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

RESPONSE TO QUERIES BY THE SINGAPORE EXCHANGE REGULATION PTE LTD DATED 27 MAY 2021

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*Unless otherwise defined in this announcement, all capitalised terms used in this announcement shall have the same meanings as the Company's announcement on SGXNet dated 25 May 2021 in relation to (i) the proposed acquisition of 60% of the Healthcare Group (the "**Proposed Acquisition**"); and (ii) the proposed subscription of 4,055,555,556 new shares at S$0.0018 (the "**Proposed Subscription**") (the "**Announcement**").*

1. INTRODUCTION

The Board of Directors ("**Board**") of QT Vascular Ltd (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce its responses to the queries raised by the Singapore Exchange Regulation Pte Ltd (the "**SGX Regco**") on 27 May 2021 in relation to the Announcement.

2. QUERIES BY SGX REGCO AND COMPANY'S RESPONSES

	SGX Regco queries	Company's responses
Q1	What is the Company's rationale for implementing a Scheme of Arrangement ("**Scheme**") and incorporating a new company ("**NewCo**") for the Proposed Acquisition?	The Company is undertaking an internal corporate restructuring ("**QTV Restructuring**") implemented by way of a scheme of arrangement which will entail the transfer of the shareholding interests of the Shareholders in the capital of the Company to shareholding interests in the capital of NewCo. The purpose of the QTV Restructuring is to segregate the NewCo and the Healthcare Business from the existing liabilities of the Group upon completion of the QTV Restructuring, taking into account the core business segments of the group following the Proposed Diversification and the Proposed Acquisition. Please refer to the response to Q8 below for the core business segments of the group following the Proposed Diversification and the Proposed Acquisition. The Scheme will require, *inter alia*, the approval of a majority in number of the Shareholders representing at least three-fourths in value of the Shares held by the Shareholders present and voting either in person or by proxy at the Scheme Meeting and sanction of the Scheme by the Court.

	SGX Regco queries	Company's responses
Q2	It is stated in para 1.4 of the announcement that the listing status of the Company will be transferred from the Company to NewCo. Please explain and detail how this will be done and the rationale for doing so.	The Company will undertake a scheme of arrangement pursuant to Section 210 of the Companies Act which involves the acquisition by NewCo of all the shares in the Company and in consideration thereof, NewCo will allot and issue to shareholders of the Company ("**Entitled Shareholders**") such number of new NewCo shares, credited as fully paid, on the basis of one (1) new NewCo share for every one (1) Company share held by each Entitled Shareholder on a books closure date to be determined. The transfer of the Company's existing listing status on the Catalist of SGX-ST to NewCo is achieved through a transfer of the shareholding interests of the Entitled Shareholders in the capital of the Company to shareholding interests in the capital of NewCo ("**Transfer Listing**"). Upon passing of the inter-conditional resolutions relating to the Proposed Transactions and the Scheme at the Scheme Meeting, the Company and NewCo will take the necessary steps to implement the Transfer Listing. Following the completion of the Scheme, the Company will be a wholly-owned subsidiary of NewCo and the listing status of the Company will be transferred to NewCo. The Transfer Listing is envisaged to result in the listing of and quotation of NewCo shares on the Catalist of the SGX-ST. The Company's shares will, in conjunction with the Transfer Listing, be delisted and withdrawn from the Catalist of the SGX-ST. Upon completion of the Transfer Listing, all the NewCo shares will be listed on Catalist and shall be freely tradable. The Company will be making an application to the SGX Regco for the Transfer Listing and the listing of and quotation of all the NewCo shares, as well as to seek confirmation from SGX Regco that the QTV Restructuring is not subject to the new listing and delisting requirements under Chapter 4 and Chapter 13 of the Catalist Rules respectively, in due course. The Transfer Listing forms part of the QTV Restructuring which is intended to achieve

