade and debt obligations by approximately US$23.4 million as well as interest expenses by US$6.5 million for FY2018 as compared to the previous financial year. The Company also reduced operating costs by US$2.1 million with the continuation of initiatives to reduce operating costs.

The Company also made progress on several of our critical development programs. We have progressed well with our enrollment goals for our United States pivotal study of the Drug Coated Chocolate Touch® Balloon (the "**Study**"). We expect this will be further boosted by the addition of atherectomy to the Study which will also be beneficial to the Study and will have important implications on the use of the device after approval from the United States Food and Drug Administration ("**FDA**"). This is the 4th such device to receive such approval by the FDA, and represents highly differentiated technology versus all other approved conventional drug-coated balloons ("**DCB**"). In keeping with our commitment to proving the clinical value of our technology, we are currently in the early stages of submitting an application to FDA for the commencement of the pivotal clinical trial for Chocolate Heart™.

At the end of 2018, Katsanos et al[1] published a review and meta-analysis of paclitaxel-coated balloons and stents, suggesting an increased risk of mortality due to paclitaxel exposure. In response, FDA issued a January 2019 letter[2] stating that "the FDA believes that the benefits

1 Katsanos K, Spiliopoulos S, Kitrou P, Krokidis M, Karnabatidis D. Risk of Death Following Application of Paclitaxel-Coated Balloons and Stents in the Femoropopliteal Artery of the Leg: A Systematic Review and Meta-Analysis of Randomized Controlled Trials. JAHA. 2018; 7(24):

2 https://www.fda.gov/MedicalDevices/Safety/LetterstoHealthCareProviders/ucm629589.htm, accessed 25 January 2019.

MESSAGE
FROM THE CEO

"The Company continues to explore opportunities to create a pipeline of new products by a combination of organic development and acquisitions of early stage technologies such as our recent investment in Sano V Pte Ltd."

continue to outweigh the risks for approved paclitaxel-coated balloons". Experts from professional societies concluded that there is no mechanistic explanation for the findings and that patient-level data is required. Patient-level data analysis showed no impact on mortality rates due to paclitaxel exposure. These findings by leading key opinion leaders are reflected in a recent publication by Schneider et al[3]. As previously announced, on 15 March 2019, FDA issued a letter to healthcare providers about the potential for increased long-term mortality after use of paclitaxel-coated balloons and paclitaxel-eluting stents to treat peripheral arterial disease in the femoropopliteal artery.

While FDA letter provides recommendations regarding the use of commercially distributed paclitaxel-coated products it does not reference ongoing clinical trials. The Company has contacted FDA, obtained general feedback regarding how the updated safety communication applies to ongoing clinical trials and is working to update the clinical study protocol and other documents to reflect FDA recommendations.

Both the Coronary and the Peripheral Vascular markets continue to offer significant opportunity for new devices that will better treat complex disease than existing therapies. These are the segments which offer the greatest value potential for Chocolate Touch® and Chocolate Heart™ technologies. Specifically, recent market research report suggests that the DCB market will continue to grow at an annual rate of 18.2% in the next seven years overtaking other traditional therapies[4]. This report suggests that Medtronic is the global market share leader in the peripheral DCB market followed by BDX-Lutonix who has 25% to 30% market share. The Group's Study is a randomized, head-to-head study comparing Chocolate Touch® to Lutonix Inc.'s DCB.

The Company continues to explore opportunities to create a pipeline of new products by a combination of organic development and acquisitions of early stage technologies such as our recent investment in Sano V Pte Ltd. This strategy is focused on the key strengths of the Group in product development and US regulatory.

I would like to thank the Board of Directors for their commitment and contributions during the year. On behalf of the Board, I would like to express our appreciation to our shareholders, investors, business partners, associates and customers for their customers for their continued support of QT Vascular. I would also like to commend our management and staff for their dedication and hard work. Let us continue to push forward and have patients around the world benefit from our innovative technologies.

EITAN KONSTANTINO, PhD
Chief Executive Officer

3 Peter A. Schneider, MD, John R. Laird, MD, Gheorghe Doros, PhD, Qi Gao, MS, Gary Ansel, MD, Marianne Brodmann, MD, Antonio Micari, MD, PhD, Mehdi H. Shishehbor, DO, MPH, PhD, Gunnar Tepe, MD, Thomas Zeller, MD, PhD. Mortality Not Correlated with Paclitaxel Exposure: An Independent Patient-level Meta-Analysis. Journal of the American College of Cardiology

4 Transparency Market Research, Drug Coated Balloons Market, October 2018

BOARD OF DIRECTORS



AMIR BELSON
Independent Chairman

Amir Belson was appointed to our Board on 4 August 2016 and became Chairman of our Board on 11 June 2018.

Amir is the founder of various medical device companies such as ZipLine Medical, a company developing and commercializing innovative tissue repair devices to address the clinical need for rapid, non-invasive and easy-to-use skin closure and Neoguide Systems, a company that developed platform technology for minimally invasive surgical procedures that was later acquired by Intuitive Surgical in 2009. He is also the founder of Vascular Pathways, a company that developed an FDA cleared vascular intervention technology that has been chosen as one of the 10 best inventions of 2009 by Popular Science magazine, Thermocure, a minimally invasive therapeutic hypothermia technology company, Radguard Medical, a radiation protection medical device company and VasoStitch, which develops large vessel access and closure technology.

Amir graduated cum laude from the school of medicine of the Technion, Israel Institute of Technology, in Haifa, Israel. Amir did his pediatric residency at Dana Children's Hospital in Tel Aviv and his pediatric nephrology fellowship at Lucile Packard Children's Hospital at Stanford. Amir also served several years as a flight surgeon in Israel's air force rescue unit before moving to the US for a three-year Pediatric Nephrology fellowship at Stanford University Medical Center and a year as a research fellow with the Biomedical Technology Innovation Program at Stanford.

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 100 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 business 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.



BOARD OF DIRECTORS

MARK WAN
Non-Independent Non-Executive Director

Mark 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.

GREGORY CASCIARO
Independent Director

Gregory 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 had 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 was the president and chief executive officer of AccessClosure, Inc., a private held medical device company in the United States that develops access site management products designed to address vascular closure challenges during interventional surgery before it was acquired by Cardinal Health, Inc. in May 2014. Gregory is presently the Chief Executive Officer, President and Director of Cardiac Dimensions, Inc..

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

SHO KIAN HIN
Independent Director

Sho Kian Hin was appointed to our Board on 25 September 2015. He is currently also an Independent Director of OUE Lippo Healthcare Limited and Choo Chiang Holdings Ltd.

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

Kian Hin is a fellow member of the Association of Chartered Certified Accountants.

GARY NG SIN TONG
Executive Director

Gary Ng Sin Tong was appointed to our Board on 6 August 2015. He is the Company's Director of Strategy and Capital Markets since February 2015.

Gary has over 14 years of experience as an equity analyst with Solomon Smith Barney, Deustche Bank and CIMB with primary focus on healthcare. During his time as an equity analyst, Gary was involved in various fundraising activities for capital market deals and is a ranked analyst in various broker polls such as Asiamoney Brokers Poll and Thomson Reuters StarMine Analyst Awards.

Gary graduated from University of London with a Bachelor of Business.

KEY MANAGEMENT

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 the 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 2 years from April 1988 to December 1989. During his tenure with 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 optimization, 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 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 commercialization. Prior to joining our Group in 2007, Maria was 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 and 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 Kibbutz Shefayim Corporation and is Chairman of the Economic Development Board from December 2004 to September 2006, a collective community in Israel. From 2003 to 2005, he was 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 Academy 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.



FINANCIAL AND OPERATIONS REVIEW



In FY2018, our revenue decreased by approximately US$3.1 million, or 22.0%, from US$14.3 million a year ago to US$11.2 million in FY2018 mainly due to (i) decrease in revenue generated from per unit sales of our non-drug coated peripheral product, Chocolate® PTA and non-drug coated coronary product, Chocolate XD™ following the completion of the respective asset sales in January 2018 to Medtronic, Inc. ("**Medtronic**") and in June 2018 to Teleflex, Inc. ("**Teleflex**") and (ii) no direct sales of non-drug coated peripheral products in most of FY2018 and coronary products in the second half of FY2018 following the completion of the asset sales to Medtronic and Teleflex. Such revenue generated from Medtronic and Teleflex in FY2018 is in relation to the product manufacturing and supply agreement, which forms part of the respective asset sales. In FY2017, the revenue from sale of Chocolate® PTA to Medtronic was pursuant to a distribution agreement.

Cost of sales decreased by approximately US$0.05 million to US$9.87 million in FY2018 mainly due to the decrease in the amortisation expenses on the Group's intangible assets recorded in cost of goods sold during the financial year.

As a result of the above, our Group recorded a gross profit of US$1.3 million or 11.6% of revenue in FY2018 as compared to a gross profit of US$4.4 million or 30.7% of revenue in FY2017. The decrease in gross profit is mainly due to significantly higher sales of Chocolate® PTA to Medtronic and Chocolate XD™ to Teleflex under the respective product manufacturing and supply agreements which generate lower gross margins as compared to distribution sales of Chocolate® PTA to Medtronic and direct sales of non-drug coated coronary product to customers in FY2017.

Our sales and marketing expenses decreased by US$2.9 million in FY2018 mainly due to the cessation of the sales and marketing team since July 2018 following the completion of the Teleflex asset sale transaction in June 2018.

Our administrative expenses decreased by US$1.2 million in FY2018 mainly due to lower headcount and reduction in overall spending due to on-going cost cutting measures implemented since FY2017.

Our research and development expenses increased by US$2.1 million mainly due to the (i) increase in clinical sites and number of patients enrolled for the clinical trials of the Group's drug-coated peripheral Chocolate® (i.e. Chocolate Touch®) and (ii) preparation for the United States Food and Drug Administration ("**FDA**") Investigational Device Exemption submission for Chocolate Heart™.

Other income increased by US$43.9 million in FY2018 due to the recorded one-off gains arising from the asset sale transactions with Medtronic and Teleflex which were completed during the year. Other operating expenses in FY2017 of

US$4.3 million relate mainly to the agreed settlement with AngioScore, Inc. ("**AngioScore**"). There were no such expenses in FY2018.

We were in a net finance cost position of US$0.5 million in FY2018, as compared to a net finance cost position of US$6.2 million in FY2017 mainly due to (i) a decrease in interest expenses to US$447,000 in FY2018 from US$6.9 million in FY2017 mainly due to the settlement of a majority of the convertible and exchangeable notes as well as short term loans and (ii) foreign exchange loss suffered of US$44,000 in FY2018 as compared to a foreign exchange gain of US$0.7 million in FY2017 pursuant to exchange rate changes between the Singapore dollar and United States dollar.

As a result of the above, the Group recorded a net profit attributable to shareholders of US$29.6 million in FY2018, compared with a net loss attributable to shareholders of US$22.9 million in FY2017.

FINANCIAL POSITION

The Group had a positive working capital of US$8.2 million as at 31 December 2018 mainly due to the settlement of certain convertible and exchangeable notes and loans and payables amounting to US$7.6 million and current trade and other payables of US$21.2 million following the receipt of proceeds from the completion of the sales of Chocolate® PTA to Medtronic in January 2018 and the non-drug coated coronary assets to Teleflex in June 2018.

Our non-current assets decreased by US$2.7 million mainly due to the reduction of intangible assets balances amounting to US$3.1 million following the completion of the sale of our non-drug coated peripheral and coronary assets to Medtronic and Teleflex respectively; and depreciation of plant and equipment of US$0.2 million. The decrease in non-current assets is partially offset by the increase in other non-current assets of US$0.6 million mainly due to the Group's investment in Sano V Pte. Ltd. of approximately US$0.2 million as announced on 19 December 2018 and the non-current receivables from Medtronic of US$0.4 million following the completion of the asset sale.

Our current assets increased by US$9.3 million mainly due to the increase cash and cash equivalents of US$10.4 million as a result of the completion of the sale of Chocolate® PTA to Medtronic and non-drug coated coronary assets to Teleflex and the increase in trade and other receivables of US$1.0 million mainly due to collection of sales proceeds from customers as well as the receivables due from the Medtronic and Teleflex following the completion of the asset sales. The increase is partially offset by the decrease in inventories of US$2.2 million due to utilisation of inventories for production.

Our current liabilities decreased by US$24.7 million mainly due to the decrease in (i) trade payables and accrued expenses of US$15.8 million following the payment of legal and professional fees in relation to the AngioScore litigation as well as the Medtronic and Teleflex asset sale transactions, (ii) loans and borrowings of US$7.6 million due to settlement of these obligations via the use of the proceeds received from the sale of Chocolate® PTA to Medtronic and non-drug coated coronary assets to Teleflex; and (iii) payment of US$4.25 million final settlement to AngioScore. The decrease is also due to the reduction in deferred income of US$1.2 million which was also repaid during the period following the cancellation of a contract pursuant to the asset sale to Medtronic.

CASH FLOW ANALYSIS

The Group recorded cash outflows from operating activities of US$28.7 million in FY2018 due mainly to payments of non-recurring disbursements of approximately US$13.7 million for settlement of (i) long outstanding legal expenses and royalties of US$4.3 million and US$0.9 million respectively; (ii) related expenses in relation to the Medtronic asset sale transaction of US$4.3 million, (iii) payments made to suppliers in relation to the Medtronic asset sale of US$1.7 million, (iv) interest payments made upon settlement of borrowings of US$1.9 million and (v) one-time employee compensation related expenses of US$0.5 million. Excluding the non-recurring disbursements, the Group's net cash used in recurring operating activities is approximately US$15.0 million.

Net cash inflow from investing activities for FY2018 of US$46.0 million is mainly due to the cash received from the asset sale transactions to both Medtronic and Teleflex totalling US$46.4 million. The increase is partially offset by US$0.1 million due to purchase of plant and equipment.

Net cash outflow from financing activities for FY2018 was US$6.6 million which was mainly due to repayment of the Group's borrowings of US$8.2 million. The cash outflow is partially offset by the receipts from issuance of shares under the Capital Commitment Agreement with GEM Global and short-term loans totalling US$1.6 million for working capital purposes.

CORPORATE INFORMATION



BOARD OF DIRECTORS

Non-Executive:

Amir Belson
Independent Chairman

Mark Wan
Non-Independent Non-Executive Director

Gregory Casciaro
Independent Director

Sho Kian Hin
Independent Director

Executive:

Eitan Konstantino
Chief Executive Officer

Gary Ng Sin Tong
Director, Capital and
Strategic Markets

AUDIT COMMITEE

Sho Kian Hin (Chairman)
Amir Belson
Gregory Casciaro

NOMINATING COMMITTEE

Gregory Casciaro (Chairman)
Eitan Konstantino
Amir Belson

REMUNERATION COMMITTEE

Amir Belson (Chairman)
Gregory Casciaro
Mark Wan

COMPANY SECRETARY

Lee Pih Peng

REGISTERED OFFICE

3A International Business Park
#09-12 ICON@IBP Tower B
Singapore 609935

Tel: (65) 6430 0288
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SHARE REGISTRAR

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



AUDITORS

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Audit Partner-in-charge
Darren Chin
Since Financial Year 2018

SPONSOR

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

PRINCIPAL BANK

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

QTVascular

Sustainability Report 2018

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17 Product Quality
18 Business Ethics
19 Regulatory Compliance

BOARD STATEMENT

QT Vascular Ltd ("QT Vascular" or "Company", and together with its subsidiaries, the "Group") is pleased to present its second Sustainability Report, which has been approved by the Board.

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

In 2018, we continue to uphold the upmost standards of integrity, responsibility and accountability in our business practices and met all of our 2018 targets set for our material ESG factors, namely product quality, business ethics and regulatory compliance. We strive to maintain the same record of zero product recall due to quality issues and zero non-compliant incidents concerning product quality, business ethics and regulatory compliance in the forthcoming year.

The Board oversees and is supported by the Sustainability Steering Committee ("SSC") and the Sustainability Task Force ("STF") in its continuous efforts to integrate sustainability issues into QT Vascular's strategic formulation and oversee sustainability performance and reporting. The SSC, composed of the senior management team, develops sustainability objectives and strategy based on the Board's directions, manages QT Vascular's overall sustainability performance, and reports to the Board regularly. The STF, consisted of senior management representatives from different business functions, implements sustainability practices and action plans across QT Vascular based on the sustainability objectives and strategy formulated.

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

Board of Directors
QT Vascular Ltd

ABOUT
QT VASCULAR

QT Vascular is a medical device company specialising in the minimally invasive treatment of vascular diseases.

Coronary artery disease ("CAD") and peripheral artery disease ("PAD") happen in the arteries surrounding the heart and periphery parts of the body (especially of the pelvis and legs), respectively. They are primarily caused by lesions consisting of plaque, which narrows or blocks arteries, thus obstructing normal blood flow. CAD and PAD can be treated by percutaneous transluminal coronary angioplasty ("PTCA") and percutaneous transluminal angioplasty ("PTA") respectively.

Our main products include both minimally invasive balloon catheters for PTCA and for PTA. By collaborating with industry specialists and physicians who are key opinion leaders, we develop and offer new and differentiated tools for physicians to improve the outcomes in complex peripheral and coronary interventions.

During an angioplasty procedure, a small incision is made and our balloon catheter is inserted on a steerable "guide wire" to reach the narrowed section of the affected artery. The balloon catheter is then inflated temporarily to push outward on the plaque and the wall of the blood vessel, thus improving blood flow at the narrowing. At the end of the procedure, the balloon is deflated and removed so no balloon catheter is left behind in the artery. In this way, our balloon catheters provide minimally invasive alternatives to permanent implants such as stents, offering a range of medical and cost benefits. We are proud that these benefits[1] ultimately lead to a better quality of life for patients.

Get to know our Chocolate® products

In 2010, we commenced the development of a second generation balloon catheter for treating peripheral vascular diseases named Chocolate® PTA. Designed to provide atraumatic dilation in the treatment of blocked arteries, Chocolate® PTA incorporates a unique nitinol constraining structure to allow controlled balloon expansion. This design helps to reduce the shear stress placed on the vessel during inflation, which in turn ensures uniform balloon expansion and prevents distortions and over-stretching of the vessel. To date, our unique constraining structure for Chocolate® PTA and Chocolate® XD is the first and remains the only balloon catheters in the world with this design, protected by strong intellectual property portfolio and offering unique treatment options for peripheral and coronary artery disease. Those products are now owned by large multinational companies namely Medtronic, Inc. and Teleflex, Inc. and continue to improve life around the globe.

