QT Vascular Ltd. and its subsidiaries

Unaudited Financial Statements Announcement for the third quarter and nine months ended 30/9/2014

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

This announcement has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the relevant rules of the SGX-ST. The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.

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Background

The Company was incorporated in the Republic of Singapore on 6 March 2013 under the Companies Act (Chapter 50) of Singapore as a private company limited by shares under the name of "QT Vascular Pte. Ltd.". The Group (which comprises the Company and its subsidiaries) was formed on 11 July 2013 pursuant to a restructuring exercise ("Restructuring Exercise") prior to the IPO and the Company's listing on the Catalist Board of the SGX-ST ("Catalist"). Please refer to the Company's Offer Document dated 16 April 2014 ("Offer Document") for further details on the Restructuring Exercise.

The Company was admitted to Catalist on 29 April 2014. For the purpose of this announcement, the comparative results of the Group for the 3 months and 9 months financial period ended 30 September 2013 have been prepared on the assumption that the Group's structure following the completion of the Restructuring Exercise had been in place since 1 January 2013.

PART I INFORMATION REQUIRED FOR QUARTERLY (1Q, 2Q & 3Q), HALF-YEAR (HY) AND FULL YEAR ANNOUNCEMENTS

1(a)(i) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Consolidated statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group 3 months ended		
	30/9/2014 US$'000	30/9/2013 US$'000	Change
Revenue	3,381	1,329	154.4%
Cost of sales	(2,712)	(1,973)	37.5%
Gross profit/(loss)	669	(644)	NM
Sales and marketing	(1,890)	(2,407)	(21.5%)
Administrative expenses	(2,531)	(1,474)	71.7%
Research and development expenses	(787)	(994)	(20.8%)
Other income	–	347	NM
Other expenses	(46)	–	NM
Results from operating activities	(4,585)	(5,172)	(11.4%)
Finance income	920	–	NM
Finance costs	–	(7,205)	NM
Net finance income/(costs)	920	(7,205)	NM
Loss before tax	(3,665)	(12,377)	(70.4%)
Tax expense	–	–	–
Loss for the period	(3,665)	(12,377)	(70.4%)
Other comprehensive loss			
Item that is or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences	(1,387)	472	NM
Total comprehensive loss for the period	(5,052)	(11,905)	(57.6%)
Loss attributable to:			
Owners of the Company	(3,665)	(12,377)	(70.4%)
Non-controlling interests [(1)]	–	–	–
Loss for the period	(3,665)	(12,377)	(70.4%)
Total comprehensive loss attributable to:			
Owners of the Company	(5,052)	(11,905)	(57.6%)
Non-controlling interests	–	–	–
Total comprehensive loss for the period	(5,052)	(11,905)	(57.6%)

NM denotes not meaningful

1(a)(i) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONT'D)

	Group 9 months ended		
	30/9/2014 US$'000	30/9/2013 US$'000	Change
Revenue	9,448	3,004	214.5%
Cost of sales	(8,258)	(4,250)	94.3%
Gross profit/(loss)	1,190	(1,246)	NM
Sales and marketing	(6,059)	(5,984)	1.3%
Administrative expenses	(8,661)	(3,838)	125.7%
Research and development expenses	(3,602)	(1,930)	86.6%
Other income	–	272	NM
Other expenses	(133)	(81)	64.2%
Results from operating activities	(17,265)	(12,807)	34.8%
Finance income	927	171	442.1%
Finance costs	(9,994)	(16,351)	(38.9%)
Net finance costs	(9,067)	(16,180)	(44.0%)
Loss before tax	(26,332)	(28,987)	(9.2%)
Tax expense	(1)	(1)	–
Loss for the period	(26,333)	(28,988)	(9.2%)
Other comprehensive loss			
Item that is or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences	(1,171)	698	NM
Total comprehensive loss for the period	(27,504)	(28,290)	(2.8%)
Loss attributable to:			
Owners of the Company	(26,333)	(27,907)	(5.6%)
Non-controlling interests (1)	–	(1,081)	NM
Loss for the period	(26,333)	(28,988)	(9.2%)
Total comprehensive loss attributable to:			
Owners of the Company	(27,504)	(27,209)	1.1%
Non-controlling interests	–	(1,081)	NM
Total comprehensive loss for the period	(27,504)	(28,290)	(2.8%)

NM denotes not meaningful

Note:

(1) On 11 July 2013, the Group underwent a restructuring exercise whereby the shareholders of Quattro Vascular Pte. Ltd. ("Quattro") exchanged their respective ownership interests in Quattro for an ownership interest in the Company. Please refer to the Company's Offer Document and the Company's 2013 annual report for additional information.