	SGX Regco queries	Company's responses
		the corporate objective as described in the responses to Q1.
Q3	What will be the Group structure after the restructuring (provide a diagram)?	Please refer to the Appendix for the group structure following the QTV Restructuring.
Q4	Will there be a change in the listco's name after the restructuring? Will shareholders' approval be sought for this?	As part of the Scheme and the Transfer Listing, there will be a NewCo incorporated and currently, the intended name of the NewCo is "QT Medical Limited" in order to reflect the broader medical business that the NewCo will focus on in the future. As such, the name of the listed entity after the QTV Restructuring is intended to be "QT Medical Limited". There will not be any change in the name of the Company i.e. QT Vascular Ltd.
Q5	Pursuant to the Proposed Acquisition, the Company's business will be diversified into the Healthcare Business, which is defined as the provision of (i) dental services, (ii) general medical services, and (iii) operations management and consultancy services to certain Government entities.	
	• Please clarify on the definition of "general medical services". Does this relate to only dental-related medical services?	To clarify, "general medical services" refer to only dental-related medical services.
	• Please provide more details on "operations management and consultancy services to certain Government entities". What does this entail and which are the Government entities?	To clarify, "operations management consultancy services to certain Government entities" refer to the provision of on-site dental-related medical services for certain Government entities by the Healthcare Group. As there are confidentiality obligations imposed on the Healthcare Group and/or its personnel in relation to the provision of operations management consultancy services, the Healthcare Group is unable to disclose the names of these Government entities, amongst others.
Q6	The aggregate consideration for the Proposed Acquisition is up to S$7,650,000, which is agreed upon	

	SGX Regco queries	Company's responses
	after arm's length negotiations between the Vendor and the Company on a "willing buyer willing seller" basis, and taking into account the value of the Healthcare Group with reference to an assumed average annual unaudited pro forma combined EBITDA of S$1,500,000 for the financial years ended 31 December 2019 and 31 December 2020. The consideration represents approximately 6.3% to 39.1% premium to the preliminary draft valuation range and 226% premium to the unaudited pro forma NAV and NTA of 60% of the Target as at 31 Dec 2020.	
	• Please provide the factors taken into consideration by the Company in arriving the consideration of S$7.65 million.	As disclosed in paragraphs 3.1 and 8.1 of the Announcement, the Company had taken into account the preliminary draft valuation, the Healthcare Group's assumed average annual unaudited proforma combined EBITDA for the financial years ended 31 December 2019 and 31 December 2020 ("**Historical EBITDA**") as well as the future prospects of the Healthcare Group in arriving at the purchase consideration of up to S$7.65 million. The Company will conduct necessary due diligence in relation to the Historical EBITDA as set out as a condition precedent to the Proposed Acquisition.
	• It is disclosed that the preliminary draft valuation is a desktop valuation based on management accounts of the Target. A final valuation report will be issued by the valuer based on audited financial statements. Would the final valuation affect the acquisition consideration? If not, why not.	Valuation is one of the factors that the Company had taken into account in arriving at the Consideration, but is not a key factor. The final valuation will form part of the Company's due diligence process which is a condition precedent to the Proposed Acquisition. The Company has the discretion to determine if the results of such due diligence investigations are satisfactory. In the event that there is a material deviation between the final valuation and the preliminary draft valuation or if the results of the due diligence investigations are not satisfactory, the Company and the Vendor will consider if it is necessary to renegotiate to amend the terms of the

	SGX Regco queries	Company's responses
		Proposed Acquisition, including the Consideration.
Q7	It is disclosed in para 4(j) of the announcement that one of the condition precedent to the Proposed Acquisition is approval from shareholders of the Company for the Proposed Diversification and the transfer of listing status from the Company to NewCo. In addition, para 5.2 and 5.3 of the announcement states that the Proposed Acquisition is a discloseable transaction but for good governance and in conjunction with the Proposed Diversification, the Company will be convening a Scheme Meeting to obtain approval of shareholders for the Proposed Acquisition.	
	• Please confirm if shareholders' approval for the Proposed Acquisition will be held at a general meeting for shareholders? Will it be at the same meeting seeking shareholders' approval for the Proposed Diversification?	Shareholders' approval for the Proposed Transactions (which refer to the Proposed Acquisition, Proposed Diversification and Proposed Subscription) and the QTV Restructuring by way of the Scheme will be sought at the Scheme Meeting. The aforesaid resolutions will be inter-conditional.
	• Would the Proposed Acquisition proceed if shareholders do not approve the Proposed Diversification?	As indicated in conditions precedent to the Proposed Acquisition in Section 4 of the Announcement, the approval from the Shareholders for the Proposed Acquisition and Proposed Diversification are inter-conditional. As such, in the event the Proposed Diversification is not approved by Shareholders, the Proposed Acquisition will not proceed.
Q8	What will be the Company's core business segments after the Proposed Acquisition? What are the Company's future plans for its current business, being a medical devices company specialising in the minimally invasive treatment of vascular diseases.	It is envisaged that the Company's core business segments after the Proposed Acquisition will comprise (i) the existing medical device business; and (ii) the Healthcare Business. It is the Company's present intention to continue with its current medical device business and will update Shareholders in due course if there are any updates on the Company's business plans and strategies.
Q9	It is stated that the proceeds from the Proposed Placement will be used for (i) 44.1% to partially finance the Proposed Acquisition;	