To date, the Group have also received CE marking clearance for its unique peripheral drug-coated balloon, Chocolate® Touch and coronary drug-coated balloon, Chocolate® Heart. Drug-coated balloons represent a new category of device that combines the mechanical dilatation of a balloon catheter with the biological effect of a drug to treat occluded arteries. These categories of devices have been available for several years in Europe and were recently approved in the United States. QT Vascular is in the process of obtaining US regulatory approval for the drug-coated Balloons.

Research and Development

To offer better treatment of vascular disease, we continue to invest in research and development. In 2018, we continue to make progress on several of our critical, high-value development programmes. The enrolment of patients for our pivotal study of the Drug Coated Chocolate Touch® Balloon, one of the very few Drug Coated Peripheral Balloon to receive approval to conduct clinical studies in the United States by the U.S. Food and Drug Administration ("FDA"), continues to increase. FDA had also granted the approval to include the use of atherectomy for lesion preparation in the ongoing Chocolate Touch® pivotal study which expands the potential use of Chocolate Touch® in hospitals and outpatients based labs. We are also progressing well with Chocolate Heart™ with the commencement of a safety and feasibility study, and following which, FDA approval will be sought for the Chocolate Heart™ to be the first drug-coated balloon approved for broad coronary use in the United States.

Going forward, we will stay committed in research and continuously seek to develop new products with improved performance.

1 For more details, please visit QT Vascular website https://qtvascular.com/us/about-us/ on "Why is it important to avoid the use of permanent implants such as stents?"

2018 SUSTAINABILITY HIGHLIGHTS

100% product categories assessed for health and safety impacts

Zero non-compliance concerning health and safety of products

Zero product recall for any of QT Vascular's products

Zero significant findings in audit with regard to business ethics and independence

Zero confirmed cases of corruption

Zero non-compliance with relevant laws and regulation

ABOUT THIS REPORT

This Sustainability Report summarises QT Vascular's sustainability policies, practices and performance from 1 January 2018 to 31 December 2018, with a focus on its material ESG factors. The report covers the listed entity, QT Vascular Ltd and all its wholly-owned subsidiaries, including TriReme Medical, LLC., TriReme Medical (Singapore) Pte Ltd and Quattro Vascular Pte Ltd.

The report is prepared in accordance with the requirements of SGX Catalist Rules 711A and 711B, as well as SGX Catalist Rules Practice Note 7F: Sustainability Reporting Guide. The report also makes reference to the Global Reporting Initiative (GRI) Standards, a globally recognised framework to report on ESG issues. This report references the following GRI Standards and topic-specific Disclosures:

- Disclosure 205-3 from GRI 205: Anti-corruption 2016
- Disclosures 416-1 and 416-2 from GRI 416: Customer Health and Safety 2016
- Disclosures 417-2 and 417-3 from GRI 417: Marketing and Labelling 2016
- Disclosure 419-1 from GRI 419: Socioeconomic Compliance 2016

All information is disclosed in good faith and to the best of our knowledge. No external assurance has been sought for this report. Please forward any enquiries or feedback to info@triremedical.com.

Materiality Assessment

To determine ESG factors of significant interests to our business and key stakeholders, QT Vascular conducted a materiality assessment guided by the GRI Principles of Materiality and Stakeholder Engagement workshop. We considered the following in identifying potential material ESG factors:

- Global and local key sustainability trends;
- Hot topics and future challenges for our industry, as identified by our peers; and
- Insights gained from interactions with internal and external stakeholders

Three material ESG factors were identified from the assessment process:

Product Quality | **Business Ethics** | **Regulatory Compliance**

QT Vascular reviewed the above material ESG factors in 2018 and found that they continue to be relevant. QT Vascular will regularly review and assess its material ESG factors to ensure their pertinence.

Product Quality

QT Vascular is committed to developing and offering medical devices that are safe and reliable for the patients. We view product quality as top priority and have built a rigorous governance structure focused on quality control throughout our value chain to ensure consumer and investor confidence.

QT Vascular has established a robust quality management system ("QMS") in accordance with ISO 13485:2016 Quality Management System for Medical Devices, FDA Quality System Regulation ("QSR"), and other worldwide healthcare regulatory requirements. Our QMS is regularly audited by external parties to ensure its effectiveness in guaranteeing the quality of our products and our compliance with relevant laws and regulations.

Our QMS outlines a comprehensive set of policies and standard operating procedures ("SOPs") governing the monitoring and management and of product quality. Multiple layers of tests and control points are set up at each stage of the product life cycle to confirm that the policies and SOPs are properly observed and implemented. We also conduct audits of all critical suppliers and vigorously check incoming materials, parts and products to ensure quality consistency across our value chain.

Our key policies and SOPs on quality management include but are not limited to the following:

Product life cycle	Key policies and SOPs on quality management
Design	• Design Control Procedure • Equipment Specifications, Qualification, Maintenance and Calibration • Risk Management
Test	• Conduct of Clinical Investigation • Procedure Clinical Investigation Monitoring
Assembly	• Supplier Management • First Article Inspection • Controlled Manufacturing Environment • Receiving and Inspection • Material and Product Control • Non-conforming Materials Programme
Distribution	• Packaging and Shipping • Field Sales Product Handling Requirements
After sale	• Customer Feedback Procedure • Compliant Management • Handling of Out-of-Specification and Out-of-Trend Results • Corrective and Preventive Action ("CAPA") • Product Recall Field Corrections and Removals • Vigilance Reporting
All stages	• Management Review • Quality Management System Manual • Records Management and Retention • Training • Internal Quality Audits

In addition to auditing our QMS and critical suppliers, we are routinely audited by European CE notified bodies, as well as Medtronic, Inc. and Teleflex, Inc. for product quality. We have also been audited by the FDA, and is one of a small number of companies selected to participate in a pilot quality programme with FDA.

We believe it is vital to cultivate a strong quality culture for our QMS to be effective. Our Regulatory Affairs and Quality Assurance Department holds regular, mandatory Quality Awareness Training for all employees, which covers key points on our QMS, and related policies and practices.

Performance Measures	2017	2018	2019 Target
Percentage of significant product and service categories assessed for health and safety impacts	100%	100%	Maintain zero product recall due to quality reasons
Number of non-compliant incidents concerning the health and safety impacts of products and services	0	0	
Percentage of products recalled due to quality problems	0%	0%	

Business Ethics

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

QT Vascular takes a zero tolerance approach towards corruption. All employees are required to abide by the Employee Code of Conduct, which provides guidance on prohibition of fraud and bribery and management of conflict of interest. New employees are required to consent to all anti-corruption related policies by signing a declaration form.

We are committed to maintaining our independence in our interactions with healthcare professionals in all business settings, including research or development, and marketing and sales. Following section 6002 of the U.S. Affordable Care Act[2], we set clear policies on the provision of gift, entertainment or anything of value, to healthcare professionals. All interactions with healthcare professionals are properly recorded and verified in accordance with regulatory requirements. These independence precautions help us prevent any perceived or actual breach of independence, as well as safeguard the impartiality of research results and the provision of healthcare services.

To ensure independence in clinical trials, the Group appoints independent consultants and committees to collect, analyse and evaluate clinical data received from clinical trial sites. Clinical investigators are selected objectively based on a balanced consideration of expertise, history of compliance, adequate facility, staff resources and enrolment potential, influence within the targeted medical community, as well as interest in, availability for and potential conflicts with the study. Furthermore, as clinical trials involve human subjects, we strictly monitor ethical issues such as informed consent from subjects and data privacy and security throughout our engagement with independent investigators to ensure research ethics.

As part of our business ethics monitoring and assurance process, the Group has established a whistle-blowing policy, which stipulates clear channels for employees to anonymously report any suspected ethical issues. The Independent Directors of the Group have been listed as the contact points, with their contact details disclosed to all.

2 Section 6002 of the U.S. Affordable Care Act, also known as the "Sunshine Act", requires manufacturers of drugs and medical devices to report annually to the Secretary of Health and Human Services on the payments or other transfer of value to physicians and teaching hospitals. The Act also requires declaration of ownership or investment interests held by physicians or the immediate family members of physicians in applicable manufacturers and group purchasing organisations to enhance transparency in existing financial relationships between the industry and healthcare personnel and institutions.

Performance Measures	2017	2018	2019 Target
Number of confirmed incidents of corruption	0	0	Maintain the same high levels of business ethics and zero confirmed incidents of corruption
Significant findings of internal and external audits conducted in relation to business ethics and independence	0	0	

Regulatory Compliance

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

The medical device industry is heavily regulated by the FDA, the EU and worldwide healthcare regulatory bodies. The Group is audited every 2 years by the FDA and the EU, and no material non-compliance issues have arisen from the audit to date. The Group has also never paid any fine or penalties for non-compliance of any regulatory audit to date.

In addition to regulatory audits, we strive to continuously strengthen our internal controls. QT Vascular actively identifies and manages its enterprise risks, with a particularly strong focus on product safety risks, which is the most heavily regulated and closely monitored issue by the regulators. We have established a risk management system in accordance with ISO 14971:2012 Risk Management for Medical Devices, as well as a suite of SOPs to address all essential elements of risk management, including:

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

To ensure that we stay abreast with new developments of relevant laws and regulations, our Regulatory Affairs team communicates regularly with regulators and industry associations for updates. When changes occur, we modify our policies and procedures accordingly, maintain strict documentation control, and promptly communicate changes in internal policies and procedures or regulatory requirements with our employees. Each employee is required to read up on the changes and sign off as evidence of review.

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

Performance Measures	2017	2018	2019 Target
Number of non-compliant incidents concerning product and service information labelling	0	0	Maintain zero non-compliance with all laws and regulations which result in significant fines or non-monetary sanctions
Number of non-compliant incidents concerning marketing communications	0	0	
Number of non-compliant incidents with laws and regulations in the social and economic area that results in significant fines and non-monetary sanctions	0	0	


QTVascular

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CORPORATE GOVERNANCE

DISCLOSURE TABLE FOR ANNUAL REPORT IN COMPLIANCE TO THE CODE OF CORPORATE GOVERNANCE 2012 AND CATALIST RULES

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 report outlines the Company's corporate governance practices that were in place during the financial year ended 31 December 2018 ("**FY2018**"), 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**").

<table>
<tr><th>Guideline</th><th>Code and/or Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td rowspan="2">General</td><td>(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.</td><td>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.</td></tr>
<tr><td>(b) In what respect do these alternative corporate governance practices achieve the objectives of the principles and conform to the guidelines of the Code?</td><td>Not applicable. The Company did not adopt any alternative corporate governance practices in FY2018.</td></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 6 members and comprises the following:
<table>
<tr><th colspan="2">Composition of the Board</th><th colspan="3">Composition of the Board Committees
• C – Chairman
• M - Member</th></tr>
<tr><th>Name of Director</th><th>Designation</th><th>AC (1)</th><th>NC (2)</th><th>RC (3)</th></tr>
<tr><td>Eitan Konstantino</td><td>Chief Executive Officer</td><td>-</td><td>M</td><td>-</td></tr>
<tr><td>Mark Allen Wan</td><td>Non-Independent Non-Executive Director</td><td>-</td><td>-</td><td>M</td></tr>
<tr><td>Amir Belson</td><td>Independent Chairman</td><td>M</td><td>M</td><td>C</td></tr>
<tr><td>Gregory David Casciaro</td><td>Independent Director</td><td>M</td><td>C</td><td>M</td></tr>
<tr><td>Eric Sho Kian Hin</td><td>Independent Director</td><td>C</td><td>-</td><td>-</td></tr>
<tr><td>Gary Ng Sin Tong</td><td>Executive Director</td><td>-</td><td>-</td><td>-</td></tr>
</table>
Notes:
(1) The AC comprises three (3) members, all of whom are independent.
(2) The NC comprises three (3) members, the majority of whom, including the Chairman, are independent.
(3) The RC comprises three (3) members, the majority of whom, including the Chairman, are independent. All members of the RC are non-executive Directors.</td></tr>
</table>

<table>
<tr><th>Guideline</th><th>Code and/or Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td></td><td></td><td>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 reviewed 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;
• ensuring compliance with all laws and regulations as may be relevant to the business; 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 "NC") and the Remuneration Committee (the "RC") (collectively, the "Board Committees"). The compositions of the Board Committees have been set out in Section 1.1 of this report.</td></tr>
<tr><td>1.4</td><td>Have the Board and Board Committees met in the last financial year?</td><td>The Board meets at least four (4) times a year, and as and when circumstances require. During FY2018, the number of the Board and Board Committee meetings held and the attendance of each Board member are shown below:

Table 1.4 – Board and Board Committee Meetings in FY2018
<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>4</td><td>4</td><td>1</td><td>1</td></tr>
<tr><td>Name of Director</td><td colspan="4">Number of Meetings Attended</td></tr>
<tr><td>Mark Allen Wan</td><td>4</td><td>-</td><td>-</td><td>1</td></tr>
<tr><td>Eitan Konstantino</td><td>4</td><td>-</td><td>1</td><td>-</td></tr>
<tr><td>Gregory David Casciaro</td><td>4</td><td>4</td><td>1</td><td>1</td></tr>
<tr><td>Gary Ng Sin Tong</td><td>4</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>Sho Kian Hin</td><td>4</td><td>4</td><td>-</td><td>-</td></tr>
<tr><td>Amir Belson</td><td>4</td><td>4</td><td>1</td><td>1</td></tr>
</table>
The Board is also briefed periodically by senior management on the Group's strategy and performance.

The Company's Constitution (the "Constitution") allows for Board 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 and transactions 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;
• share issuance, dividend release or changes in capital;
• the Company's policies on risk oversight and management, internal compliance and control, Code of Conduct, and legal compliance;
• material interested person transactions exceeding S$100,000;
• the Company's financial statements, financial results announcements, budgets; 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 takes into consideration the guidelines provided in the Catalist Rules.</td></tr>
</table>

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.	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 newly appointed Directors who have no prior experience as a director of a Singapore public listed company as prescribed by the SGX-ST under Rule 406(3)(a) and Practice Note 4D of the Catalist Rules. 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?	The Board values on-going professional development and recognises that it is important that all Directors receive regular training so as to be able to serve effectively on and contribute to the Board. The Board will consider adopting a policy on continuous professional development for Directors. To ensure Directors can fulfil their obligations and to continually improve the performance of the Board, all Directors are encouraged to undergo continual professional development during the term of their appointment. Professional development may relate to a particular subject area, committee membership, or key developments in the Company's environment, market or operations which may be provided by accredited training providers such as the Singapore Institute of Directors. Directors are encouraged to consult the Chairman if they consider that they personally, or the Board as a whole, would benefit from specific education or training regarding matters that fall within the responsibility of the Board or relate to the Company's business. Such trainings costs are borne by the Company. Briefings and updates for the Directors in FY2018 include: • the external auditors ("**EA**") had briefed the AC on changes or amendments to accounting standards; and • the Company Secretary had briefed the Board on regulatory changes, such as changes to the Companies Act and/or the SGX-ST Listing Manual Section B: Rules of Catalist.
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.	Guideline 2.1 of the Code is met as more than one-third of the Board is independent. Guideline 2.2 of the Code is not applicable as Dr Amir Belson has been re-designated from an Independent Director to Independent Chairman of the Board on 11 June 2018. Guideline 3.3 of the Code is not applicable to the Company.
2.3 4.3	Has the independence of the Independent Directors been reviewed in the last financial year?	The Board takes into account the existence of relationships or circumstances, including those identified by the Code, that are relevant in its determination as to whether a Director is independent. In addition, the NC reviews the individual directors' declaration in their assessment of independence. 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.

<table>
<tr><th>Guideline</th><th>Code and/or Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td>2.4</td><td>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.</td><td>There is no Independent Director who has served beyond nine (9) years since the date of his first appointment.</td></tr>
<tr><td>2.5</td><td>What are the steps taken by the Board to progressively renew the Board composition?</td><td>The Board is of the opinion that it would be most effective to draw on the wealth of experience from the longer serving directors while concurrently taking progressive steps to review and consider opportunities to refresh the Board as and when deemed required.

To meet the changing challenges in the industry and countries which the Group operates in, such reviews, which includes considering factors such as the expertise, skills and perspectives which the Board needs against the existing competencies would be done on a regular basis to ensure that the Board dynamics remain optimal.</td></tr>
<tr><td rowspan="2">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 that could contribute to the Group, regardless of gender.</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><th colspan="3">Table 2.6 – Balance and Diversity of the Board</th></tr>
<tr><th></th><th>Number of Directors</th><th>Proportion of Board (%)</th></tr>
<tr><td>Core Competencies</td><td></td><td></td></tr>
<tr><td>- Accounting or finance</td><td>2</td><td>33</td></tr>
<tr><td>- Business management</td><td>5</td><td>83</td></tr>
<tr><td>- Legal or corporate governance</td><td>6</td><td>100</td></tr>
<tr><td>- Relevant industry knowledge or experience</td><td>6</td><td>100</td></tr>
<tr><td>- Strategic planning experience</td><td>6</td><td>100</td></tr>
<tr><td>- Customer based experience or knowledge</td><td>5</td><td>83</td></tr>
<tr><td>- Information Technology</td><td>3</td><td>50</td></tr>
<tr><td>Gender</td><td></td><td></td></tr>
<tr><td>- Male</td><td>6</td><td>100</td></tr>
<tr><td>- Female</td><td>-</td><td>-</td></tr>
</table>
</td></tr>
<tr><td></td><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 are scheduled to meet regularly, and as warranted, in the absence of key management personnel to discuss concerns or matters such as the effectiveness of Management.

The Non-Executive Directors have met once in the absence of key management personnel in FY2018.</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 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; and (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 other directors?	The Independent Directors will meet in the absence of the other directors as and when circumstances warrant. In FY2018, the Independent Directors have met once in the absence of the other directors.
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 Constitution (including alternate directors, if applicable) after having considered important issues, as part of the process for the selection, appointment and re-appointment of directors, as to composition and progressive renewal of the Board and each director's competencies, commitment, contribution and performance (e.g. attendance, preparedness, participation, candour) including, if applicable, as an independent director as well as ensuring all directors submit themselves for re-nomination and re-appointment at regular intervals and at least once every three years.
4.4	(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?	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.
	(b) If a maximum has not been determined, what are the reasons?	Not applicable.

<table>
<tr><th>Guideline</th><th>Code and/or Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td></td><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 , including whether such commitment is a full-time or part-time employment capacity;
• Geographical location of Directors;
• Size and composition of the Board;
• Nature and scope of the Group's operations and size; and
• Capacity, complexity and expectations of the other listed directorships and principle commitments held.