1(a)(ii) Notes to the consolidated statement of comprehensive income

	Group (Third Quarter)			Group (Year-To-Date)		
	3 months ended			9 months ended		
	30/9/2014 US$'000	30/9/2013 US$'000	% change	30/9/2014 US$'000	30/9/2013 US$'000	% change
Depreciation of property, plant and equipment	(29)	(151)	(80.8)	(243)	(441)	(44.9)
Allowance of inventory obsolescence	(88)	–	NM	(88)	–	NM
Gain on disposal of property, plant and equipment	–	–	–	3	–	NM
Property, plant and equipment written off	(25)	–	NM	(25)	–	NM
Amortization of intangible assets	(74)	(25)	196.0	(233)	(262)	(11.1)
Exchange gain/(loss)	907	(348)	NM	455	122	273.0
Equity-settled share based payment transactions	(123)	(1,013)	(87.9)	(470)	(1,804)	(73.9)
Interest income	8	–	NM	15	49	(69.4)
Interest expense	–	(667)	NM	(4,497)	(2,901)	55.0

1(b)(i) CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Consolidated statements of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	30/9/2014 US$'000	31/12/2013 US$'000	30/9/2014 US$'000	31/12/2013 US$'000
Assets:				
Property, plant and equipment	400	376	–	–
Intangible assets	9,610	6,833	–	–
Investment in subsidiaries	–	–	44,292	44,106
Other non-current assets	198	185	–	–
Non-current assets	10,208	7,394	44,292	44,106
Inventories	5,557	3,525	–	–
Trade and other receivables	3,357	1,872	24,103	239
Cash and cash equivalents	27,642	5,197	20,265	–
Current assets	36,556	10,594	44,368	239
Total assets	46,764	17,988	88,660	44,345
Equity:				
Share capital	133,200	52,733	133,200	52,733
Reserves	1,082	1,850	(30,085)	(29,308)
Accumulated losses	(92,906)	(66,573)	(16,575)	(4,836)
Total equity	41,376	(11,990)	86,540	18,589
Liabilities:				
Loans and borrowings	13	5,475	–	5,475
Trade and other payables, including derivatives	181	4,824	–	4,674
Non-current liabilities	194	10,299	–	10,149
Loans and borrowings	1	6,904	–	6,904
Trade and other payables, including derivatives	4,912	12,128	2,120	8,703
Deferred income	281	647	–	–
Current liabilities	5,194	19,679	2,120	15,607
Total liabilities	5,388	29,978	2,120	25,756
Total equity and liabilities	46,764	17,988	88,660	44,345

1(b)(ii) Aggregate amount of group's borrowings.

	Secured		Unsecured	
	30 September 2014 US$'000	31 December 2013 US$'000	30 September 2014 US$'000	31 December 2013 US$'000
Amount repayable within one year or less or on demand:				
Loans and borrowings	1	–	–	6,904
	1	–	–	6,904

	Secured		Unsecured	
	30 September 2014 US$'000	31 December 2013 US$'000	30 September 2014 US$'000	31 December 2013 US$'000
Amount repayable after one year:				
Loans and borrowings	13	–	–	5,475
	13	–	–	5,475

Details of any collateral

The loans and borrowings are secured by an office equipment acquired via hire purchase.