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	and (ii) 55.9% for General working capital.	
	• Please clarify if the "general working capital" is only meant for the new dental business segment or for the whole Group.	The general working capital is meant for the whole group and not solely for the Healthcare Business.
	• Please provide a breakdown of the intended use of the proceeds earmarked for general working capital purposes.	As disclosed in paragraph 8.2 of the Announcement, the Company currently intends to use the net proceeds earmarked for general working capital purposes for payments such as: • purchases; • salaries and wages of employees; • interest expense for any bank borrowings and/or loan commitments; and • settlement of outstanding balances due to suppliers arising from the normal operating course of business of the group. • the set-up, working capital and other operational expenses of the Healthcare Business.

By Order of the Board
QT VASCULAR LTD.

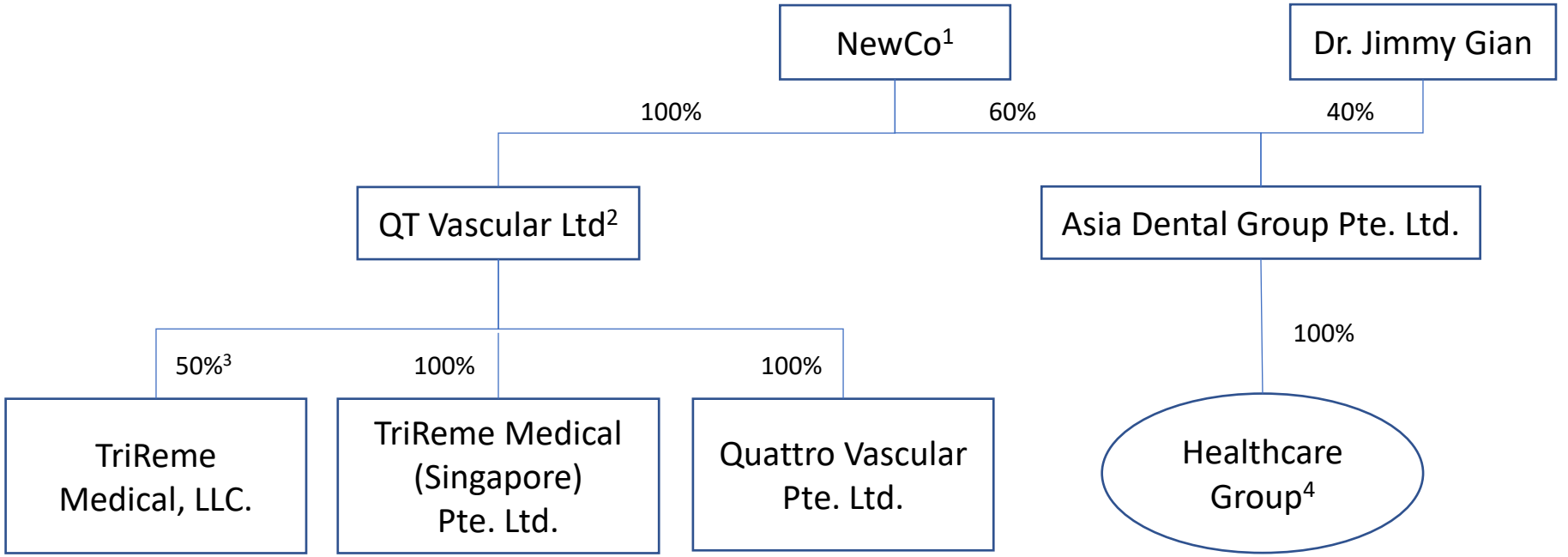
Eitan Konstantino
Chief Executive Officer
31 May 2021

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

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

Group Structure post the QTV Restructuring



Note:
(1) QT Vascular shall transfer its listing status to the NewCo after the completion of the Proposed Transactions and the name of the NewCo is envisaged to be QT Medical Limited. Please refer to the responses in Q4 for further details.
(2) QT Vascular Ltd will no longer be a listed company immediately after the completion of the Proposed Transactions.
(3) Subject to the receipt of Shareholders' approval for the disposal of Trireme Medical LLC ("**TML**") , QT Vascular will own 1 share more than 50% of the enlarged share capital of TML upon the completion of the subscription and sale of TML's shares. For details, please refer to the Company's announcement on 5 May 2021.
(4) Subject to the completion of the Restructuring to be undertaken by the Vendor.