The measures and evaluation tools in place to assess the performance and consider competing time commitments of the Directors include the following:-

• Declarations by individual Directors of their other listed company board directorships and principal commitments;
• Annual confirmations by each Director on his/her ability to devote sufficient time and attention to the Company's affairs, having regard to his/her other commitments; and
• Assessment of the individual Directors' performance based on the criteria set out in Section 5 of this report.</td></tr>
<tr><td></td><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, taking into account the multiple directorships and other principal commitments of each of the Directors (if any) and is satisfied that all Directors have discharged their duties adequately for FY2018.</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, key management personnel 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 of their overall contributions and performance, the NC would recommend the proposed re-appointment of the director to the Board for its consideration and approval.</td></tr>
</table>

Pursuant to Article 98 of the Constitution, at least one-third of the Directors for the time being (or if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation. Rule 720(4) of the Catalist Rules also requires all Directors to submit themselves for re-nomination and re-appointment at least once every three (3) years. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re-election or appointment or have been in office for three (3) years since their last election.</td></tr>
</table>

<table>
<tr><th>Guideline</th><th>Code and/or Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td></td><td></td><td>As such, the Board has accepted the NC's recommendations to seek the approval of shareholders at the forthcoming AGM to re-elect Gregory David Casciaro and Mark Allen Wan who will be retiring pursuant to Article 98 of the Constitution. In making the recommendations, the NC has considered Gregory David Casciaro and Mark Allen Wan's overall contribution and performance. Gregory David Casciaro will, upon re-election as a Director, remain as a Chairman of the NC and a member of the AC and RC. Gregory David Casciaro will be considered independent for the purposes of Rule 704(7) of the Catalist Rules. Mark Allen Wan will, upon re-election as a Director, remain as a member of the RC.

Save for the information disclosed in Table 4.7 below, there is no change in the information previously disclosed for both Gregory David Casciaro and Mark Allen Wan in the Company's offer document dated 16 April 2014.

Further, the NC has reviewed and noted that Gregory David Casciaro and Mark Allen Wan do not have any relationship including immediate and family relationships with the other Directors, the Company or its 10% shareholders.</td></tr>
<tr><td>4.7</td><td>Please provide Directors' key information.</td><td>The key information of the Directors, including their appointment dates and directorships held in the past 5 years, are set out in the table below.

Table 4.7 – Directors' Key Information
<table>
<tr><th rowspan="2">Name of Director</th><th rowspan="2">Age</th><th rowspan="2">Board Membership</th><th rowspan="2">Date of first appointment</th><th rowspan="2">Date of last re-appointment</th><th colspan="2">Directorships in other listed companies</th><th rowspan="2">Other Principal Commitments</th></tr>
<tr><th>Current</th><th>Past five years</th></tr>
<tr><td>Eitan Konstantino</td><td>51</td><td>CEO</td><td>11 July 2013</td><td>31 May 2017</td><td>Nil</td><td>Nil</td><td>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</td></tr>
<tr><td>Mark Allen Wan</td><td>53</td><td>Non-Independent Non-Executive Director</td><td>11 July 2013</td><td>31 May 2017</td><td>AcelRx Pharmaceutical, Inc.</td><td>Biosensors International Group, Ltd.

ePocrates, Inc.</td><td>Managing Member of Three Arch Management IV, LLC</td></tr>
<tr><td>Amir Belson</td><td>56</td><td>Independent Chairman</td><td>4 August 2016</td><td>31 May 2017</td><td>AlterG, Inc.

Emboline, Inc.

Modular Surgical, Inc.

Oxyvive, Inc.

Qool Therapeutic, Inc.

Radiaction Ltd.

SuperRenal, Inc.

VasoStitch, Inc.

Zipline Medical, Inc.</td><td>Vascular Pathways, Inc.</td><td>Founding Director of Zipline Medical, Inc.

Founding Director of Emboline, Inc.</td></tr>
<tr><td>Gregory David Casciaro</td><td>62</td><td>Independent Director</td><td>14 August 2013</td><td>28 April 2016</td><td>Nil</td><td>Dextera Surgical Inc.</td><td>President, CEO and Director of Cardiac Dimensions, Inc.</td></tr>
<tr><td>Sho Kian Hin</td><td>49</td><td>Independent Director</td><td>25 September 2015</td><td>8 May 2018</td><td>OUE Lippo Healthcare Limited

Choo Chiang Holdings Ltd</td><td>Nil</td><td>Director of Hartanah Kencana Sdn Bhd</td></tr>
<tr><td>Gary Ng Sin Tong</td><td>45</td><td>Executive Director</td><td>6 August 2015</td><td>8 May 2018</td><td>Nil</td><td>Nil</td><td>Nil</td></tr>
</table>
The profile of each Director (including academic and professional qualifications) is presented in this annual report under the heading "Board of Directors".</td></tr>
</table>

<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 its Board Committees, and for assessing the contribution by each Director to the effectiveness of the Board:

Table 5 – Performance Criteria
<table><tr><th>Performance Criteria</th><th>Board and Board Committees</th><th>Individual Directors</th></tr><tr><td>Qualitative</td><td>1. Size and composition
2. Access to information
3. Board processes
4. Inputs to 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
5. Engagement with Management</td></tr></table>
The evaluations are designed to assess the Board's effectiveness to enable the NC Chairman and Board to identify the areas of improvement or enhancement which can be made to the Board.

The NC would review the criteria on a periodic basis to ensure that the criteria is able to provide an accurate and effective performance assessment taking into consideration industry standards and the economic climate with the objective to enhance long term shareholders value, thereafter propose amendments if any, to the Board for approval.

The NC did not propose any changes to the performance criteria for FY2018 as compared to the previous financial year as the economic climate, Board composition and the Group's principal business activities remained the same since FY2017.</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 and the Board Committees 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 FY2018, the review process was as follows:

1. All Directors individually completed a board evaluation questionnaire on the effectiveness of the Board and Board Committees, and the individual Directors based on criteria disclosed in Table 5 above;
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 for FY2018.</td></tr>
</table>

<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>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>It is the aim of the Board to provide shareholders with a balanced and understandable assessment of the Company's performance, position and prospects. This responsibility extends to the interim and full-year financial results announcements, other price-sensitive public reports and reports to regulators (if required).

Management provides the Board with key information that is complete, adequate and timely. The types of information which are provided by Management to Independent Directors are set out in the table below:

<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>Internal auditors' ("IA") report(s)</td><td>Yearly</td></tr>
<tr><td>5.</td><td>Regulatory updates and implications</td><td>As and when required</td></tr>
<tr><td>6</td><td>Significant project updates</td><td>As and when required</td></tr>
<tr><td>7</td><td>External Auditors' reports</td><td>Yearly</td></tr>
</table>
Management recognises the importance of circulating information on a timely basis to ensure that the Board has adequate time to review the materials to facilitate a constructive and effective discussion during the scheduled meetings. As such, Management endeavours to circulate information for the Board meetings at least one week prior to the meetings to allow sufficient time for the Directors' review.

Key management personnel will also provide any additional material or information that is requested by Directors or that is necessary to enable the Board to make a balanced and informed assessment of the Group's performance, position and prospects. Directors are also provided with the contact details of key management personnel to facilitate direct and independent access to Management.</td></tr>
<tr><td>6.3</td><td>What is the role of the Company Secretary?</td><td>All Directors have separate and independent access to 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 the Company's Constitution, applicable rules and regulations, including requirements of the Securities and Futures Act (Chapter 289) of Singapore, the Companies Act (Chapter 50) of Singapore and the SGX-ST Listing Manual Section B: Rules of Catalist (the "Catalist Rules"), 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 corporate governance matters,
• Facilitating orientation and assisting with professional developments;
• Attending all board and committee meetings;
• Ensuring coordination and liaison between the Board, the Board Committees and key management personnel; and
• Assisting the Chairman, the Chairman of each Board Committee and key management personnel in the development of agendas for the various Board and Board Committee meetings.

Individually or collectively, in order to execute their duties, Directors are able to obtain independent professional advice at the Company's expense as and when required.</td></tr>
</table>

<table>
<tr><th>Guideline</th><th>Code and/or Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td colspan="3">REMUNERATION MATTERS</td></tr>
<tr><td colspan="3"><u>Developing Remuneration Policies</u>
<u>Level and Mix of Remuneration</u></td></tr>
<tr><td>7.1</td><td>What is the role of the RC?</td><td>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 ("2014 ESOS") and QT Vascular Restricted Share Plan 2015 ("2015 RSP") (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 2014 ESOS and 2015 RSP, and the practical administration of the options granted under the QTV 2013 Share Plan, the 2005 Stock Plan and the 2010 Equity Incentive Plan.</td></tr>
<tr><td>7.3</td><td>Were remuneration consultants engaged in the last financial year?</td><td>In FY2018, the Company did not engage any remuneration consultants.</td></tr>
<tr><td>8.4</td><td>Are "claw-back" provisions provided for in the service agreements of Executive Directors and key management personnel?</td><td>The Company currently does not have any contractual provisions which allow it to reclaim incentives from the Executive Directors and key management personnel in certain circumstances. The Board is of the view that as the Group pays performance bonuses based on the actual performance of the Group and/or Company (and not on forward-looking results) as well as the actual results of its Executive Directors and key management personnel, "claw-back" provisions in the service agreements may not be relevant or appropriate.</td></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, which covers all aspects of remuneration, including but not limited to directors' fees, salaries, allowances, benefits-in-kind, bonuses, options, share-based incentives and awards, is one that seeks to attract, retain and motivate talent to achieve the Company's business vision and create sustainable value for its stakeholders. The policy articulates to staff the link that total compensation has to the achievement of organisational and individual performance objectives, and benchmarked against relevant and comparative compensation in the market.</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 FY2018 is as follows:

Table 9 – Directors' Remuneration
<table><tr><th>Name</th><th>Remuneration Bands(1)</th><th>Salary (%)</th><th>Bonus (%)</th><th>Directors Fees (%)</th><th>Benefits-in-kind (%)</th><th>Stock options / Restricted share awards (%)</th><th>Total (%)</th></tr><tr><td>Eitan Konstantino</td><td>E</td><td>55</td><td>30</td><td>-</td><td>6</td><td>9</td><td>100</td></tr><tr><td>Mark Allen Wan</td><td>A</td><td>-</td><td>-</td><td>100</td><td>-</td><td>-</td><td>100</td></tr><tr><td>Gregory David Casciaro</td><td>A</td><td>-</td><td>-</td><td>93</td><td>-</td><td>7</td><td>100</td></tr><tr><td>Gary Ng Sin Tong</td><td>A</td><td>66</td><td>6</td><td>-</td><td>7</td><td>21</td><td>100</td></tr><tr><td>Eric Sho Kian Hin</td><td>A</td><td>-</td><td>-</td><td>94</td><td>-</td><td>6</td><td>100</td></tr><tr><td>Amir Belson</td><td>A</td><td>-</td><td>-</td><td>93</td><td>-</td><td>7</td><td>100</td></tr></table>
Notes:
(1) Remuneration Bands:
Band "A" refers to remuneration of up to S$250,000 per annum;
Band "B" refers to remuneration from S$250,001 to S$500,000 per annum;
Band "C" refers to remuneration from S$500,001 to S$750,000 per annum;
Band "D" refers to remuneration from S$750,001 to S$1,000,000 per annum; and
Band "E" refers to remuneration from S$1,000,001 to S$1,250,000 per annum.</td></tr>
</table>

<table>
<tr><th>Guideline</th><th>Code and/or Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td></td><td></td><td>The breakdown of directors fees for the Non-Executive Directors for FY2018 is set out in the table below:

<table>
<tr><th>Name</th><th>Basic Fee (%)</th><th>Fee for appointment to AC (%)</th><th>Fee for appointment to other Board Committees (%)</th><th>Attendance fee for Board and Board Committee Meetings (%)</th><th>Others (%)</th><th>Total (%)</th></tr>
<tr><td>Mark Allen Wan</td><td>100</td><td>-</td><td>-</td><td>-</td><td>-</td><td>100</td></tr>
<tr><td>Gregory David Casciaro</td><td>93</td><td>-</td><td>-</td><td>-</td><td>7</td><td>100</td></tr>
<tr><td>Eric Sho Kian Hin</td><td>75</td><td>19</td><td>-</td><td>-</td><td>6</td><td>100</td></tr>
<tr><td>Amir Belson</td><td>93</td><td>-</td><td>-</td><td>-</td><td>7</td><td>100</td></tr>
</table>

After reviewing the industry practice and analysing the advantages and disadvantages in relation to the disclosure of remuneration of each Director to the nearest thousand dollars, the Company is of the view that such disclosure would be prejudicial to its business interest given the highly competitive environment and the nature of the industry for which specialised skill sets are required.

There were no termination, retirement and post-employment benefits that may be granted to Directors, the CEO and the top key management personnel (who are not Directors or the CEO).</td></tr>
<tr><td rowspan="2">9.3</td><td>(a) Has the Company disclosed each key management personnel's remuneration, in bands of S$250,000 or more in detail, as well as a breakdown (in percentage 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 (3) top key management personnel.

The breakdown for the remuneration of the Company's key management personnel (who are not Directors or the CEO) for FY2018 is as follows:

<table>
<tr><th colspan="7">Table 9.3 – Remuneration of Key Management Personnel</th></tr>
<tr><th>Name</th><th>Remuneration Bands(1)</th><th>Salary (%)</th><th>Bonus (%)</th><th>Benefits-in-kind (%)</th><th>Share options / Restricted Share Awards (%)</th><th>Total (%)</th></tr>
<tr><td>Randal Farwell</td><td>B</td><td>86</td><td>-</td><td>7</td><td>7</td><td>100</td></tr>
<tr><td>Maria Pizarro</td><td>B</td><td>76</td><td>10</td><td>6</td><td>8</td><td>100</td></tr>
<tr><td>Momi Brosh</td><td>C</td><td>45</td><td>16</td><td>6</td><td>33</td><td>100</td></tr>
</table>

Note:
(1) Band "A" refers to remuneration of 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$750,000 per annum.

After reviewing the industry practice and analysing the advantages and disadvantages in relation to the disclosure of remuneration of each key management personnel to the nearest thousand dollars, the Company is of the view that such disclosure would be prejudicial to its business interest given the highly competitive environment and the nature of the industry for which specialised skill sets are required.

There were no termination, retirement and post-employment benefits that may be granted to the top key management personnel (who are not Directors or the CEO).</td></tr>
<tr><td>(b) Please disclose the aggregate remuneration paid to the top five key management personnel (who are not Directors or the CEO).</td><td>The total remuneration paid to the top three (3) key management personnel (excluding the CEO and the Executive Director) for FY2018 was S$1,530,645, which included cash payments of S$1,268,116 and value of vested Restricted Share Awards of S$262,529.</td></tr>
</table>

<table>
<tr><th>Guideline</th><th>Code and/or Guide Description</th><th>Company's Compliance or Explanation</th></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 FY2018.</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, 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 42 of this Annual Report).

Save for Eitan Konstantino, the Chief Executive Officer of the Company, Randal Farwell, the Chief Financial Officer of the Company, Maria Pizarro, the Executive Vice President and Vice President, Research and Development of the Company, Momi Brosh, the General Manager of the Company's Singapore operations and Kelvin Tong, the Group Financial Controller of the Company, there are no participants who received 5% or more of the total number of outstanding share awards that have been granted under the 2015 RSP (as defined on page 43 of this Annual Report).

The Company does not have a parent company. During FY2018, no options or share awards have been granted at a discount.

Information relating to the Company's options and share awards for ordinary shares in the Company is set out on pages 42 to 44 and 89 to 92 of this Annual Report, and further information can be found in the Company's offer document dated 16 April 2014 and Appendix to shareholders dated 15 April 2015.</td></tr>
<tr><td rowspan="3">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 FY2018. 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>(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 9.6(b) – Performance Conditions
<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>(a) 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 FY2018.</td></tr>
</table>

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 responsible for the overall risk governance, risk management and internal control framework of the Group and is fully aware of the need to put in place a system of internal controls within the Group to safeguard shareholders' interests and the Group's assets, and to manage risks. The CEO meets with key management personnel on a regular basis to discuss operational, business and strategic matters. During these meetings, key projects and operational risks are identified and discussed, along with proposed mitigating measures to address these risks to ensure residual risks are mitigated to an acceptable level. Follow-ups are then performed in subsequent meetings to ensure mitigating actions are executed. Any significant issues identified from these meetings are brought to the attention of the Board. The Group has in place a structured and systematic approach to risk management, and aims to mitigate the exposures through appropriate risk management strategies and internal controls. Risk management in the Group is a continuous, iterative and integrated process which has been incorporated into various planning, approval, execution, monitoring, review and reporting systems. The Group adopts a top-down as well as bottom-up approach on risk management to ensure strategic, business, operational, financial, reporting, compliance and information technology risk exposures are identified and appropriately managed. The Board and the AC is of the view that the Company's internal controls (including financial, operational, compliance and information technology controls) and risk management systems were adequate and effective for FY2018. 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; 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 was 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 FY2018. The Board has relied on the independent auditors' report as set out in this Annual Report as assurance that the financial records have been properly maintained and the financial statements give true and fair view of the Company's operations and finances. The Board has additionally relied on the IA reports issued to the Company for FY2018 as assurances that the Company's risk management and internal control systems are effective.

<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 composition of and role of the AC?</td><td>All members of the AC are Independent, Non-Executive Directors who do not have any management and business relationships with the Company or any substantial shareholder of the Company. None of the AC members were previous partners or directors of the Company's external audit firm within the last twelve months and none of the AC members hold any financial interest in the external audit firm.

The AC is guided by the following key terms of reference:

(a) considering 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 reviewing with the external auditors the audit plans, their evaluation of the system of internal accounting controls, their audit reports, their management letter and the Company's management's response before submission of the results of such review to the Board for approval;
(b) considering 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 reviewing with the internal auditors the internal audit plans and their evaluation of the adequacy of the Company's system of internal accounting controls and accounting system before submission of the results of such review to the Board for approval prior to the incorporation of such results in the Company's annual report (where necessary);
(c) reviewing the system of internal accounting controls and procedures established by management and discussing problems and concerns, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss (in the absence of management where necessary);
(d) overseeing the development of the Company's risk framework to manage the current risk exposures and future risk strategy of the Company;
(e) reviewing 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) reviewing the effectiveness and adequacy of the Company's administrative, operating, internal accounting and financial control procedures;
(g) reviewing the scope and results of the external audit, and the independence and objectivity of the external auditors; and
(h) reviewing 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>12.2</td><td>Are the members of the AC appropriately qualified to discharge their responsibilities?</td><td>Yes. The Board considers Sho Kian Hin, who has extensive and practical accounting and financial management knowledge and experience, well qualified to chair the AC. Amir Belson and Gregory David Casciaro of the AC are also well versed in financial management.