1(c) CONSOLIDATED STATEMENT OF CASH FLOWS

Consolidated statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Note	Group 3 months ended 30/9/2014 US$'000	Group 3 months ended 30/9/2013 US$'000
Cash flows from operating activities			
Net loss		(3,665)	(12,377)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation of property, plant and equipment		29	151
Amortisation of intangible assets		74	25
Interest income		(8)	–
Interest expense on convertible notes		–	667
Property, plant and equipment written off		25	–
Exchange (gain)/loss		(907)	348
Equity-settled share-based payment transactions		123	1,013
Change in fair value of financial instruments		–	6,190
		(4,329)	(3,983)
Changes in working capital:			
- Trade and other receivables		(1,667)	(630)
- Inventories		(888)	173
- Other assets		7	(4)
- Trade and other payables, including derivatives		(1,260)	1,423
- Deferred income		(237)	(32)
Net cash used in operating activities		(8,374)	(3,053)
Cash flows from investing activities			
Purchase of property, plant and equipment		(127)	(102)
Additions to intangible assets		(1,497)	(1,075)
Net cash used in investing activities		(1,624)	(1,177)
Cash flows from financing activities			
Repayment of convertible note interests		(702)	–
Proceeds from issuance of preference shares		–	3,279
Proceeds from exercise of share options		99	–
Net cash (used in)/from financing activities		(603)	3,279
Net decrease in cash and cash equivalents		(10,601)	(951)
Effect of exchange rate changes on cash and cash equivalents		(655)	(11)
Cash and cash equivalents at beginning of year/period		38,898	3,329
Cash and cash equivalents at end of period	1	27,642	2,367

1(c) CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

	Note	Group 9 months ended 30/9/2014 US$'000	30/9/2013 US$'000
Cash flows from operating activities			
Net loss		(26,333)	(28,988)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation of property, plant and equipment		243	441
Amortisation of intangible assets		233	262
Interest income		(15)	(49)
Interest expense on convertible notes		4,497	2,901
Gain on disposal of property, plant and equipment		(3)	–
Property, plant and equipment written off		25	–
Exchange gain		(455)	(122)
Equity-settled share-based payment transactions		470	1,804
Change in fair value of financial instruments		5,045	13,450
		(16,293)	(10,301)
Changes in working capital:			
- Trade and other receivables		(1,469)	(738)
- Inventories		(2,032)	(263)
- Other assets		(13)	2
- Trade and other payables, including derivatives		494	2,457
- Deferred income		(366)	(52)
Net cash used in operating activities		(19,679)	(8,895)
Cash flows from investing activities			
Purchase of property, plant and equipment		(300)	(182)
Additions to intangible assets		(3,075)	(2,854)
Net cash used in investing activities		(3,375)	(3,036)
Cash flows from financing activities			
Proceeds from issuance of ordinary shares		40,768	–
Repayment of convertible note interests		(702)	–
Proceeds from issuance of preference shares		–	3,941
Proceeds from issuance of convertible notes		2,500	5,371
Proceeds from exercise of share options		101	–
Proceeds from exercise of warrants		3,487	–
Net cash from financing activities		46,154	9,312
Net increase/(decrease) in cash and cash equivalents		23,100	(2,619)
Effect of exchange rate changes on cash and cash equivalents		(655)	(11)
Cash and cash equivalents at beginning of year/period		5,197	4,997
Cash and cash equivalents at end of period	1	27,642	2,367

1(c) CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

Note:

(1) Cash and cash equivalents are derived from:

	Group	
	30 September 2014 US$'000	30 September 2013 US$'000
Bank balances	27,595	2,269
Deposits pledged	47	98
Total cash and cash equivalents	27,642	2,367

1(d)(i) CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Attributable to owners of the Company								
	Ordinary shares US$'000	Convertible preference shares US$'000	Other reserve US$'000	Translation reserve US$'000	Share-based payment reserve US$'000	Accumulated losses US$'000	Total US$'000	Non-controlling interests US$'000	Total equity US$'000
Group									
At 1 July 2013	–	–	1,793	119	1,678	(47,580)	(43,990)	(3,070)	(47,060)
Total comprehensive loss for the period									
Loss for the period	–	–	–	–	–	(12,377)	(12,377)	–	(12,377)
Other comprehensive income									
Foreign currency translation differences	–	–	–	472	–	–	472	–	472
Total comprehensive loss for the period	–	–	–	472	–	(12,377)	(11,905)	–	(11,905)
Conversion of preference shares into ordinary shares	–	–	3,719	–	–	–	3,719	–	3,719
Issuance of ordinary shares upon restructuring	5,512	–	(5,512)	–	–	–	–	–	–
Issuance of series A-1 to A-6 and series B convertible preference shares	–	47,204	1,685	–	–	–	48,889	–	48,889
Share-based payment transactions	–	–	–	–	1,013	–	1,013	–	1,013
Acquisition of non-controlling interest	–	–	(3,070)	–	–	–	(3,070)	3,070	–
	5,512	47,204	(3,178)	–	1,013	–	50,551	3,070	53,621
At 30 September 2013	5,512	47,204	(1,385)	591	2,691	(59,957)	(5,344)	–	(5,344)