The members of the AC collectively have many years of strong accounting and related financial management expertise and experience and are appropriately qualified to discharge their responsibilities.</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 FY2018.</td></tr>
<tr><td>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></td><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 12.6(a) – Fees Paid/Payable to the EA for FY2018
<table><tr><th></th><th>US$'000</th><th>% of total</th></tr><tr><td>Audit fees</td><td>226</td><td>84.0</td></tr><tr><td>Non-audit fees
- Sustainability reporting
- Tax related advices</td><td>
32
11</td><td>
11.9
4.1</td></tr><tr><td>Total</td><td>269</td><td>100.0</td></tr></table></td></tr>
<tr><td></td><td>(a) 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 FY2018 were not substantial.</td></tr>
</table>

<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>Amir Belson</td><td>abelson@ziplinemedical.com</td></tr><tr><td>Gregory David Casciaro</td><td>gcasciaro@yahoo.com</td></tr><tr><td>Sho Kian Hin</td><td>eshokh88@yahoo.com</td></tr></table>
In FY2018, there were no whistle-blowing reports received by the whistle-blowing committee.</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 FY2018, 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>There is no AC member who is a former partner or director of the Company's existing auditing firm or audit corporation.</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 BDO LLP that reports directly to the AC Chairman and administratively to the CEO and CFO. The AC is responsible for the hiring, removal, evaluation and compensation of the accounting or auditing firm or corporation which the internal audit function of the Company is outsourced to.

The AC is satisfied that internal auditor is able to discharge its duties effectively as the internal auditor:

• is independent, given that the internal auditor report directly to the Audit Committee and not to the management of the Company;
• has the appropriate standing in the Company, given, inter alia, its involvement in certain AC meetings and its unfettered access to all the Group's documents, records, properties and personnel, including direct access to the AC, which allows the internal auditors to be effective in their audit of the Group's internal controls.
• is adequately qualified, given that the partner and staff assigned to the internal audit of the Company are members of the Institute of Internal Auditors and it adheres to the Standards for the Professional Practice of Internal Auditing laid down in the International Professional Practices Framework issued by the Institute of Internal Auditors; and
• is adequately resourced as there is a team of between 2 to 5 members assigned to the Company's internal audit, led by Willy Leow who has more than 15 years of diverse audit experience.</td></tr>
<tr><td colspan="3">SHAREHOLDER RIGHTS AND RESPONSIBILITIES</td></tr>
<tr><td colspan="3"><u>Shareholder Rights</u></td></tr>
<tr><td>14.2</td><td>Are shareholders informed of the rules, including voting procedures that govern general meetings of shareholders?</td><td>Shareholders are entitled to attend the general meetings of shareholders and are afforded the opportunity to participate effectively in and vote at general meetings of shareholders. An independent polling agent is appointed by the Company for general meetings who will explain the rules, including the voting procedures that govern the general meetings of shareholders.</td></tr>
</table>

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
14.3	Are corporations which provide nominee or custodial services allowed to appoint more than two proxies?	The Company's Constitution allows a shareholder to appoint up to two proxies to attend and vote in the shareholder's place at the general meetings of shareholders. Pursuant to the introduction of the multiple proxies regime under the Singapore Companies (Amendment) Act 2014, indirect investors who hold the Company's shares through a nominee company or custodian bank or through a Central Provident Fund agent bank may attend and vote at general meetings.
Communication with Shareholders		
15.1	Does the Company have an investor relations policy?	The Company currently does not have an investor relations policy but considers advice from its corporate lawyers and professionals on appropriate disclosure requirements before announcing material information to shareholders. The Company's investor relations website at https://qtvascular.com/news/singapore_exchange/, is a key resource of information for the investment community. It contains comprehensive information on the Company, including annual reports, past financial results, shares and dividend information.
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 (including institutional and retail investors) 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; • media publications; and • investor/analyst briefings.
	(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 FY2018, as the Company intends to retain all available funds for working capital requirements.
CONDUCT OF SHAREHOLDER MEETINGS		
16.1 16.3 16.4 16.5	How are the general meetings of shareholders conducted?	The Company's Constitution allow for abstentia voting (including but not limited to the voting by mail, electronic mail or facsimile). The Company requires all Directors (including the respective chairman of the Board Committees) to be present at all general meetings of shareholders, except in cases of exigencies. The external auditors are 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 including the total number and the respective percentage of votes cast for and against each resolution will be announced via SGXNET after the conclusion of the general meeting. All minutes of general meetings including the questions raised by shareholders in relation to the meeting agenda and the responses from the Board and/or Management, will be made available to shareholders upon their request within a reasonable timeframe 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.
711A, 711B	Sustainability Reporting	The Company confirms its compliance to the Catalist Rules 711A and 711B.
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 FY2018 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 to address the financial, operational and compliance and information technology risks which the Group considers relevant and material to its current business scope and environment for FY2018 based on the following: • internal controls and the risk management system established by the Company; • work performed by the internal and external auditors; • 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. In FY2018, there were no interested person transactions which were S$100,000 and above 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.
1204(21)	Non-sponsor fees	There were no non-sponsor fees paid by the Company to its sponsor, PrimePartners Corporate Finance Pte. Ltd. in FY2018.
1204(22)	Use of Proceeds	**GEM Global Capital Commitment** On 21 March 2017, the Company announced that it had entered into a capital commitment agreement with GEM Global Yield Fund LLC SCS ("**GEM Global**") ("**Capital Commitment Agreement**") to subscribe up to S$10 million in value or 178 million of new ordinary shares. Subsequently, on 22 November 2017, the Company announced that it had agreed with GEM Global to revise the number of new ordinary shares to be made available under the Capital Commitment Agreement from 178 million new ordinary shares to 356 million new ordinary shares. As at 15 April 2019, GEM Global has subscribed a total of S$4,683,993 in value of new ordinary shares ("**Drawdown Shares**"). After deducting the commitment fee of S$225,000 incurred by the Company in connection with the Capital Commitment Agreement, the net proceeds received was S$4,458,993 ("**Net Proceeds**").

<table>
<tr><th>Catalist Rule</th><th>Rule Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td></td><td></td><td>As at the date of this report, the Net Proceeds have been utilised as follows:
<table>
<tr><th></th><th>Allocation of total amount S$'000</th><th>Allocation of Net Proceeds received S$'000</th><th>Amount utilised S$'000</th><th>Balance S$'000</th></tr>
<tr><td>General working capital purposes (1)</td><td>9,725(A)</td><td>4,459</td><td>(4,459)</td><td>5,266</td></tr>
</table>
(A) Includes a reduction of S$225,000 in expenses from the expected capital commitment of S$10 million.

(1) A breakdown on the Net Proceeds utilised for general working capital purposes is as follows:
<table>
<tr><th></th><th>S$'000</th></tr>
<tr><td>Payment of salaries and wages</td><td>1,951</td></tr>
<tr><td>Payment to suppliers</td><td>2,508</td></tr>
<tr><td>Total</td><td>4,459</td></tr>
</table>
The above utilisation is in accordance with the intended use of the Net Proceeds, as stated in the Company's announcement dated 22 November 2017.

The Company had on 25 July 2018 announced, inter alia, that it does not intend to utilise the remaining capital commitment available under the Capital Commitment Agreement.</td></tr>
</table>

DIRECTORS' STATEMENT

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 2018.

In our opinion:

(a) the financial statements set out on pages 53 to 112 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2018 and the financial performance, 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 (International); 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.

Directors

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

Eitan Konstantino
Sho Kian Hin
Mark Allen Wan
Amir Belson
Gregory David Casciaro
Gary Ng Sin Tong

Directors' interests

According to the register kept by the Company for the purposes of Section 164 of the 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, warrants 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	26,686,222 [1]	59,189,562
• Options	45,046,792	44,659,400
• Restricted share awards	9,144,412	3,275,687
Sho Kian Hin		
• Ordinary shares	1,393,587 [3]	1,968,660
• Restricted share awards	906,706	331,633
Gregory David Casciaro		
• Ordinary shares	1,204,083	1,684,404
• Options	4,115,768	4,115,768
• Restricted share awards	717,201	236,880

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]	54,728,660 [2]
• Options [2]	4,743,611 [2]	4,743,611 [2]
Gary Ng Sin Tong		
• Ordinary shares	1,913,412	5,442,243
• Options	1,215,000	1,215,000
• Restricted share awards	976,531	441,546
Amir Belson		
• Ordinary shares	2,593,875	3,168,948
• Options	79,616	79,616
• Restricted share awards	906,706	331,633

[1] Includes 14,064,000 ordinary shares under the GEM Global share lending arrangement

[2] Includes deemed interest held by Three Arch Partners IV, LP and Three Arch Associates IV, LP

[3] Includes 1,150,000 ordinary shares under the GEM Global share lending arrangement

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.

Between the end of the financial year and 21 January 2019, as a result of the disposal of shares on 4 January 2019 by Three Arch Partners IV, LP and Three Arch Associates IV, LP, the interests in the Company for Mark Allen Wan are as follows:

Name of director and interests held	Holdings as at 31 December 2018	Holdings as at 21 January 2019
Mark Allen Wan		
• Ordinary shares	54,728,660	–
• Options	4,743,611	4,743,611

Except as disclosed above, there were no other changes in any of the above mentioned interests in the Company between the end of the financial year and 21 January 2019.

Except as disclosed in this statement, 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 at the end of the financial year.

Except as disclosed under the "Share options" section of this statement, 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.

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 14.

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, Amir Belson, Gregory David Casciaro and Mark Allen Wan.

	No. of options 2018 '000	No. of options 2017 '000
Outstanding at 1 January	102,232	113,768
Granted during the year	3,700	5,157
Forfeited during the year	(7,498)	(15,744)
Expired during the year	(1,204)	(133)
Exercised during the year	–	(816)
Outstanding at 31 December	97,230	102,232
Exercisable at 31 December	95,451	79,378

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 2018	Aggregate options granted since commencement of Scheme to 31 December 2018	Aggregate options exercised since commencement of Scheme to 31 December 2018	Aggregate options expired since commencement of Scheme to 31 December 2018	Aggregate options outstanding as at 31 December 2018
Eitan Konstantino	–	48,166,792	(3,120,000)	(387,392)	44,659,400
Mark Allen Wan	–	4,743,611	–	–	4,743,611
Amir Belson	–	1,200,288	(1,120,672)	–	79,616
Gregory David Casciaro	–	4,115,768	–	–	4,115,768
Gary Ng Sin Tong	–	1,215,000	–	–	1,215,000
Name of key management personnel					
Randal Farwell	–	8,340,256	–	–	8,340,256
Maria Pizarro	–	7,325,232	(1,643,536)	–	5,681,696
Momi Mimon Brosh	–	4,077,648	(200,000)	–	3,877,648

Since the commencement of the Scheme, no options have been granted to the controlling shareholders of the Company or their associates and except for Eitan Konstantino and Randal Farwell, no participant under the Scheme has been granted 5% or more of the total options available under the Scheme.

Restricted share awards

At the Annual General Meeting of the Company held on 30 April 2015, the shareholders of the Company adopted the QT Vascular Restricted Share Plan 2015 ("2015 RSP"). On 28 June 2018 and 17 August 2018, the Company granted 32,485,384 restricted share awards ("RSA") to its employees and a director which vested on an immediate basis on grant date. The 2015 RSP is administered by the Remuneration Committee, comprising three directors, Amir Belson, Gregory David Casciaro and Mark Allen Wan.

	No. of RSA 2018 '000	No. of RSA 2017 '000
Outstanding at 1 January	21,305	28,730
Granted during the year	32,485	31,891
Issued during the year	(46,097)	(37,674)
Forfeited during the year	–	(1,642)
Outstanding at 31 December	7,693	21,305

Details of RSA granted to directors and key management personnel of the Company under the 2015 RSP are as follows:

Name of director	RSA granted for financial year ended 31 December 2018	Aggregate RSA granted since commencement of 2015 RSP to 31 December 2018	Aggregate RSA issued since commencement of 2015 RSP to 31 December 2018	Aggregate RSA outstanding as at 31 December 2018
Eitan Konstantino	–	25,381,898	(22,106,211)	3,275,687
Gregory David Casciaro	–	1,921,284	(1,684,404)	236,880
Gary Ng Sin Tong	2,993,846	5,883,789	(5,442,243)	441,546
Amir Belson	–	2,300,293	(1,968,660)	331,633
Sho Kian Hin	–	2,300,293	(1,968,660)	331,633
Name of key management personnel				
Randal Farwell	–	8,964,124	(7,810,048)	1,154,076
Maria Pizarro	2,500,000	8,479,196	(8,479,196)	–
Momi Mimon Brosh	15,000,000	24,179,196	(23,539,196)	640,000

Since the commencement of the 2015 RSP, no RSAs have been granted to the controlling shareholders of the Company or their associates and except for Eitan Konstantino, Randal Farwell, Momi Mimon Brosh, Maria Pizarro and Kelvin Tong, no participant under the 2015 RSP has been granted 5% or more of the total RSAs available under the 2015 RSP.

Warrants

The Company had on 4 May 2017 issued 35,000,000 unlisted warrants ("Warrants") to GEM Global Yield Fund LLC SCS ("GEM Global"), a company based in Luxembourg, each carrying the right to subscribe for 1 new Share at an exercise price of S$0.10 for each new Share ("Warrant Shares"). As at 31 December 2018, no Warrants have been exercised and converted into new Shares (31 December 2017: Nil). Accordingly, as at 31 December 2018, there are 35,000,000 outstanding Warrants (31 December 2017: 35,000,000 outstanding Warrants) and the total number of new Shares that may be issued on conversion of all outstanding Warrants is 35,000,000 (31 December 2017: 35,000,000).

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

The options and RSAs granted by the Company do not entitle the holders of the options and RSAs, by virtue of such holding, to any rights to participate in any share issue of any other company.

DIRECTORS' STATEMENT

Audit Committee

The members of the Audit Committee at the date of this statement are:

- Sho Kian Hin (Chairman), Independent Director
- Amir Belson, Independent Chairman
- Gregory David Casciaro, Independent 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 four 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' STATEMENT

Auditors

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

On behalf of the Board of Directors

Eitan Konstantino
Director

Sho Kian Hin
Director

12 April 2019

INDEPENDENT AUDITORS' REPORT

Members of the Company
QT Vascular Ltd. and its subsidiaries

Report on the audit of the financial statements

Opinion

We have audited the financial statements of QT Vascular Ltd. ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statements of financial position of the Group and the Company as at 31 December 2018, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 53 to 112.

In our opinion, the accompanying 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 Singapore Companies Act, Chapter 50 ("the Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2018 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the '*Auditors' responsibilities for the audit of the financial statements'* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of intangible assets **(Refer to Note 5 to the financial statements)**	
Key Audit Matters The Group's intangible assets comprised of developed technology, licensed royalties and intellectual property on various therapeutic solutions to improve outcomes in complex peripheral and coronary interventions. As at 31 December 2018, the carrying amount of intangible assets of the Group amounted to US$8,545,000. As the Group's intangible assets consist of material developed technology not yet available for use, annual impairment testing is required. The recoverable values of these intangible assets were determined based on the value-in-use method. Management's judgement was required in the preparation of these discounted projected future cash flows, particularly on the determination of assumptions such as remaining useful life of the intangible assets, growth rate, royalty rate and discount rate. Based on management's assessment, the recoverable values of these intangible assets exceeded the carrying value of these assets and they concluded that there was no impairment loss during the financial year.	*How the matter was addressed in our audit* We have used our valuation specialists to critically assess the appropriateness of the valuation methodology used by management. We have critically assessed the appropriateness of the key assumptions and information used by management in estimating the discounted projected future cash flows. We tested the mathematical accuracy of the discounted projected future cash flows. We have evaluated the sufficiency of the disclosures made by management on critical judgement applied in the estimation of the recoverable values of these intangible assets.
Our findings We found management's assessment of the valuation of intangible assets to be balanced and appropriate.	

INDEPENDENT AUDITORS' REPORT

Valuation of investment in subsidiaries (Refer to Note 6 to the financial statements)	
Key Audit Matters As at 31 December 2018, the carrying amount of the investment in subsidiaries recorded in the Company's statement of financial position amounted to US$121,936,000. Management determined that there are indicators of impairment for investment in subsidiaries and performed an assessment of the Company's recoverable value of the investment in subsidiaries. Management determined that value-in-use of the intangible assets held by subsidiaries will be the appropriate assessment to reflect the recoverable values of the investment in subsidiaries. Management's judgement was required in the preparation of these discounted projected future cash flows, particularly on the determination of assumptions such as remaining useful life of the intangible assets, growth rate, royalty rate and discount rate. Based on management's assessment, the recoverable values of these intangible assets exceeded the carrying value of these assets and they concluded that there was no impairment loss during the financial year.	*How the matter was addressed in our audit* We have used our valuation specialists to critically assess the appropriateness of the valuation methodology used by management. We have critically assessed the appropriateness of the key assumptions and information used by management in the discounted projected future cash flow. We tested the mathematical accuracy of the discounted projected future cash flow. We have evaluated the sufficiency of the disclosures made by management on critical judgement applied in the estimation of the recoverable values of these intangible assets.
Our findings We found management's assessment of the valuation of the investment in subsidiaries to be balanced and appropriate.	

Other information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon ("the Annual Report").