1(d)(i) CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONT'D)

	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 July 2014	133,101	(1,385)	(77)	572	3,335	(89,241)	46,305
Total comprehensive loss for the period							
Loss for the period	–	–	–	–	–	(3,665)	(3,665)
Other comprehensive income							
Foreign currency translation differences	–	–	–	(1,387)	–	–	(1,387)
Total comprehensive loss for the period	–	–	–	(1,387)	–	(3,665)	(5,052)
Contributions by and distributions to owners							
Share options exercised	99	–	–	–	(99)	–	–
Share-based payment transactions	–	–	–	–	123	–	123
Total contributions by and distributions to owners	99	–	–	–	24	–	123
At 30 September 2014	133,200	(1,385)	(77)	(815)	3,359	(92,906)	41,376

1(d)(i) CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONT'D)

	Attributable to owners of the Company						
	Ordinary shares US$'000	Convertible preference shares US$'000	Other reserve US$'000	Translation reserve US$'000	Share-based payment reserve US$'000	Accumulated losses US$'000	Total equity US$'000
Company							
At 1 July 2013	–	–	–	–	–	–	–
Total comprehensive loss for the period							
Loss for the period	–	–	–	–	–	(11,323)	(11,323)
Other comprehensive income							
Foreign currency translation differences	–	–	–	542	–	–	542
Total comprehensive loss for the period	–	–	–	542	–	(11,323)	(10,781)
Contributions by and distributions to owners							
Conversion of preference shares into ordinary shares	–	–	3,719	–	–	–	3,719
Shares issued pursuant to restructuring	5,512	–	(5,512)	–	–	–	–
Issuance of series A-1 to A-6 and series B convertible preference shares	–	47,204	1,685	–	–	–	48,889
Share-based payment transactions	–	–	–	–	2,691	–	2,691
Loss on acquisition of interests in subsidiaries due to the restructuring	–	–	(32,280)	–	–	–	(32,280)
Total contributions by and distributions to owners	5,512	47,204	(32,388)	–	2,691	–	23,019
At 30 September 2013	5,512	47,204	(32,388)	542	2,691	(11,323)	12,238

1(d)(i) CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONT'D)

	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
Company							
At 1 July 2014	133,101	(32,390)	(77)	583	2,989	(16,338)	87,868
Total comprehensive loss for the period							
Loss for the period	–	–	–	–	–	(237)	(237)
Other comprehensive income							
Foreign currency translation differences	–	–	–	(1,560)	–	–	(1,560)
Total comprehensive loss for the period	–	–	–	(1,560)	–	(237)	(1,797)
Contributions by and distributions to owners							
Share options exercised	99	–	–	–	(99)	–	–
Share-based payment transactions	–	–	–	–	469	–	469
Total contributions by and distributions to owners	99	–	–	–	370	–	469
At 30 September 2014	133,200	(32,390)	(77)	(977)	3,359	(16,575)	86,540

1(d)(ii) CHANGES IN COMPANY'S SHARE CAPITAL

Details of any changes in the company's share capital arising from rights issue, bonus issue, share buybacks, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Ordinary Share Capital

The Company's issued and fully paid-up ordinary share capital increased by 2,070,740 shares from 756,122,836 as at 1 July 2014 to 758,193,576 shares as at 30 September 2014 due to the following:

	Number of ordinary shares	Issued and paid-up share capital US$'000
At 1 July 2014	756,122,836	133,101
Shares issued pursuant to exercise of share options	2,070,740	99
At 30 September 2014	758,193,576	133,200

Outstanding Options

The Group was formed following the Restructuring Exercise pursuant to which TriReme Medical LLC ("TriReme US") and Quattro became wholly owned subsidiaries of the Group.

Prior to the Restructuring Exercise, TriReme US had in 2005, adopted the 2005 Stock Plan to allow TriReme US to grant options to purchase shares in TriReme US to its employees, directors and consultants (each, as defined under the 2005 Stock Plan) and Quattro had in 2010, adopted the 2010 Equity Incentive Plan to allow Quattro to grant options to purchase shares in Quattro to its employees, directors and consultants (each, as defined under the 2010 Equity Incentive Plan). Subsequently, the Company had in 2013, adopted the QTV 2013 Share Plan to allow QTV to grant options to purchase shares in the Company to employees, directors and consultants (each, as defined under the QTV 2013 Share Plan).