We have obtained all other information prior to the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

Responsibilities of management and directors for the financial statements

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

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

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

INDEPENDENT AUDITORS' REPORT

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal controls relevant to the audit 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 Group's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITORS' REPORT

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Darren Chin.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
12 April 2019

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at 31 December 2018

	Note	Group			Company		
		2018 US$'000	2017 US$'000	1 January 2017 US$'000	2018 US$'000	2017 US$'000	1 January 2017 US$'000
Assets							
Plant and equipment	4	176	414	794	–	–	–
Intangible assets	5	8,545	11,615	12,606	40	40	40
Investment in subsidiaries	6	–	–	–	121,936	114,096	104,283
Other investment	7	255	–	–	255	–	–
Other non-current assets		480	155	225	400	–	–
Non-current assets		9,456	12,184	13,625	122,631	114,136	104,323
Inventories	9	1,200	3,362	4,046	–	–	–
Trade and other receivables	10	2,840	1,766	1,893	1,367	5	1
Cash and cash equivalents	11	10,766	347	328	10,335	2	28
Current assets		14,806	5,475	6,267	11,702	7	29
Total assets		24,262	17,659	19,892	134,333	114,143	104,352
Equity							
Share capital	12	172,776	171,216	152,685	172,776	171,216	152,685
Reserves	12	3,994	3,850	2,892	(29,434)	(27,894)	(37,516)
Accumulated losses		(159,074)	(188,646)	(165,775)	(45,463)	(44,666)	(29,008)
Equity attributable to owners of the Company/ Total equity		17,696	(13,580)	(10,198)	97,879	98,656	86,161
Liabilities							
Trade and other payables	15	66	66	63	33,148	–	–
Deferred income		–	–	76	–	–	–
Non-current liabilities		66	66	139	33,148	–	–
Loans and borrowings	13	2,389	10,008	17,822	2,389	7,981	16,448
Trade and other payables	15	4,111	19,930	10,520	917	7,506	1,743
Deferred income		–	1,235	1,609	–	–	–
Current liabilities		6,500	31,173	29,951	3,306	15,487	18,191
Total liabilities		6,566	31,239	30,090	36,454	15,487	18,191
Total equity and liabilities		24,262	17,659	19,892	134,333	114,143	104,352

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

CONSOLIDATED STATEMENT OF
COMPREHENSIVE INCOME

Year ended 31 December 2018

	Note	Group 2018 US$'000	Group 2017 US$'000
Revenue	17	11,165	14,312
Cost of sales		(9,869)	(9,920)
Gross profit		1,296	4,392
Sales and marketing expenses		(2,403)	(5,330)
Administrative expenses		(5,688)	(6,895)
Research and development expenses		(7,163)	(5,102)
Other income	18	44,374	524
Other expenses		(358)	(4,288)
Results from operating activities		30,058	(16,699)
Finance income		7	739
Finance costs		(491)	(6,907)
Net finance costs	19	(484)	(6,168)
Profit/(Loss) before tax		29,574	(22,867)
Tax expense	21	(2)	(4)
Profit/(Loss) for the year	20	29,572	(22,871)
Other comprehensive income			
Item that is or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences		(299)	(1,282)
Total comprehensive income/(loss) for the year		29,273	(24,153)
Profit/(Loss) attributable to:			
Owners of the Company		29,572	(22,871)
Profit/(Loss) for the year		29,572	(22,871)
Total comprehensive income attributable to:			
Owners of the Company		29,273	(24,153)
Total comprehensive income for the year		29,273	(24,153)
Earnings/(Loss) per share			
Basic earnings/(loss) per share (dollars)	22	0.01	(0.02)
Diluted earnings/(loss) per share (dollars)	22	0.01	(0.02)

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2018

	Note	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	Total equity US$'000
Group								
At 1 January 2017		152,685	(1,385)	(77)	(2,158)	6,512	(165,775)	(10,198)
Total comprehensive income for the year								
Loss for the year		–	–	–	–	–	(22,871)	(22,871)
Other comprehensive income								
Foreign currency translation differences		–	–	–	(1,282)	–	–	(1,282)
Total comprehensive income for the year		–	–	–	(1,282)	–	(22,871)	(24,153)
Contributions by and distributions to owners								
Shares issued pursuant to settlement of convertible notes	12	13,859	–	–	–	–	–	13,859
Shares issued pursuant to settlement of bridging loans and trade payables	12	2,624	–	–	–	–	–	2,624
Shares issued pursuant to capital commitment agreement	12	2,022	–	–	–	–	–	2,022
Share options exercised	12	26	–	–	–	–	–	26
Share-based payment transactions	14	–	–	–	–	2,240	–	2,240
Total contributions by and distributions to owners		18,531	–	–	–	2,240	–	20,771
At 31 December 2017		171,216	(1,385)	(77)	(3,440)	8,752	(188,646)	(13,580)

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2018

	Note	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	Total equity US$'000
Group								
At 1 January 2018		171,216	(1,385)	(77)	(3,440)	8,752	(188,646)	(13,580)
Total comprehensive income for the year								
Profit for the year		–	–	–	–	–	29,572	29,572
Other comprehensive income								
Foreign currency translation differences		–	–	–	(299)	–	–	(299)
Total comprehensive income for the year		–	–	–	(299)	–		29,273
Contributions by and distributions to owners								
Shares issued pursuant to settlement of bridging loans and trade payables	12	105	–	–	–	–	–	105
Shares issued pursuant to capital commitment agreement	12	1,455	–	–	–	–	–	1,455
Share-based payment transactions	14	–	–	–	–	443	–	443
Total contributions by and distributions to owners		1,560	–	–	–	443	–	2,003
At 31 December 2018		172,776	(1,385)	(77)	(3,739)	9,195	(159,074)	17,696

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2018

	Note	Group 2018 US$'000	Group 2017 US$'000
Cash flows from operating activities			
Receipts from customers		9,688	16,602
Payments to suppliers and employees		(32,168)	(20,764)
		(22,480)	(4,162)
Payment for settlement of litigation with AngioScore, Inc.		(4,250)	–
Interests and withholding taxes paid for borrowings		(2,005)	(33)
Total net cash used in operating activities		(28,735)	(4,195)
Cash flows from investing activities			
Purchase of property, plant and equipment		(97)	(34)
Payment for acquisition of other investment		(255)	–
Cash receipts from disposal of assets to Medtronic, Inc.		27,200	–
Cash receipts from disposal of assets to Teleflex, Inc.		19,168	–
Total net cash from/(used in) investing activities		46,016	(34)
Cash flows from financing activities			
Repayment of hire purchase creditor		–	(3)
Proceeds from short-term loans		453	2,147
Repayment of convertible notes		(4,292)	–
Repayment of loans		(3,923)	–
Proceeds from exercise of share options		–	26
Proceeds from issuance of shares		1,125	1,811
Advances from GEM Global		–	300
Total net cash (used in)/from financing activities		(6,637)	4,281
Net increase in cash and cash equivalents		10,644	52
Effect of exchange rate changes on cash and cash equivalents		(225)	(33)
Cash and cash equivalents at beginning of year		347	328
Cash and cash equivalents at end of year	11	10,766	347

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2018

Significant payments made using proceeds from the Medtronic asset sale transaction

Following the completion of the sale of Chocolate Percutaneous Transluminal Angioplasty ("PTA") balloon catheter to Medtronic, Inc., the Group made the following payments with the proceeds received:

	Group	
	2018 US$'000	2017 US$'000
Payment for settlement of litigation with AngioScore, Inc.	(4,250)	–
Payment for legal expenses in relation to litigation with AngioScore, Inc.	(4,217)	–
Refund of advance receipts from Century Medical, Inc.	(1,355)	–
Payments to Cordis, Inc. for re-purchase of inventory	(348)	–
	(10,170)	–

Significant non-cash transaction

During the year ended 31 December 2018, the Company issued ordinary shares to third parties for the settlement of certain convertible notes, bridging loans and trade payables, amounting to US$105,000 (2017: US$16,483,000).

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

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 12 April 2019.

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 3A International Business Park, #09-12 ICON @ IBP Tower B, Singapore 609935.

The financial statements of the Group as at and for the year ended 31 December 2018, 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 the Singapore Financial Reporting Standards (International) ("SFRS(I)"). These are the Group's first financial statements prepared in accordance with SFRS(I) and SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)* has been applied.

In the previous financial years, the financial statements were prepared in accordance with Financial Reporting Standards in Singapore ("FRS"). An explanation of how the transition to SFRS(I) and application of SFRS(I) 9 and SFRS(I) 15 have affected the reported financial position, financial performance and cash flows is provided in note 29.

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") as the Group's operations are primarily influenced by the USD. The functional currency of the Company is Singapore dollars ("SGD"). All financial information presented in USD has been rounded to the nearest thousand, unless otherwise stated.

2 Basis of preparation (continued)

2.4 Use of estimates and judgements

The preparation of the financial statements in conformity with SFRS(I) 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 financial years 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 subsidiaries

The Company recognises impairment losses at a level considered adequate to provide for potential non-recoverability of investment in subsidiaries. The level of impairment losses 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".

(ii) 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' fair value less costs of disposal 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 impairment might be reached.

2 Basis of preparation (continued)

2.4 Use of estimates and judgements (continued)

(iii) Useful lives of plant and equipment and intangible assets

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.

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 the following notes:

- Note 5 – Intangible assets
- Note 23 – Determination of fair values

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets within the next financial year are included in the following notes:

- Note 5 – Intangible assets
- Note 6 – Investment in subsidiaries

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all financial years presented in these financial statements and in preparing the opening SFRS(I) statements of financial position at 1 January 2017 for the purposes of the transition to SFRS(I), unless otherwise indicated.

The accounting policies have been applied consistently by Group entities.

3.1 Basis of consolidation

(i) Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group.

Acquisitions from 1 January 2017

For acquisitions from 1 January 2017, the Group measures goodwill at the date of acquisition as:

- the fair value of the consideration transferred; plus
- the recognised amount of any NCI in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree,

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

3 Significant accounting policies (continued)

3.1 Basis of consolidation (continued)

(i) Business combinations (continued)

Acquisitions from 1 January 2017 (continued)

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

NCI 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 either at fair value or at the NCI's proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the date of acquisition. The measurement basis taken is elected on a transaction-by-transaction basis. All other NCI are measured at acquisition-date fair value, unless another measurement basis is required by SFRS(I)s.

Costs related to the acquisition, other than those associated with the issue of debt or equity investments, that the Group incurs in connection with a business combination are expensed as incurred.

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 NCI arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

Acquisitions before 1 January 2017

As part of transition to SFRS(I), the Group elected not to restate those business combinations that occurred before the date of transition to SFRS(I), i.e. 1 January 2017.

(ii) 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.

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

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.

3 Significant accounting policies (continued)

3.2 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 translated 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 translated 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.

Foreign operations

The assets and liabilities of foreign operations are translated to SGD at exchange rates at the end of the reporting period. The income and expenses of foreign operations are translated to SGD 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 significant influence or joint 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.

3.3 Financial instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

3 Significant accounting policies (continued)

3.3 Financial instruments (continued)

(ii) Classification and subsequent measurement

Non-derivative financial assets – Policy applicable from 1 January 2018

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income ("FVOCI") – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Equity investments at FVOCI

On initial recognition of an equity investment that is not held-for-trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

Financial assets at FVTPL

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment – Policy applicable from 1 January 2018

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

3 Significant accounting policies (continued)

3.3 Financial instruments (continued)

(ii) Classification and subsequent measurement (continued)

Financial assets: Business model assessment – Policy applicable from 1 January 2018 (continued)

- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held-for-trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest – Policy applicable from 1 January 2018

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

3 Significant accounting policies (continued)

3.3 Financial instruments (continued)

(ii) Classification and subsequent measurement (continued)

Non-derivative financial assets: Subsequent measurement and gains and losses – Policy applicable from 1 January 2018

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Non-derivative financial assets – Policy applicable before 1 January 2018

The Group classifies non-derivative financial assets into the following categories: financial assets at FVTPL and loans and receivables.

Non-derivative financial assets: Subsequent measurement and gains and losses – Policy applicable before 1 January 2018

Financial assets at FVTPL

A financial asset was classified at FVTPL if it was classified as held-for-trading or was designated as such upon initial recognition. Financial assets were designated at FVTPL if the Group managed such investments and made purchase and sale decisions based on their fair value in accordance with the Group's documented risk management or investment strategy. Directly attributable transaction costs were recognised in profit or loss as incurred. Financial assets at FVTPL were measured at fair value, and changes therein, which took into account any dividend income, were recognised in profit or loss.

Loans and receivables

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

Loans and receivables comprised cash and cash equivalents, trade and other receivables and other non-current assets.

3 Significant accounting policies (continued)

3.3 Financial instruments (continued)

(ii) Classification and subsequent measurement (continued)

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Directly attributable transaction costs are recognised in profit or loss as incurred.

Other financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. These financial liabilities comprised trade and other payables (excluding accrued payroll and other related costs) and loans and borrowings.

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) Offsetting

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

3 Significant accounting policies (continued)

3.3 Financial instruments (continued)

(v) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits with maturities of three months or less from the date of acquisition 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.

(vi) Derivative financial instruments

Derivative financial instruments – Policy applicable from 1 January 2018

Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value and any directly 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.

Derivative financial instruments – Policy applicable before 1 January 2018

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 a 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 which have embedded options that entitle notes' holders to receive ordinary shares. Following any exercise of options embedded in the convertible notes, the principal value of the convertible notes will still be payable by the Company.

The initial bifurcation of a separable embedded derivative does not result in any gain or loss being recognised.

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.

(vii) 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.

3 Significant accounting policies (continued)

3.3 Financial instruments (continued)

(vii) Share capital (continued)

Preference share capital

The Group's redeemable preference shares are classified as financial liabilities, because they bear non-discretionary dividends and are redeemable in cash by the holders. Non-discretionary dividends thereon are recognised as interest expense in profit or loss as accrued.

Non-redeemable preference shares are classified as equity, because they bear discretionary dividends, do not contain any obligations to deliver cash or other financial assets and do not require settlement in a variable number of the Group's equity instruments. Discretionary dividends thereon are recognised as equity distributions on approval by the Company's shareholders.

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

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

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.

3.4 Plant and equipment

Recognition and measurement

Items of plant and equipment are measured at cost, which includes capitalised borrowing costs, 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.

3 Significant accounting policies (continued)

3.4 Plant and equipment (continued)

Recognition and measurement (continued)

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

The gain or loss on disposal of an item of 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.

Subsequent costs

The cost of replacing a component of an item of 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 plant and equipment are recognised in profit or loss as incurred.

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 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 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

Construction in progress is not depreciated.

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

3 Significant accounting policies (continued)

3.5 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 15 years
- Licensed royalties 15 years
- Intellectual property 5 years

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

Developed technology in progress and software development in progress are not amortised.

3 Significant accounting policies (continued)

3.6 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.

3.7 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories are assigned using weighted average cost formula, 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 based on normal operating capacity.

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.

3.8 Impairment

(i) Non-derivative financial assets

Policy applicable from 1 January 2018

Simplified approach

The Group applies the simplified approach to provide for expected credit losses ("ECLs") for all trade receivables and contract assets. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

The Group applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

3 Significant accounting policies (continued)

3.8 Impairment (continued)

(i) Non-derivative financial assets (continued)

Policy applicable from 1 January 2018 (continued)

General approach (continued)

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The Group considers a contract asset to be in default when the customer is unlikely to pay its contractual obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

3 Significant accounting policies (continued)

3.8 Impairment (continued)

(i) Non-derivative financial assets (continued)

Policy applicable from 1 January 2018 (continued)

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Policy applicable before 1 January 2018

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 an impact 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.

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 the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

3 Significant accounting policies (continued)

3.8 Impairment (continued)

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, 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. For intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.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, if no impairment loss had been recognised.

3.9 Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

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.

3 Significant accounting policies (continued)

3.9 Employee benefits (continued)

Share-based payment transactions

The grant date fair value of equity-settled 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. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

3.10 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.

3.11 Revenue

Goods and services sold

Revenue from sale of goods and services in the ordinary course of business is recognised when the Group satisfies a performance obligation (PO) by transferring control of a promised good or service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

The transaction price is allocated to each PO in the contract on the basis of the relative stand-alone selling prices of the promised goods or services. The individual standalone selling price of a good or service that has not previously been sold on a stand-alone basis, or has a highly variable selling price, is determined based on the residual portion of the transaction price after allocating the transaction price to goods and/or services with observable stand-alone selling prices. A discount or variable consideration is allocated to one or more, but not all, of the performance obligations if it relates specifically to those performance obligations.

The transaction price is the amount of consideration in the contract to which the Group expects to be entitled in exchange for transferring the promised goods or services. The transaction price may be fixed or variable and is adjusted for time value of money if the contract includes a significant financing component. Consideration payable to a customer is deducted from the transaction price if the Group does not receive a separate identifiable benefit from the customer. When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved.

Revenue may be recognised at a point in time or over time following the timing of satisfaction of the PO. If a PO is satisfied over time, revenue is recognised based on the percentage of completion reflecting the progress towards complete satisfaction of that PO.

3 Significant accounting policies (continued)

3.12 Government grants

A government grant is 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.

3.14 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.

3.15 Finance income and finance costs

The Group's finance income and finance costs include:

- interest income;
- interest expense;
- the net gain or loss on financial assets at FVTPL;
- the foreign currency gain or loss on financial assets and financial liabilities;

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

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.

3.16 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.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*.

3 Significant accounting policies (continued)

3.16 Tax (continued)

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. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Current tax assets and liabilities are offset only if certain criteria are met.

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 investment 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.

Deferred tax assets are recognised for unused tax losses, unused 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 used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for the Group. 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; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

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.

3 Significant accounting policies (continued)

3.17 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, which comprise share options granted to employees.

3.18 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 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.

3.19 New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective and have not been applied in preparing these financial statements. An explanation of the impact, if any, on adoption of these new requirements is provided in note 30.

4 Plant and equipment

	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
Group					
Cost					
At 1 January 2017	1,118	328	2,152	81	3,679
Additions	14	3	17	–	34
Effects of movements in exchange rates	5	6	12	–	23
Reclassification	–	–	81	(81)	–
At 31 December 2017	1,137	337	2,262	–	3,736
Additions	88	7	1	1	97
Disposals	(504)	(12)	(295)	–	(811)
Effects of movements in exchange rates	(1)	(2)	(3)	–	(6)
At 31 December 2018	720	330	1,965	1	3,016
Accumulated depreciation					
At 1 January 2017	984	298	1,603	–	2,885
Depreciation for the year	89	24	309	–	422
Effects of movements in exchange rates	5	5	5	–	15
At 31 December 2017	1,078	327	1,917	–	3,322
Depreciation for the year	72	8	219	–	299
Disposals	(503)	(12)	(261)	–	(776)
Effects of movements in exchange rates	(1)	(1)	(3)	–	(5)
At 31 December 2018	646	322	1,872	–	2,840
Carrying amounts					
At 1 January 2017	134	30	549	81	794
At 31 December 2017	59	10	345	–	414
At 31 December 2018	74	8	93	1	176

As at 31 December 2018 and 2017, there were no plant and equipment acquired under finance lease arrangements.