Pursuant to the Restructuring Exercise, the Company had on 9 April 2014, assumed the options under the 2005 Stock Plan and 2010 Equity Incentive Plan. Following the close of placement of shares in relation to the IPO on 25 April 2014, the Company had ceased the issuance of options under the 2005 Stock Plan, 2010 Equity Incentive Plan and QTV 2013 Share Plan (collectively, the "Three Share Plans").

The Company also had on 9 April 2014, adopted the 2014 QTV Employee Share Option Scheme and has not issued any options under this scheme as at the date of this announcement.

On 9 April 2014, the Company undertook a subdivision of 1 ordinary share into 16 ordinary shares ("Subdivision").

On 29 September 2014, 2,070,740 ordinary shares were issued in respect of the exercise of 2,070,740 options under the Three Share Plans.

A reconciliation of outstanding share options from 1 July 2014 to 30 September 2014 is as follows:

Outstanding Options	**Number of Options**
At 1 July 2014	116,690,586
Forfeited during the period	(309,936)
Exercised during the period	(2,070,740)
Granted during the period	–
At 30 September 2014	114,309,910

As of 30 September 2014, there are 114,309,910, outstanding options convertible into 114,309,910 ordinary shares, representing approximately 15.1% of the existing ordinary share capital as at 30 September 2014 (30 September 2013: 16,408,000 (23.3% of the ordinary shares on a fully diluted basis).

For further details on the Three Share Plans, please refer to the Company's Offer Document.

Treasury Shares

The Company held no treasury shares as at 30 September 2014 and as at 30 September 2013.

Save as disclosed above, there were no outstanding convertibles or treasury shares held by the Company as at 30 September 2014 and 30 September 2013.

1(d)(iii) NUMBER OF ISSUED SHARES

To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The total number of issued ordinary shares was 758,193,576 as at 30 September 2014 and 4,542,897 as at 31 December 2013.

The total number of issued convertible preference shares was Nil as at 30 September 2014 and 16,506,675 as at 31 December 2013.

The Company held no treasury shares as at 30 September 2014 and 31 December 2013.

1(d)(iv) TREASURY SHARES

A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable. There were no sales, transfers, disposals, cancellation and/or use of treasury shares during and as at the end of the current financial period reported on.

2. Whether the figures have been audited or reviewed in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Save as disclosed in Paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as those used in the most recently audited annual financial statements.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for and the effect of, the change.

The Group has applied the same accounting policies and methods of computation in the preparation of financial statements for the current financial year compared with the audited financial statements for the year ended 31 December 2013, except for the adoption of the Financial Reporting Standards ("**FRS**") and Interpretation of FRS ("**INT FRS**") that are mandatory for financial years beginning on or after 1 January 2014. The adoption of these new FRS and INT FRS has no significant impact on the financial statements for the current and prior reporting periods.

6. EARNINGS PER SHARE

Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

Group	3 months ended 30/9/2014	3 months ended 30/9/2013	
	Basic and diluted [1], [2]	Basic and diluted [1], [2]	Basic and diluted (Adjusted) [3]
Loss for the period attributable to owners of the Company **(US$'000)**	(3,665)	(12,377)	(12,377)
Weighted average number of ordinary shares used to compute loss per share **('000)**	756,168	3,732	59,715
Loss per share **(US$)**	(0.005)	(3.316)	(0.207)

Group	9 months ended 30/9/2014	9 months ended 30/9/2013	
	Basic and diluted [1], [2]	Basic and diluted [1], [2]	Basic and diluted (Adjusted) [3]
Loss for the period attributable to owners of the Company **(US$'000)**	(26,333)	(27,907)	(27,907)
Weighted average number of ordinary shares used to compute loss per share **('000)**	497,615	1,258	20,124
Loss per share **(US$)**	(0.053)	(22.188)	(1.387)

Notes:

(1) The calculation is based on the weighted average number of ordinary shares in issue during the respective periods. As of the respective dates, the share amounts and financial information used in the calculation of earnings per share above were arrived at using data in existence prior to the IPO for fiscal 2013 and post IPO data for fiscal 2014.

(2) The basic and diluted loss per share were the same as the potential ordinary shares are anti-dilutive as the effect of the share conversions would be to decrease the loss per share.

(3) For illustrative and comparison purposes, the adjusted loss per share for the three and nine months ended 30 September 2013 were calculated assuming the subdivision of 1 ordinary share to 16 ordinary shares which was completed on 9 April 2014 had taken place at the beginning of each financial period.

7. NET ASSET VALUE FOR ISSUER AND GROUP

Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:

(a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	30/9/2014 US$	**31/12/2013 US$**	**30/9/2014 US$**	**31/12/2013 US$**
Net asset/(liability) value per ordinary share [(1), (2)]	0.05	(2.64)	0.11	4.09

Notes:

(1) The net asset/(liability) value per ordinary share of the Group is calculated based on net assets/(liabilities) of US$41.4 million as at 30 September 2014 (31 December 2013: US$(12.0) million). The net asset value per ordinary share of the Company is calculated based on net assets of US$86.5 million as at 30 September 2014 (31 December 2013: US$18.6 million).

(2) For both the Group and the Company, the net asset/(liability) value per ordinary share were calculated based on 758,193,576 ordinary shares in issue as at 30 September 2014 and 4,542,897 as at 31 December 2013. As of the respective dates, the share amounts and financial information used in the calculation of net asset/(liability) value per ordinary share above were arrived at using data in existence prior to the IPO for the fiscal 2013 and post IPO data for fiscal 2014.

8. REVIEW OF PERFORMANCE OF THE GROUP

A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Three months ended 30 September 2014 compared to the three months ended 30 September 2013

The breakdown of our revenue derived from the sale of our products to the various geographical regions and by the number of units sold for the three months ended 30 September 2014 ("**3Q2014**") and for the three months ended 30 September 2013 ("**3Q2013**") are presented below:

	Three Months Ended 3Q2014		Three Months Ended 3Q2013	
	US$'000	**%**	**US$'000**	**%**
United States	2,686	79.4	1,255	94.4
Europe	129	3.8	48	3.6
Asia	566	16.8	26	2.0
	3,381	100.0	1,329	100.0

	Three Months Ended 3Q2014	**Three Months Ended 3Q2013**
Units sold	8,397	1,885

Our revenue increased by US$2.1 million, or 154.4%, from US$1.3 million in the three months ended 3Q2013 to US$3.4 million in the three months ended 3Q2014. The increase was mainly due to an increase in sales of our Chocolate® PTA Balloon Catheter ("Chocolate PTA") which is based on an agreed sales price model for this product under our US distribution agreement with Cordis and Glider PTCA.

Cost of sales increased by US$0.7 million, or 37.5%, from US$2.0 million in the three months ended 3Q2013 to US$2.7 million in the three months ended 3Q2014 mainly due to the increased sales of Chocolate PTA and Glider PTCA. These short term unit cost increases were partially offset by continued pricing improvements from our suppliers.

As a result of the above, our Group recorded a gross profit of US$0.7 million or 19.8% of revenue in the three months ended 3Q2014 as compared to a gross loss of US$0.6 million or 48.5% of revenue in the three months ended 3Q2013.

Our loss before taxation decreased by US$8.7 million or 70.4%, from US$12.4 million in the three months ended 3Q2013 to US$3.7 million in the three months ended 3Q2014. The analysis of the loss before taxation are as follows:

- Our administrative expenses increased by US$1.0 million, or 71.7%, from US$1.5 million in the three months ended 3Q2013 to US$2.5 million in the three months ended 3Q2014. The increase was mainly due to the increase in professional service fees incurred in respect of our ongoing litigation with AngioScore Inc ("AngioScore"). For more information regarding the litigation with AngioScore, please refer to the Company's Offer Document.

- Our research and development expenses decreased by approximately US$0.2 million from US$1.0 million in the three months ended 3Q2013 to US$0.8 million in the three months ended 3Q2014. The decrease is due to capitalization of development expenses of US$1.5 million in the three months ended 3Q2014. The Group capitalized US$1.1 million of development expenses in the three months ended 3Q2013 to intangible assets.

- We were in a net finance income position of US$0.9 million in the three months ended 3Q2014, as compared to a net finance cost position of US$7.2 million in the three months ended 3Q2013 mainly due to the fair value loss on financial instruments of US$6.2 million and interest expenses on the accretion expense incurred on our convertible notes of US$0.7 million in the three months ended 3Q2013. There were no such fair value loss recorded in 3Q2014 as the financial instruments have been converted following the Company's IPO in 2Q2014. The fair value loss or gain on financial instruments are non-cash in nature, and were recorded at fair value through profit or loss as required in accordance with FRS. In addition, we recorded a foreign exchange gain of US$0.9 million during the three months ended 3Q2014 as compared to a foreign exchange loss of US$0.3 million in the three months ended 3Q2013 pursuant to exchange rate changes between the Singapore dollar and United States dollar.