5 Intangible assets

	Developed technology US$'000	Licensed royalties US$'000	Intellectual property US$'000	Developed technology in progress US$'000	Software development in progress US$'000	Total US$'000
Group						
Cost						
At 1 January 2017 and 31 December 2017	9,790	172	372	5,518	280	16,132
Disposals	(5,808)	–	–	–	(280)	(6,088)
At 31 December 2018	3,982	172	372	5,518	–	10,044
Accumulated amortisation						
At 1 January 2017	3,115	79	332	–	–	3,526
Amortisation for the year	953	11	–	–	–	964
Effects of movements in exchange rates	27	–	–	–	–	27
At 31 December 2017	4,095	90	332	–	–	4,517
Amortisation for the year	403	11	–	–	–	414
Disposals	(3,450)	–	–	–	–	(3,450)
Effects of movements in exchange rates	18	–	–	–	–	18
At 31 December 2018	1,066	101	332	–	–	1,499
Carrying amounts						
At 1 January 2017	6,675	93	40	5,518	280	12,606
At 31 December 2017	5,695	82	40	5,518	280	11,615
At 31 December 2018	2,916	71	40	5,518	–	8,545

5 Intangible assets (continued)

Company	Intellectual property US$'000
Cost	
At 1 January 2017, 31 December 2017 and 31 December 2018	40
Accumulated amortisation	
At 1 January 2017, 31 December 2017 and 31 December 2018	–
Carrying amounts	
At 1 January 2017, 31 December 2017 and 31 December 2018	40

Amortisation

The amortisation of intangible assets is included in 'cost of sales'.

Change in estimate

During the financial year, following a review of the useful lives of the Group's internally developed technology, the estimate of the useful life of the Group's developed technology was revised from 10 to 15 years. The effect of the change, included in 'cost of sales', was as follows:

	2018 US$'000	2019 US$'000	2020 US$'000	2021 US$'000	2022 US$'000	Later US$'000
Decrease in amortisation	216	153	153	153	153	153

Source of estimation uncertainty

The Group makes judgements about the recoverability of finite-lived intangible assets whenever events or changes in circumstances indicate that impairment may exist. The Group performs an annual impairment assessment for intangible assets in-progress, 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 intangible assets in-progress is measured by comparing the carrying amount of the asset to the discounted projected future cash flows that the asset is expected to generate. If an individual asset is determined to be impaired, the amount of any impairment is measured as the difference between the carrying value and the recoverable amount of the impaired asset.

The assumptions and estimates used to determine future values and remaining useful lives of the intangible assets are complex and subjective. They can be affected by various factors (i.e. growth rate, royalty rate and discount rate), including external factors such as industry and economic trends, and internal factors such as changes in the Group's business strategy and forecasts for specific product lines.

6 Investment in subsidiaries

	Company		
	2018 US$'000	2017 US$'000	1 Jan 2017 US$'000
Unquoted shares in subsidiaries, at cost	392	400	369
Amounts due from subsidiaries	112,783	105,178	97,992
Capital contributions related to share-based payment awards	8,761	8,518	5,922
	121,936	114,096	104,283

Amounts due from subsidiaries are classified as loans and receivables. On adoption of SFRS(I) 9, the loans are classified as financial assets at amortised cost. No allowance for impairment on these loans on adoption of SFRS(I) 9 is recognised. The amounts are unsecured, interest-free and have no fixed terms of repayment. The settlement of these amounts is neither planned nor likely to occur in the foreseeable future and hence the loans are classified as non-current.

Share options were issued by the Company primarily to employees and consultants of its subsidiaries. In addition, 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 director, employee and consultant.

		Company		
Name of subsidiaries	Country of incorporation	2018 %	2017 %	1 Jan 2017 %
TriReme Medical, LLC ("TMI US")	United States of America	100	100	100
Quattro Vascular Pte. Ltd. ("Quattro")	Singapore	100	100	100
TriReme Medical (Singapore) Pte. Ltd.	Singapore	100	100	100

KPMG LLP is the auditor of all the above subsidiaries.

Sources of estimation uncertainty

The Company evaluates, amongst other factors, the future profitability of the subsidiaries, business outlook, including factors such as industry performance, changes in technology and operation, to assess the recoverability of the investment in subsidiaries. The recoverable amount of the investment in subsidiaries could change significantly as a result of changes in market conditions and the assumption used in determining the recoverable amount.

Impairment assessment on investment in subsidiaries

The carrying amounts of the Company's investment in subsidiaries are reviewed at each reporting date to determine whether there is any indication of impairment. Management judgement is required in assessing whether events or changes in circumstances have occurred that may indicate that the carrying value of investment in subsidiaries may no longer be recoverable. Based on management's review, there was no impairment loss noted.

7 Other investment

	Group			Company		
	2018 US$'000	2017 US$'000	1 Jan 2017 US$'000	2018 US$'000	2017 US$'000	1 Jan 2017 US$'000
Non-current investment						
Equity investment - mandatorily at FVTPL	255	–	–	255	–	–

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		
	2018 US$'000	2017 US$'000	1 Jan 2017 US$'000	2018 US$'000	2017 US$'000	1 Jan 2017 US$'000
Deductible temporary differences	28,667	29,239	36,558	–	–	–
Research and development tax credits	4,192	2,959	3,465	–	–	–
Tax losses	190,876	178,147	149,887	–	–	–
	223,735	210,345	189,910	–	–	–

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.

On 22 December 2017, the United States of America enacted H.R.1, originally known as the Tax Cuts and Jobs Act, under which the corporate statutory tax rate shall be reduced to 21% effective beginning on or after 1 January 2018. Hence, any deferred tax assets or liabilities that are expected to reverse after 1 January 2018 would be remeasured to 21%.

As at 31 December 2018, the Group's unrecognised tax losses mainly related to federal and state income taxes in relation to a subsidiary based in the United States of America amounted to US$102,203,000 (2017: US$89,250,000; 1 Jan 2017: US$71,485,000) and US$63,740,000 (2017: US$65,082,000; 1 Jan 2017: US$56,891,000), respectively. The unrecognised federal losses generated prior to 31 December 2017 will begin to expire from 2037. The unrecognised federal losses generated in the current year are carried forward indefinitely. The state tax losses will expire from 2038.

8 Deferred tax assets and liabilities (continued)

Unrecognised deferred tax assets and liabilities (continued)

As at 31 December 2018, the Group has federal and state research and development tax credits related to a subsidiary in the United States of America of US$2,169,000 (2017: US$1,522,000; 1 Jan 2017: US$1,812,000) and US$2,023,000 (2017: US$1,437,000; 1 Jan 2017: US$1,653,000), respectively. The federal research and development tax credits will expire from 2025 and the state research and development tax credits have no expiration.

The remaining 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.

9 Inventories

	Group		
	2018 US$'000	2017 US$'000	1 Jan 2017 US$'000
Raw materials	259	523	1,004
Work in progress	736	1,627	1,263
Finished goods	30	1,021	1,779
Goods-in-transit	175	191	–
	1,200	3,362	4,046
Inventories included in cost of sales	9,869	9,920	5,949

10 Trade and other receivables

	Group			Company		
	2018 US$'000	2017 US$'000	1 Jan 2017 US$'000	2018 US$'000	2017 US$'000	1 Jan 2017 US$'000
Trade receivables	962	1,175	1,414	–	–	–
Other receivables	1,735	373	254	1,361	–	–
Loan and receivables	2,697	1,548	1,668	1,361	–	–
Prepayments	143	218	225	6	5	1
Total receivables	2,840	1,766	1,893	1,367	5	1

The Group's exposure to credit and currency risks related to trade and other receivables are disclosed in Note 16.

There is no allowance for doubtful debts arising from these balances. The ECL is not material.

11 Cash and cash equivalents

	Group			Company		
	2018 US$'000	2017 US$'000	1 Jan 2017 US$'000	2018 US$'000	2017 US$'000	1 Jan 2017 US$'000
Bank balances	10,709	302	286	10,335	2	28
Deposits pledged	57	45	42	–	–	–
Total cash and cash equivalents	10,766	347	328	10,335	2	28

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 16.

12 Share capital and reserves

Share capital	Group and Company No. of ordinary shares '000
In issue at 1 January 2017	1,038,007
Issuance of shares pursuant to capital commitment agreement with GEM Global Yield LLC SCS ("GEM Global")	178,000
Issuance of shares pursuant to exercise of share options	816
Issuance of shares pursuant to vesting of share awards	37,674
Issuance of shares pursuant to settlement of bridging loans and trade payables	109,717
Issuance of shares pursuant to settlement of convertible notes	530,037
	856,244
In issue at 31 December 2017	1,894,251
In issue at 1 January 2018	1,894,251
Issuance of shares pursuant to capital commitment agreement with GEM Global	144,194
Issuance of shares pursuant to vesting of share awards	46,097
Issuance of shares pursuant to settlement of bridging loans	8,090
	198,381
In issue at 31 December 2018	2,092,632

12 Share capital and reserves (continued)

On 20 March 2017, the Company entered into a capital commitment agreement ("Agreement") with GEM Global and Gem Investments America, LLC ("GEMIA") whereby,

i. GEM Global agreed to grant the Company an option to require the investor to subscribe for new ordinary shares of the Company. The Company shall determine the timing and aggregate number of ordinary shares which the investors should subscribe. The maximum number of shares to be subscribed was 178,000,000 new ordinary shares, or aggregate of S$ 10,000,000 (US$7,000,000). In November 2017, the Company and GEM Global agreed to revise the number of ordinary shares to be made available under the Agreement from 178,000,000 to 356,000,000 new ordinary shares.

ii. During the year, the Company allotted and issued a total of 144,194,000 ordinary shares to GEM Global at an issue price of S$0.011 to S$0.015 per share for a total proceeds of US$1,455,000 of which US$300,000 was received in advance in 2017; and

iii. the Company shall issue warrants for up to 35,000,000 new ordinary shares with an exercise price of $0.10 each and exercisable within five years from the date of the agreement. The Company shall account this transaction based on the guidance of SFRS(I) 1-32 and shall be classified as equity; this gives GEM Global the right to buy a fixed number of the Company's shares for a fixed price with no put conditions. As at 31 December 2018, none of these warrants were exercised.

All shares rank equally with regard to the Company's residual assets. 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.

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.

Reserve for own shares

The reserve for the Company's own shares comprises the cost of the Company's shares held by the Group. At 31 December 2018, the Group held 16,000 (2017: 16,000; 1 Jan 2017: 16,000) of the Company's shares.

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.

13 Loans and borrowings

	Group			Company		
	2018 US$'000	2017 US$'000	1 Jan 2017 US$'000	2018 US$'000	2017 US$'000	1 Jan 2017 US$'000
Convertible notes	–	6,535	14,995	–	4,508	13,624
Short-term loans	2,389	3,473	2,824	2,389	3,473	2,824
Finance lease liability	–	–	3	–	–	–
	2,389	10,008	17,822	2,389	7,981	16,448

At 31 December 2018, the short-term loans entered into with employees of the Group and the Company and third parties are unsecured and bear a fixed interest of 6% on the principal amount. The short-term loans are repayable on 31 March 2019.

At 31 December 2017, the short-term loans entered into with certain directors and employees of the Group and the Company and third parties are unsecured, repayable on demand and, bear a fixed interest of 20% on the principal amount and an additional payment which is capped at 45% of the principal amount. The additional payment is based on the price differential of the 5-day Volume Weighted Average Price ("VWAP") of the Company's share price at the inception date and due date or settlement date (whichever date is earlier) multiplied by the principal amount of each short-term loan.

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Group US$'000
Loans and borrowings	
Balance at 1 January 2017	17,822
Repayment of bridging loan through issuance of shares	(12,573)
Repayment of convertible notes through issuance of shares	(2,624)
Exchange gain	(461)
Repayment of hire purchase creditor	(3)
Proceeds from short-term loans	2,147
Interest expense	5,700
Net movement during the year	(7,814)
Balance at 31 December 2017	10,008

	Group US$'000
Loans and borrowings	
Balance at 1 January 2018	10,008
Repayment of bridging loan	(3,923)
Repayment of convertible notes	(4,292)
Exchange loss	29
Proceeds from short-term loans	453
Others	114
Net movement during the year	(7,619)
Balance at 31 December 2018	2,389

14 Share-based payment arrangements

Description of the share-based payment arrangements

The Group has the following share-based payment arrangements:

Share option programme (equity-settled)

In September 2005 ("2005 Stock Plan"), November 2010 ("2010 Stock Plan") and September 2013 ("2013 Stock Plan") the Group established share option plans that entitle certain employees, directors and consultants to purchase ordinary shares in the Company. 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, Amir Belson, Gregory David Casciaro and Mark Allen Wan.

All share options are to be settled by physical delivery of shares.

Grant date/employees entitled	No. of share options '000	Vesting conditions	Contractual life of options
Grants existing as at 1 January 2017	293,690	*	10 years
2017 grants – Employees	5,157	6	10 years
Grants existing as at 31 December 2017	298,847	*	10 years
2018 grants – Employees	3,700	5	10 years
Grants existing as at 31 December 2018	302,547		10 years

* *As at 31 December 2018 and 2017, each set of share option granted has one of the following vesting conditions.*

Vesting conditions

1. Rateable over one year (1/12 per month)
2. Rateable over two years (1/24 per month)
3. Rateable over three years (1/36 per month)
4. Rateable over four years (1/48 per month)
5. 25% after one year; rateable over four years (1/48 per month) thereafter
6. 25% at start date; rateable over three years (1/36 per month) thereafter
7. 25% at start date; rateable over four years (1/48 per month) thereafter
8. 25% after one year; rateable over three years (1/36 per month) thereafter
9. 25% at start date; 25% per year thereafter
10. 50% at start date; rateable over two years
11. 50% at start then rateable over two years (1/24 per month) thereafter
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
16. 100% vesting after one year

14 Share-based payment arrangements (continued)

Vesting conditions (continued)

During the year, the Group has amended the vesting condition of 2014 Stock Plan from vesting condition 4, 5, 6 and 7 to vesting condition 16. There is no material impact on the incremental fair value.

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

Measurement of fair values

The fair value of the share options has been measured using the Black-Scholes option-pricing model. Estimates of volatility has been based on an evaluation of the historical volatility of the Company's share price. The expected term of the share options has been based on estimated option holder behaviour.

The inputs used in the measurement of the fair values at grant date of the share options under the share option programme are as follows:

	Group		Company	
	2018	**2017**	**2018**	**2017**
Fair value at grant date (weighted average)	US$0.01	US$0.02 to US$0.04	N.A.	N.A.
Share price at grant date	US$0.01	US$0.02 to US$0.04	N.A.	N.A.
Exercise price	US$0.01	US$0.02 to US$0.04	N.A	N.A.
Expected volatility (weighted average)	50%	50%	N.A.	N.A.
Expected life (weighted average)	6.1 years	6.0 years	N.A.	N.A.
Expected dividends	–	–	–	–
Risk-free interest rate (weighted average based on government bonds)	2.9%	2.2% to 2.3%	N.A	N.A.
Share-based compensation expense	US$112,000	US$220,000	–	–

14 Share-based payment arrangements (continued)

Reconciliation of outstanding share options

The number and weighted average exercise prices of share options under share option programme are as follows:

	Group and Company		Group and Company	
	Weighted average exercise price 2018 US$	No. of options 2018 '000	Weighted average exercise price 2017 US$	No. of options 2017 '000
Outstanding at 1 January	0.01 – 0.09	102,232	0.01 – 0.09	113,768
Forfeited during the year	0.03 – 0.07	(7,498)	0.03 – 0.07	(15,744)
Expired during the year	0.06	(1,204)	0.05	(133)
Exercised during the year	–	–	0.01 – 0.07	(816)
Granted during the year	0.01	3,700	0.04	5,157
Outstanding at 31 December	0.01 – 0.09	97,230	0.01 – 0.09	102,232
Exercisable at 31 December	0.01 – 0.07	95,451	0.01 – 0.07	79,378

The options outstanding at 31 December 2018 have an exercise price in the range of US$0.01 to US$0.09 (2017: US$0.01 to US$0.09) and a weighted average contractual life of 6.3 years (2017: 5.7 years).

There were no share option exercised in 2018. The weighted average share price at the date of exercise for share options exercised in 2017 was S$0.05.

Restricted share awards (equity-settled)

At the Annual General Meeting of the Company held on 30 April 2015, the shareholders of the Company adopted the QT Vascular Restricted Share Plan 2015 ("2015 RSP"). On 28 June 2018 and 17 August 2018, the Company granted 32,485,384 restricted share awards. Under the terms of the 2015 RSP, award holders will receive fully paid-up ordinary shares of the Company. The 2015 RSP is administered by the Remuneration Committee, comprising three directors, Amir Belson, Gregory David Casciaro and Mark Allen Wan.

Grant date/employees entitled	No. of instruments '000	Vesting conditions
Share awards existing as at 1 January 2017	53,067	
2017 grants - Employees and Key Management	31,891	3,4,5
Share awards existing as at 31 December 2017	84,958	
2018 grants - Employees and Key Management	32,485	3
Share awards existing as at 31 December 2018	117,443	

14 Share-based payment arrangements (continued)

Vesting conditions

1. 20% of total awards will vest upon achievement of each of the 5 predetermined milestones.
2. 25% of total awards will vest upon achievement of each of the 4 predetermined milestones.
3. 100% of total awards will vest immediately upon issuance.
4. 50% of total awards will vest immediately upon issuance and 25% of total awards will vest upon achievement of each of the 2 predetermined milestones.
5. The award holder has to remain as an employee of the Group on the date that the shares are issued.

As at 31 December 2018, 46,097,000 (2017: 37,674,000) of the restricted share awards had vested and were issued during the year.

Reconciliation of outstanding restricted share awards

The number of shares issuable under restricted share awards scheme are as follows:

	Group		Company	
	2018 '000	2017 '000	2018 '000	2017 '000
Outstanding at 1 January	21,305	28,730	2,531	3,601
Forfeited during the year	–	(1,642)	–	–
Issued during the year	(46,097)	(37,674)	(1,631)	(3,991)
Granted during the year	32,485	31,891	–	2,921
Outstanding at 31 December	7,693	21,305	900	2,531

Measurement of fair values

The fair value at date of grant for each restricted share award granted on 28 June 2018 and 17 August 2018 was S$0.014 and S$0.012 respectively which is the market price of the Company's shares at each date of grant. Service and non-market performance conditions attached to the arrangement were not taken into account in measuring the fair value and no dividends were expected.