- Depreciation expenses decreased by US$122,000, or 80.8% from US$151,000 in the three months ended 30 September 2013 to US$29,000 in the three months ended 30 September 2014 as most of the Group's property, plant and equipment have been fully depreciated as at 30 September 2014.

- Amortization of intangible assets increased by US$49,000, or 196.0% from US$25,000 in the three months ended 30 September 2013 to US$74,000 in the three months ended 30 September 2014 mainly due to the additional capitalized research and development expenses during the period.

Nine months ended 30 September 2014 compared to the nine months ended 30 September 2013

The breakdown of our revenue derived from the sale of our products to the various geographical regions and by the number of units sold for the nine months ended 30 September 2014 ("**3Q2014**") and for the nine months ended 30 September 2013 ("**3Q2013**") are presented below:

	Nine Months Ended 3Q2014		Nine Months Ended 3Q2013	
	US$'000	**%**	**US$'000**	**%**
United States	8,542	90.4	2,787	93.0
Europe	696	7.4	165	5.0
Asia	210	2.2	52	2.0
	9,448	100.0	3,004	100.0

	Nine Months Ended 3Q2014	Nine Months Ended 3Q2013
Units sold	21,441	4,818

Our revenue increased by US$6.4 million, or 214.5%, from US$3.0 million in the nine months ended 3Q2013 to US$9.4 million in the nine months ended 3Q2014. The increase was mainly due to an increase in sales of our Chocolate PTA and Glider PTCA with our distributors and our direct coronary sales in the United States.

Cost of sales increased by US$4.0 million, or 94.3%, from US$4.3 million in the nine months ended 3Q2013 to US$8.3 million in the nine months ended 3Q2014 mainly due to the increased sales of Chocolate PTA and Glider PTCA as well as some short-term increase in unit costs primarily attributable to materials and overhead expenses. These short term unit cost increases were partially offset by continued pricing improvements from our suppliers.

The Group recorded a gross profit of US$1.2 million or 12.6% of revenue in the nine months ended 30 September 2014 mainly due to better sales volumes achieved for the Group's products during period as compared to a gross loss of US$1.2 million or 41.5% of revenue for the nine months ended 30 September 2013 which was mainly due to low sales volumes and higher unit costs incurred for the production of the Group's various products.

Our loss before taxation decreased by US$2.7 million or 9.2%, from US$29.0 million in the nine months ended 3Q2013 to US$26.3 million in the nine months ended 3Q2014. The analysis of the loss before taxation are as follows:

- Our administrative expenses increased by US$4.9 million, or 125.7%, from US$3.8 million in nine months ended 3Q2013 to US$8.7 million in the nine months ended 3Q2014. The increase was mainly due to the increase in business activities and professional service fees of US$3.8 million for our IPO and ongoing litigation with AngioScore. For more information regarding the litigation with AngioScore, please refer to the Company's Offer Document.

- Our research and development expenses increased by approximately US$1.7 million from US$1.9 million in the nine months ended 3Q2013 to US$3.6 million in the nine months ended 3Q2014. The increase is due to US$6.7 million of research and development expenses incurred in the nine months ended 3Q2014 but is offset by capitalization of development expenses of US$3.1 million in the nine months ended 3Q2014. The Group capitalized US$2.9 million of development expenses in the nine months ended 3Q2013 to intangible assets.

- We were in a net finance cost position of US$9.1 million in the nine months ended 3Q2014, as compared to a net finance cost position of US$16.2 million in the nine

months ended 3Q2013. We recorded a fair value loss on financial instruments of US$5.0 million in the nine months ended 3Q2014 as compared to a fair value loss of US$13.5 million in the nine months ended 3Q2013. The fair value loss or gain on financial instruments are non-cash in nature, and were recorded at fair value through profit or loss as required in accordance with FRS. In addition, we recorded interest expense on convertible notes of US$4.5 million in the nine months ended 3Q2014 as compared to US$2.9 million in the nine months ended 3Q2013 mainly due to accretion expense on our convertible notes. The finance costs in the nine months ended 3Q2014 was offset by the foreign exchange gain of US$0.5 million as compared to a foreign exchange gain of US$0.2 million during the nine months ended 3Q2013 pursuant to exchange rate changes between the Singapore dollar and United States dollar.