	Group		Company	
	2018 US$'000	2017 US$'000	2018 US$'000	2017 US$'000
Share-based compensation expense	348	2,025	5	197

15 Trade and other payables

	Group			Company		
	2018 US$'000	2017 US$'000	1 Jan 2017 US$'000	2018 US$'000	2017 US$'000	1 Jan 2017 US$'000
Non-current:						
Provisions	66	66	63	–	–	–
Amount due to subsidiaries, non-trade	–	–	–	33,148	–	–
	66	66	63	33,148	–	–
Current:						
Trade payables	1,366	2,712	5,428	–	–	–
Accrued payroll and other related costs	520	1,356	1,360	–	–	–
Accrued expenses	1,435	1,285	818	587	703	470
Non-trade payables	189	11,268	1,658	122	5,218	261
Other payables	470	1,450	–	–	–	–
Amounts due to subsidiaries, non-trade	–	–	–	77	77	77
Accrued interest	131	1,859	1,256	131	1,508	935
	4,111	19,930	10,520	917	7,506	1,743

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

The non-trade payables comprised legal and professional fees which are unsecured, interest-free and payable within one year.

The Group's exposure to currency and liquidity risks related to trade and other payables are disclosed in Note 16.

16 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 Audit Committee 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. The Audit Committee is assisted in its oversight role by the Group's internal auditors. The internal auditors undertakes both regular and *ad hoc* reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

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. During 2018, approximately 60% (2017: 61%; 1 Jan 2017: 18%) of the Group's revenue is attributable to sales transaction with a single multinational customer. No impairment loss had been recognised for this customer to date.

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 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.

16 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		
	2018 US$'000	2017 US$'000	1 Jan 2017 US$'000	2018 US$'000	2017 US$'000	1 Jan 2017 US$'000
Neither past due or impaired	2,518	374	1,350	1,361	–	–
Past due 1-30 days	179	1,166	222	–	–	–
Past due 31-90 days	–	–	23	–	–	–
Past due 91-180 days	–	1	5	–	–	–
Greater than 180 days past due	–	7	68	–	–	–
Total	2,697	1,548	1,668	1,361	–	–

As at 31 December 2018, the Group's most significant customer, a US distributor, accounts for US$679,000 (2017: US$1,173,000) of the trade and other receivables carrying amount.

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		
	2018 US$'000	2017 US$'000	1 Jan 2017 US$'000	2018 US$'000	2017 US$'000	1 Jan 2017 US$'000
North America	845	1,220	1,102	–	–	–
Asia	1,736	326	522	1,361	–	–
European Union	116	2	44	–	–	–
Total	2,697	1,548	1,668	1,361	–	–

Cash and cash equivalents

The Group and the Company held cash and cash equivalents of US$10,766,000 and US$10,335,000 respectively as at 31 December 2018 (2017: US$347,000 and US$2,000 respectively; 1 Jan 2017: US$328,000 and US$28,000 respectively). These balances represent their maximum credit exposures on these assets. The cash and cash equivalents are held with two banks which are both rated Aa3, based on Rating Agency Moody's ratings.

16 Financial risk management (continued)

Liquidity risk

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 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.

	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
Group						
31 December 2018						
Non-derivative financial liabilities						
Trade and other payables**	3,657	3,757	3,657	40	60	–
Short-term loans*	2,389	2,389	2,389	–	–	–
	6,046	6,146	6,046	40	60	–
31 December 2017						
Non-derivative financial liabilities						
Trade and other payables**	18,640	18,790	18,640	30	90	30
Convertible notes	6,535	6,535	6,535	–	–	–
Short-term loans*	3,473	3,473	3,473	–	–	–
	28,684	28,798	28,684	30	90	30
1 January 2017						
Non-derivative financial liabilities						
Trade and other payables**	9,160	9,340	9,160	30	90	60
Convertible notes	14,995	14,995	14,995	–	–	–
Short-term loans*	2,824	2,824	2,824	–	–	–
	26,979	27,159	26,979	30	90	60
Company						
31 December 2018						
Non-derivative financial liabilities						
Trade and other payables	917	917	917	–	–	–
Short-term loans*	2,389	2,389	2,389	–	–	–
	3,306	3,306	3,306	–	–	–
31 December 2017						
Non-derivative financial liabilities						
Trade and other payables	7,506	7,506	7,506	–	–	–
Convertible notes	4,508	4,508	4,508	–	–	–
Short-term loans*	3,473	3,473	3,473	–	–	–
	15,487	15,487	15,487	–	–	–

16 Financial risk management (continued)

Liquidity risk (continued)

	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
Company						
1 January 2017						
Non-derivative financial liabilities						
Trade and other payables	1,743	1,743	1,743	–	–	–
Convertible notes	13,624	13,624	13,624	–	–	–
Short-term loans*	2,824	2,824	2,824	–	–	–
	18,191	18,191	18,191	–	–	–

** *Excluding accrued payroll and other related costs*

* *The related interest expense was recorded under 'Trade and other payables'.*

The above table are the remaining contractual maturities of the Group's financial liabilities, including estimated interest payments. These amounts are gross and undiscounted and include contractual interest payments.

Interest rate risk

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

Exposure to interest rate risk

At the reporting date, the interest rate profile of the Group's interest-bearing financial instruments, as reported to management, was as follows:

	Group			Company		
	2018 US$'000	2017 US$'000	1 Jan 2017 US$'000	2018 US$'000	2017 US$'000	1 Jan 2017 US$'000
Fixed rate instruments						
Financial assets	57	45	42	–	–	–
Financial liabilities	(2,389)	(6,368)	(19,200)	(2,389)	(4,508)	(17,340)
	(2,332)	(6,323)	(19,158)	(2,389)	(4,508)	(17,340)
Variable rate instruments						
Financial liabilities	–	(3,473)	(2,824)	–	(3,473)	(2,824)

The fixed rate financial assets comprised of deposits pledged. The fixed rate financial liabilities comprised of short-term loans.

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

16 Financial risk management (continued)

Interest rate risk (continued)

Exposure to interest rate risk (continued)

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.

The exposure to market risk for changes in interest rates on variable financial liabilities relates primarily to short-term loans with certain directors and employees of the Group and the Company and third parties. Changes in interest rates would not significantly impact the Company's profit or loss, and correspondingly, no sensitivity analysis is presented. The Group does not use derivative financial instruments to hedge its interest rate exposures.

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.

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.

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	
	2018		2017		2018	2017
	SGD US$'000	USD US$'000	SGD US$'000	USD US$'000	USD US$'000	USD US$'000
Cash and cash equivalents	133	84	2	*	84	*
Deposits pledged	7	–	45	–	–	–
Trade and other receivables	415	400	447	–	400	–
Non-current assets	–	400	–	–	400	–
Amount due from subsidiaries	–	–	–	–	67,492	63,918
Trade and other payables	(209)	(506)	(456)	(6,218)	(506)	(6,218)
Loans and borrowings	*	(2,389)	*	(7,158)	(2,389)	(7,158)
Amount due to subsidiary	–	–	–	–	(19,235)	–
Net position of financial currency exposure	346	(2,011)	38	(13,376)	46,246	50,542

* *Less than US$1,000*

16 Financial risk management (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	
2018	
SGD	(35)
USD	201
2017	
SGD	(4)
USD	1,338
Company	
2018	
USD	(4,625)
2017	
USD	(5,054)

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 and ignores any impact of forecasted sales and purchases.

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.

16 Financial risk management (continued)

Sensitivity analysis (continued)

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.

17 Revenue

	Group	
	2018	**2017**
	US$'000	**US$'000**
Sale of goods	10,954	14,312
Rendering of services	211	–
	11,165	14,312

The following tables provide information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies:

Sale of goods

Nature of goods or services	The Group develops and manufactures advanced therapeutic solutions for the treatment of complex vascular disease.
When revenue is recognised	Revenue is recognised when goods are delivered to the customer and all criteria for acceptance have been satisfied.
Significant payment terms	Invoices for sale of goods are issued to the customers when the goods are delivered. Payment for these goods is due within 30 days. No element of financing is deemed present as the credit terms are consistent with market practice. Hence no interest is charged to customers.

Nature of goods or services	The Group provides lot release testing service to customers.
When revenue is recognised	Revenue is recognised once lot release testing is complete.
Significant payment terms	Invoices for rendering of services are issued to the customers when the service is rendered. Payment for these goods is due within 30 days. No element of financing is deemed present as the credit terms are consistent with market practice. Hence no interest is charged to customers.

18 Other income

	Group	
	2018 US$'000	2017 US$'000
Gains from asset sale	44,273	–
Government grant	82	513
Others	19	11
	44,374	524

During the year, the Company completed two asset sale transactions, related to Chocolate PTA balloon catheter, Chocolate Percutaneous Transluminal Coronary Angioplasty ("PTCA") balloon catheter and Glider™ PTCA balloon catheter product lines (excluding ownership of patent rights) with, Medtronic, Inc. and Teleflex, Inc. respectively. The asset sale transactions have contributed to US$44,273,000 gain on disposal of assets (2017: Nil).

19 Finance costs

	Group	
	2018 US$'000	2017 US$'000
Finance income		
Net foreign exchange gain	–	739
Interest income	7	–
	7	739
Finance costs		
Interest expense on convertible notes	(128)	(5,948)
Interest expense on short-term loans	(319)	(959)
Net foreign exchange loss	(44)	–
	(491)	(6,907)
Net finance costs	(484)	(6,168)

20 Profit/(Loss) for the year

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

	Group	
	2018 US$'000	2017 US$'000
Audit fees paid/payable to auditors of the Company:		
- statutory audit fees	226	217
Non-audit fees paid/payable to:		
- auditors of the Company	52	16
- other auditors	37	–
Professional fees	2,241	1,648
Directors' fees	211	160
Operating lease expense	394	543
Depreciation of plant and equipment	299	422
Amortisation of intangible assets	414	964
Grant income	(82)	(513)
Employee compensation expense:		
- Salaries and bonus	6,792	8,902
- Employee benefit expense	853	1,066
- Expenses related to defined contribution plans	86	138
- Equity settled share-based payment transactions	415	2,245

21 Tax expense

Tax recognised in profit or loss

	Group	
	2018 US$'000	2017 US$'000
Current tax expense		
Current year	2	4

Reconciliation of effective tax rate

Profit/(Loss) before tax	29,574	(22,867)
Tax using the Singapore tax rate of 17% (2017: 17%)	5,028	(3,887)
Effect of tax rates in foreign jurisdictions	(527)	(1,534)
Non-deductible expenses	83	3,055
Non-taxable items	(6,858)	(1,305)
Change in unrecognised temporary differences	2,276	3,675
	2	4

22 Earnings/(Loss) per share

Basic earnings/(loss) per share

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

Profit/(Loss) attributable to ordinary shareholders

	Group	
	2018 US$'000	2017 US$'000
Earnings/(Loss) attributable to ordinary shareholders	29,572	(22,871)

Weighted average number of ordinary shares

	Group	
	2018 '000	2017 '000
Issued ordinary shares at 1 January	1,894,251	1,038,007
Issue of new shares pursuant to settlement of short-term loans and trade payables	5,674	43,287
Issue of new shares pursuant to settlement of convertible notes	–	299,772
Issue of new shares pursuant to capital commitment agreement with GEM Global	117,120	55,247
Issue of new shares pursuant to vesting of share awards	23,846	29,588
Effects of share options exercised	–	789
Weighted average number of shares during the year	2,040,891	1,466,690

Diluted earnings/(loss) per share

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

Profit/(Loss) attributable to ordinary shareholders (diluted)

	Group	
	2018 US$'000	2017 US$'000
Earnings/(Loss) attributable to ordinary shareholders	29,572	(22,871)

22 Earnings/(Loss) per share (continued)

Weighted average number of ordinary shares (diluted)

	Group	
	2018	**2017**
	'000	**'000**
Weighted-average number of ordinary shares (basic)	2,040,891	1,466,690
Effect of share options in issue	4,333	–
Weighted average number of shares during the year	2,045,224	1,466,690

As at 31 December 2018, 85,030,000 options (2017: 102,232,000 options) were excluded from the diluted weighted-average number of ordinary shares calculation as their effect would have been anti-dilutive.

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.

23 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, trade and other payables and loans and borrowings (excluding convertible notes and finance lease liability) on their notional amounts reasonably approximate their fair values because of their short-term nature.

b) The fair value of the employee share options and restricted share awards are measured using the Black-Scholes options-pricing model. Measurement inputs include the share price on the measurement date, the exercise price of the instrument, expected volatility (based on an evaluation of the historic volatility of the Company's share price, particularly over the historical period commensurate with the expected term), expected term of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

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

23 Determination of fair values (continued)

When measuring the fair value of an asset or a liability, the Group uses observable market 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.

Financial assets and financial liabilities carried at fair value

As at 31 December 2018, the Group holds equity investment that is carried at fair value of US$255,000 (2017: Nil).

24 Operating leases

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

	Group	
	2018 US$'000	**2017 US$'000**
Within one year	339	401
Between 1 to 5 years	341	715
Total	680	1,116

The Group leases two facilities located in Pleasanton, California, in the United States of America, under an operating lease. The lease will expire in February 2021. The Group also leases one facility in Singapore under one operating lease which will expire in April 2020.

25 Capital commitments

	Group	
	2018 US$'000	2017 US$'000
Development costs	1,252	915

26 Contingencies

As part of the Convertible Notes agreements that the Group entered into and referred to as qualifying exit clause, the Group is obligated to pay a consideration equal to two times the outstanding principal amount invested by each note holder as of reporting date, contingent upon the cumulative transaction size of the sale of assets and/or businesses of the Group and/or the acquisition of the Group for purchase consideration of at least S$75,000,000 (transaction value) prior to the maturity date of the convertible notes.

As at 31 December 2018, the remaining outstanding principal amount, which may be subject to the qualifying exit clause, was $2,270,000. The Group may be obligated to pay an additional consideration of $2,270,000, and the outstanding principal amount, if the qualifying exit clause is triggered. As the possibility of an outflow is not yet probable, as at the date of the financial statements, the Group has not recognised any liability in respect of the contingent consideration.

27 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	
	2018 US$'000	2017 US$'000	2018 US$'000	2017 US$'000
Transactions				
Short-term employee benefits	2,208	2,596	211	204
Share-based payments	308	1,890	24	270
	2,516	4,486	235	474

Key management personnel and director transactions

	Transaction value			
	Group		Company	
	2018 US$'000	2017 US$'000	2018 US$'000	2017 US$'000
Transactions				
Royalty	91	359	–	–
Legal fees	–	7	–	–
Interest expense	7	209	–	209
	98	575	–	209

27 Related parties (continued)

Key management personnel and director transactions (continued)

	Balance outstanding as at			
	Group		Company	
	2018 US$'000	2017 US$'000	2018 US$'000	2017 US$'000
Balances				
Royalty	4	359	–	–
Accrued legal fees	–	133	–	–
Accrued interest	23	209	–	209
	27	701	–	209

Since November 2015, as Dr. Eitan Konstantino has been acting in his capacity as director and in the best interests of TMI US, Quattro and the Company in the development of Chocolate® line of products, in accordance with the by-laws of the respective companies as well as the indemnity agreements entered into between Dr. Eitan Konstantino and TMI US as well as the Company. The legal fees incurred by Dr. Eitan Konstantino in respect of the appeal on the State Law claims judgement were borned by TMI US.

On 27 April 2014, the CEO, Dr. 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, Dr. 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. As presented on the above-mentioned table, during the financial year, the royalty expense recognised in profit and loss of the Group amounted to US$91,000 (2017: US$359,000).

In August and October 2016, certain directors of the Company extended a total of SGD$450,000 in short-terms loans to the Company for working capital purposes. The short-term loans bear a fixed interest of 20% on the principal amount and an additional payment of which is capped at 45% of the principal amount. The additional payment is based on the price differential of the 5-day VWAP of the Company's share price at the inception date and due date or settlement date (whichever date is earlier) multiplied by the principal amount of each short-term loan. The terms of the loan are conducted on an arm's length basis and based on similar terms agreed with third party lenders. With the exception of an outstanding interest payment of US$23,000 due to a director, most of the short-term loans have been fully paid during the financial year ended 31 December 2018.

27 Related parties (continued)

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	
	2018 US$'000	2017 US$'000
Loans to subsidiaries	27,003	3,862
Payment on behalf of subsidiary	3,334	778
Receipt on behalf of subsidiary	(48,135)	–
Repayment of loans by subsidiaries	(4,709)	–
Payment on behalf by subsidiary	(4,437)	(542)

The loans provided to subsidiaries are interest-free with no fixed repayment dates. These amounts were recorded as part of investment in subsidiaries under the line item – Amount due from subsidiaries (Note 6).

28 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	
	2018 US$'000	2017 US$'000	2018 US$'000	2017 US$'000
United States of America	10,867	14,115	3,735	5,611
Singapore	–	–	5,721	6,573
Europe	295	184	–	–
Hong Kong	3	13	–	–
	11,165	14,312	9,456	12,184

29 Explanation of transition to SFRS (I) and adoption of new standards

In December 2017, the Accounting Standards Council (ASC) issued the SFRS(I). SFRS(I) comprises standards and interpretations that are equivalent to International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) at 31 December 2017 that are applicable for annual period beginning on 1 January 2018.

As stated in note 2.1, these are the first financial statements of the Group and of the Company prepared in accordance with SFRS(I).

29 Explanation of transition to SFRS (I) and adoption of new standards (continued)

The significant accounting policies set out in note 3 have been applied in preparing the financial statements for the year ended 31 December 2018, the comparative information presented in these financial statements for the year ended 31 December 2017 and in the preparation of the opening SFRS(I) statement of financial position at 1 January 2017 (the Group's date of transition), subject to the mandatory exceptions and optional exemptions under SFRS(I) 1.

In preparing the opening SFRS(I) statement of financial position, there is no adjustment made to amounts reported previously in the financial statements prepared in accordance with previous FRS.

In addition to the adoption of the new framework, the Group also concurrently applied the following SFRS(I)s, interpretations of SFRS(I)s and requirements of SFRS(I)s which are mandatorily effective from the same date.

- SFRS(I) 15 *Revenue from Contracts with Customers* which includes clarifications to IFRS 15 *Revenue from Contracts with Customers* issued by the IASB in April 2016;
- SFRS(I) 9 *Financial Instruments* which includes amendments arising from IFRS 4 *Insurance Contracts* issued by the IASB in September 2016;
- requirements in SFRS(I) 2 *Share-based Payment* arising from the amendments to IFRS 2 – *Classification and measurement of share-based payment transactions* issued by the IASB in June 2016; and
- SFRS(I) INT 22 *Foreign Currency Transactions and Advance Consideration.*

The application of the above standards and interpretations do not have material effect on the financial statements.

An explanation of how the transition from previous FRS to SFRS(I) and the adoption of SFRS(I) 9 and SFRS(I) 15 have affected the Group's financial position, financial performance and cash flows, and the Company's financial position is set out under the summary of quantitative impact and the accompanying notes.

Summary of quantitative impact

The initial application of SFRS(I) 1, SFRS(I) 15 and SFRS(I) 9 do not have material impact on the Group's and the Company's financial positions as at 1 January 2017, 31 December 2017 and 1 January 2018 and the Group's profit or loss and other comprehensive income for the year ended 31 December 2017. There were no material adjustments to the Group's statement of cash flows for the year ended 31 December 2017 arising on the transition to SFRS(I).

SFRS(I) 1

In adopting SFRS(I) in 2018, the Group has applied the transition requirements in SFRS(I) 1 with 1 January 2017 as the date of transition. SFRS(I) 1 generally requires that the Group applies SFRS(I) that are effective as at 31 December 2018 on a retrospective basis, as if such accounting policy had always been applied, subject to the mandatory exceptions in SFRS(I) 1. The application of the mandatory exceptions in SFRS(I) 1 did not have any significant impact on the financial statements. The Group did not apply any optional exemption.

SFRS(I) 15

SFRS(I) 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specific criteria are met.

29 Explanation of transition to SFRS (I) and adoption of new standards (continued)

The Group adopted SFRS(I) 15 in its financial statements using the retrospective approach. All requirements of SFRS(I) 15 have been applied retrospectively, with no practical expedients applied.

The application of SFRS(I) 15 did not have any significant impact on the financial statements.

SFRS(I) 9

SFRS(I) 9 *Financial Instruments* sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. It also introduces a new ECL model and a new general hedge accounting model. The Group adopted SFRS(I) 9 from 1 January 2018.

In accordance with the exemption in SFRS(I) 1, the Group elected not to restate information for 2017. Accordingly, the information presented for 2017 is presented, as previously reported, under FRS 39 *Financial Instruments: Recognition and Measurement*. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of SFRS(I) 9 are recognised in retained earnings and reserves as at 1 January 2018.

Arising from this election, the Group is exempted from providing disclosures required by SFRS(I) 7 *Financial Instruments: Disclosures* for the comparative period to the extent that these disclosures relate to items within the scope of SFRS(I) 9. Instead, disclosures under FRS 107 *Financial Instruments: Disclosures* relating to items within the scope of FRS 39 are provided for the comparative period.

Changes in accounting policies resulting from the adoption of SFRS(I) 9 have been generally applied by the Group retrospectively, except as described below.

- The following assessments were made on the basis of facts and circumstances that existed at 1 January 2018.
  - The determination of the business model within which a financial asset is held;
  - The determination of whether the contractual terms of a financial asset give rise to cash flows that are solely payments of principal and interest of the principal amount outstanding; and
  - The designation and revocation of previous designations of certain financial assets and financial liabilities measured at FVTPL.

The impact upon adoption of SFRS(I) 9, including the corresponding tax effects, are described below.

(i) Classification of financial assets and financial liabilities

For an explanation of how the Group classifies and measures financial assets and related gains and losses under SFRS(I) 9, see note 3.3.

The adoption of SFRS(I) 9 did not have a significant effect on the Group's accounting policies for financial liabilities.

The following table and the accompanying notes below explain the original measurement categories under FRS 39 and the new measurement categories under SFRS(I) 9 for each class of the Group's financial assets as at 1 January 2018.

29 Explanation of transition to SFRS (I) and adoption of new standards (continued)

(i) Classification of financial assets and financial liabilities (continued)

	Note	Original classification under FRS 39	New classification under SFRS(I) 9	1 January 2018 Original carrying amount under FRS 39 US$'000	1 January 2018 New carrying amount under SFRS(I) 9 US$'000
Group					
Financial assets					
Trade and other receivables	(a)	Loans and receivables	Amortised cost	1,766	1,766
Cash and cash equivalents		Loans and receivables	Amortised cost	347	347
Total financial assets				2,113	2,113
Company					
Financial assets					
Trade and other receivables	(a)	Loans and receivables	Amortised cost	5	5
Cash and cash equivalents		Loans and receivables	Amortised cost	2	2
Total financial assets				7	7

(a) Trade and other receivables that were classified as loans and receivables under FRS 39 are now classified at amortised cost. There was no changes to the amounts recorded in the previous financial year on transition to SFRS(I) 9.

(ii) Impairment of financial assets

SFRS(I) 9 replaces the 'incurred loss' model in FRS 39 with an ECL model. The new impairment model applies to financial assets measured at amortised cost. As there were no impairment loss related to trade receivable recorded for the year ended 31 December 2017 and there were also no additional allowance for impairment recorded following the adoption of SFRS(I) 9, there were no changes made in relation to the presentation in the profit or loss statement for the year ended 31 December 2017.

30 New standards and interpretations not yet adopted

A number of new standards and interpretations and amendments to standards are effective for annual periods beginning after 1 January 2018 and earlier applications is permitted; however, the Group has not early adopted the new or amended standards and interpretations in preparing these financial statements.

The following new SFRS(I)s, interpretations and amendments to SFRS(I)s are effective for annual periods beginning after 1 January 2018:

Applicable to 2019 financial statements

- SFRS(I) 16 *Leases*
- SFRS(I) INT 23 *Uncertainty over Income Tax Treatments*
- *Income Tax Consequences of Payments on Financial Instruments Classified as Equity* (Amendments to SFRS(I) 1-12)
- *Borrowing Costs Eligible for Capitalisation* (Amendments to SFRS(I)1-23)

The Group has assessed the estimated impact that initial application of SFRS(I) 16 will have on the financial statements. The Group's assessment of SFRS(I) 16, which is expected to have a more significant impact on the Group is described below.

SFRS(I) 16

SFRS(I) 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use (ROU) asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. SFRS(I) 16 replaces existing lease accounting guidance, including SFRS(I) 1-17 *Leases*, SFRS(I) INT 4 *Determining whether an Arrangement contains a Lease*, SFRS(I) INT 1-15 *Operating Leases – Incentives* and SFRS(I) INT 1-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted.

The Group and the Company plan to apply SFRS(I) 16 initially on 1 January 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting SFRS(I) 16 will be recognised as an adjustment to the opening balance of retained earnings at 1 January 2019, with no restatement of comparative information. The Group and the Company plan to apply the practical expedient to grandfather the definition of a lease on transition. This means that they will apply SFRS(I) 16 to all contracts entered into before 1 January 2019 and identified as leases in accordance with SFRS(I) 1-17 and SFRS(I) INT 4.

The Group as lessee

The Group expects its existing operating lease arrangements to be recognised as ROU assets with corresponding lease liabilities under SFRS(I) 16.

The Group expects to measure lease liabilities by applying a single discount rate to their portfolio. Furthermore, the Group is likely to apply the practical expedient to recognise amounts of ROU assets equal to their lease liabilities at 1 January 2019. For lease contracts that contain the option to renew, the Group is expected to use hindsight in determining the lease term.

The Group expects an increase in ROU asset and lease liabilities of $637,000 as at 1 January 2019.

The nature of expenses related to those leases will change as SFRS(I) 16 replaces the straight-line operating lease expense with a depreciation charge for ROU assets and an interest expense on lease liabilities.

STATISTICS OF SHAREHOLDINGS

As at 21 March 2019

ISSUED AND FULLY PAID UP CAPITAL	:	S$185,356,918
NUMBER OF SHARES IN ISSUE	:	2,092,632,446
CLASS OF SHARES	:	ORDINARY SHARES
VOTING RIGHTS	:	ONE VOTE PER ORDINARY SHARE

The Company does not have any treasury shares and subsidiary holdings.

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS AS AT 21 MARCH 2019

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	7	0.20	196	0.00
100 – 1,000	33	0.96	22,666	0.00
1,001 – 10,000	456	13.21	3,497,072	0.17
10,001 – 1,000,000	2,728	79.00	464,683,593	22.20
1,000,001 AND ABOVE	229	6.63	1,624,428,919	77.63
TOTAL	**3,453**	**100.00**	**2,092,632,446**	**100.00**

TWENTY LARGEST SHAREHOLDERS

NO.	SHAREHOLDER'S NAME	NUMBER OF SHARES HELD	%
1	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	286,362,406	13.68
2	CITIBANK NOMINEES SINGAPORE PTE LTD	96,448,832	4.61
3	KUAH ANN THIA	85,000,000	4.06
4	BIOMEDICAL SCIENCES INVESTMENT FUND PTE LTD	66,596,116	3.18
5	DBS NOMINEES PTE LTD	61,176,297	2.92
6	EITAN KONSTANTINO	59,189,562	2.83
7	LIM CHEE SAN	55,000,000	2.63
8	OCBC SECURITIES PRIVATE LTD	45,263,553	2.16
9	ONG SHEN CHIEH (WANG SHENGJIE)	45,219,600	2.16
10	RHB SECURITIES SINGAPORE PTE LTD	45,001,400	2.15
11	RAFFLES NOMINEES (PTE) LTD	42,928,300	2.05
12	PHILLIP SECURITIES PTE LTD	25,481,000	1.22
13	ASDEW ACQUISITIONS PTE LTD	25,334,800	1.12
14	MALCOLM KOO CHIN WEI	24,144,612	1.15
15	MAYBANK KIM ENG SECURITIES PTE. LTD.	22,126,208	1.06
16	MERRILL LYNCH (SINGAPORE) PTE LTD	20,854,789	1.00
17	TAN YONG CHUAN	18,505,000	0.88
18	UNITED OVERSEAS BANK NOMINEES PTE LTD	14,203,000	0.68
19	LOW POH KUAN	13,500,000	0.65
20	KELVIN TONG WEE CHIANG	13,101,887	0.63
	TOTAL	**1,065,437,362**	**50.91**

STATISTICS OF SHAREHOLDINGS

As at 21 March 2019

SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS

As at 21 March 2019, there was no substantial shareholder as per the Register of Substantial Shareholders.

SHAREHOLDING HELD IN THE HANDS OF PUBLIC

Based on the information available to the Company as at 21 March 2019, approximately 96.48% 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 The Chevrons, Carnation Room 1, Level 3, 48 Boon Lay Way, Singapore 609961 on Tuesday, 30 April 2019 at 9.00 a.m. ("**AGM**") for the purpose of considering and, if thought fit, passing with or without modifications, the following Resolutions:

ORDINARY BUSINESS

AS ORDINARY RESOLUTIONS

1. To receive and adopt the Directors' Statement and Audited Financial Statements of the Company for the financial year ended 31 December 2018 together with the Auditors' Report thereon. (Resolution 1)

2. To approve the payment of Directors' fees of US$211,000 for the financial year ended 31 December 2018. (Resolution 2)

3. To re-elect Mr Gregory David Casciaro who is retiring pursuant to Article 98 of the Company's Constitution. *See explanatory note (i)* (Resolution 3)

4. To re-elect Mr Mark Allen Wan who is retiring pursuant to Article 98 of the Company's Constitution. *See explanatory note (ii)* (Resolution 4)

5. To re-appoint KPMG LLP as the Company's auditors for the financial year ending 31 December 2019 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

AS ORDINARY RESOLUTIONS

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 Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") ("**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

(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 Constitution 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 (iii) (Resolution 6)

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 Act, authority be and is hereby given to the Directors to allot and issue from time to time such number of fully paid-up Shares as may be required to be issued pursuant to the exercise of options 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 (iv) (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 as from time to time amended, modified or supplemented and approved by Shareholders in general meeting;

(II) pursuant to Section 161 of the Act, allot and issue from time to time such number of fully paid-up Shares as may be required to be allotted and issued pursuant to the exercise of the 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 (v) (Resolution 8)

10. **Authority to allot and issue Shares under the QT Vascular Restricted Share Plan 2015 ("Share Plan")**

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

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

(II) pursuant to Section 161 of the Act, allot and issue from time to time such number of fully paid-up Shares as may be required to be allotted and issued pursuant to the vesting of the Awards; 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 vesting of any Award granted by the Directors in accordance with the Share Plan 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 (vi) (Resolution 9)

11. **Proposed renewal of the Share Buy-Back Mandate**

THAT:

(a) for the purposes of Sections 76C and 76E of the Act, the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire 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 SGX-ST transacted through the ready market, and which may be transacted through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or

(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 Catalist Rules and the Act, on the terms of the Appendix and otherwise in accordance with all other laws and regulations, including but not limited to, the provisions of the Constitution 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

(iii) 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 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 last 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

(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 last 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 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 (vii) (Resolution 10)

By Order of the Board

Lee Pih Peng
Company Secretary
15 April 2019

EXPLANATORY NOTES ON ORDINARY AND SPECIAL BUSINESSES TO BE TRANSACTED

ORDINARY BUSINESS

(i) Ordinary Resolution 3, if passed, will re-appoint Mr Gregory David Casciaro as Director of the Company. Mr Gregory David Casciaro is an independent director of the Company. Mr Gregory David Casciaro will, upon the re-appointment, remain as Chairman of the Nominating Committee and a member of the Audit Committee and Remuneration Committee. The Board considers him to be independent for the purpose of Rule 704(7) of the Catalist Rules.

(ii) Ordinary Resolution 4, if passed, will re-appoint Mr Mark Allen Wan as Director of the Company. Mr Mark Allen Wan is a non-independent non-executive director of the Company. Mr Mark Allen Wan will, upon the re-appointment, remain as a member of the Remuneration Committee.

SPECIAL BUSINESS

(iii) Ordinary Resolution 6, 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.

(iv) Ordinary Resolution 7, 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 exercisable in accordance with the rules of the QTV 2013 Share Plan, the 2005 Stock Plan and the 2010 Equity Incentive Plan.

(v) Ordinary 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 and (ii) allot and issue Shares pursuant to the exercise of Options to be granted under the Scheme.

(vi) Ordinary Resolution 9, if passed, will empower the Directors, from the date of the AGM until the conclusion of the next annual general meeting of the Company, or the date by which the next annual general meeting of the Company is required by law to be held or such authority is varied and revoked by the Company in a general meeting, whichever is the earlier, to (i) grant awards under the terms of the Share Plan and (ii) allot and issue Shares pursuant to the vesting of the Awards to be granted under the Share Plan.

(vii) Ordinary Resolution 10 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 and the Appendix. Please refer to the Appendix for more details.

NOTICE OF ANNUAL GENERAL MEETING

FURTHER NOTES:

1. (a) A member (otherwise than a relevant intermediary) is entitled to appoint not more than two proxies to attend, speak and vote at the AGM. Where such member appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of share shall be specified)

   "Relevant intermediary" means:

   (i) a banking corporation licensed under the Banking Act (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;

   (ii) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) and who holds shares in that capacity; or

   (iii) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

2. A proxy need not be a member of the Company.

3. An instrument appointing a proxy must be deposited at 3A International Business Park, #09-12 ICON @ IBP Tower B, Singapore 609935 not less than 48 hours before the time for holding the AGM or any adjournment thereof.

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

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representatives 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)

PROXY FORM
Annual General Meeting

IMPORTANT

1. Relevant intermediaries as defined in Section 181 of the Companies Act, Chapter 50 of Singapore may appoint more than 2 proxies to attend, speak and vote at the Annual General Meeting.
2. For SRS investors who have used their SRS monies to buy QT Vascular Ltd. shares, this form of proxy is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. SRS investors should contact their respective agent banks if they have any queries regarding their appointment as proxies.
3. By submitting an instrument appointing a proxy(ies) and/or representative(s), a member accepts and agrees to the personal data privacy terms set out in the Notes to this Proxy Form.

I / We _____ (Name), NRIC/Passport No. _____

of _____ (Address)

being a member(s) of **QT VASCULAR LTD.** (the "**Company**") hereby appoint:

Name	**NRIC/Passport No.**	**Proportion of Shareholding (%)**
Address		

and/or (delete as appropriate)

Name	**NRIC/Passport No.**	**Proportion of Shareholding (%)**
Address		

or failing whom the Chairman of the Annual General Meeting (the "**Meeting**") as my/our proxy/proxies to vote for me/us on my/our behalf at the Meeting to be held at The Chevrons, Carnation Room 1, Level 3, 48 Boon Lay Way, Singapore 609961 on Tuesday, 30 April 2019 at 9.00 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her/their discretion.

No.	**ORDINARY RESOLUTION**	**Number of votes For***	**Number of votes Against***
	ORDINARY BUSINESS		
1.	To receive and adopt the Directors' Statement and Audited Financial Statements of the Company for the financial year ended 31 December 2018 together with the Auditors' Report thereon.		
2.	To approve the payment of Directors' fees of US$211,000 for the financial year ended 31 December 2018.		
3.	To re-elect Mr Gregory David Casciaro who is retiring pursuant to Article 98 of the Company's Constitution.		
4.	To re-elect Mr Mark Allen Wan who is retiring pursuant to Article 98 of the Company's Constitution.		
5.	To re-appoint KPMG LLP as the Company's auditors for the financial year ending 31 December 2019 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 approve the authority to allot and issue shares under the QT Vascular Restricted Share Plan 2015.		
10.	To approve the proposed renewal of the Share Buy-Back Mandate.		

* Note: If you wish to exercise all your votes "**For**" or "**Against**" the above resolution, please tick "√" within the box provided. Otherwise, please indicate the number of votes as appropriate.

Dated this ___ day of April, 2019

Total Number of Shares held **(see Note 1)**	
CDP Register	
Member's Register	
TOTAL	

_____
Signature(s) of Member(s)/Common Seal
IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes to Proxy Form

1. If the member has shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert that number of shares. If the member has shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert that number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member.

2. (a) A member (otherwise than a relevant intermediary) is entitled to appoint not more than two proxies to attend, speak and vote at the Meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified).

   "Relevant intermediary" means:

   (i) a banking corporation licensed under the Banking Act (Cap. 19) of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;

   (ii) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) of Singapore and who holds shares in that capacity; or

   (iii) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36) of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

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

4. An instrument appointing a proxy must be deposited at 3A International Business Park, #09-12 ICON @ IBP Tower B, Singapore 609935 not less than 48 hours before the time for holding the Meeting or any adjournment thereof.

5. Completion and return of this instrument appointing a proxy or proxies shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy, to the Meeting.

6. The instrument appointing a proxy or proxies must be under the hand of the appointer or by 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 a duly authorized officer.

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

8. The Company shall be entitled to reject an instrument appointing a proxy or proxies which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument (including any related attachment). In addition, in the case of a member whose shares are entered in the Depository Register, the Company may reject an instrument appointing a proxy or proxies if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representatives to attend, speak and vote at the Meeting 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 Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Meeting (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.

QTVascular

(Company Registration No.: 201305911K)

3A International Business Park
#09-12 ICON @ IBP Tower B, Singapore 609935