- For the nine months ended 3Q2014, the Group incurred expenses that are non-recurring in nature such as those relating to the IPO of US$2.0 million and interest expenses relating to convertible notes of US$4.5 million.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at 30 September 2014 US$'000	As at 31 December 2013 US$'000	Change %
Non-current assets	10,208	7,394	38.1%
Current assets	36,556	10,594	245.1%
Total assets	46,764	17,988	160.0%
Total equity	41,376	(11,990)	NM
Non-current liabilities	194	10,299	(98.1%)
Current liabilities	5,194	19,679	(73.6%)
Total liabilities	5,388	29,978	(82.0%)

The Group had working capital of US$31.4 million as at 30 September 2014 and a negative working capital of US$9.1 million as at 31 December 2013. The working capital as at 30 September 2014 was mainly due to the receipt of cash proceeds from the IPO and the conversion of all outstanding balances on convertible notes to equity. The negative working capital at 31 December 2013 was primarily due to the outstanding balance on the Group's loans and borrowings.

Our non-current assets increased by US$2.8 million from US$7.4 million as at 31 December 2013 to US$10.2 million as at 30 September 2014 mainly due to the increase in intangible assets of US$2.8 million. The increase in intangible assets was due to the capitalization of development expenses.

Our current assets increased by US$26.0 million from US$10.6 million as at 31 December 2013 to US$36.6 million as at 30 September 2014 mainly due to the increase in cash from net IPO proceeds of US$40.8 million, trade and other receivables of US$1.5 million and inventories of US$2.0 million. The increase in inventories was due to the ramping up of our production to meet the increase in customer demand for Chocolate PTA and Glider PTCA whilst the increase in trade and other receivables is mainly due to increase in trade receivables as a result in the increase in sales.

Our non-current liabilities decreased by US$10.1 million from US$10.3 million as at 31 December 2013 to US$0.2 million as at 30 September 2014 mainly due to the conversion of all loans and borrowings of US$5.5 million, being long-term obligations as at 31 December 2013, to ordinary shares upon the Company's IPO. Trade and other payables, including derivatives decreased by $4.6 million due mainly to the extinguishment of the Company's embedded derivatives.

Our current liabilities decreased by US$14.5 million from US$19.7 million as at 31 December 2013 to US$5.2 million as at 30 September 2014 mainly due to the conversion of all loans and borrowings of US$6.9 million, being short-term obligations as at 31 December 2013, to ordinary shares upon the Company's IPO. Trade and other payables, including derivatives decreased by $7.2 million mainly due to the extinguishment of the Company's embedded derivatives.

CONSOLIDATED STATEMENT OF CASH FLOWS

Cash Flow Analysis 3Q2014

The Group recorded cash outflows from operating activities of US$8.4 million for 3Q2014 which was a result of an operating loss before working capital changes of US$4.3 million and an increase in working capital changes of US$4.1 million. The increase in working capital changes was mainly due to a decrease in deferred income of US$0.2 million following the fulfilment of our obligations under the distribution agreement with Cordis. The increase in inventories of US$0.9 million and trade debtors of US$1.7 million as well as the decrease of US$1.3 million in trade and other payables (including derivatives) also contributed to the increase in working capital changes.

Cash used in investing activities for 3Q2014 was US$1.6 million which was mainly due to additions to intangible assets pertaining to developed technology of approximately US$1.5 million.

In 3Q2014, net cash outflow from financing activities was US$0.6 million which was mainly due to payment of the remaining interest on convertible notes to investors.

Cash Flow Analysis 3Q2013

The Group recorded cash outflows from operating activities of US$3.1 million for 3Q2013 which was mainly due to the operating loss before working capital changes of US$4.0 million. The decrease in working capital changes was mainly due to the decrease in inventory of US$0.2 million and increase in trade and other payables including derivatives of US$1.4 million and offset by a US$0.6 million increase in trade and other receivables.

Cash used in investing activities for 3Q2013 was US$1.2 million which was mainly due to additions to intangible assets pertaining to developed technology of approximately US$1.1 million.

In 3Q2013, net cash inflow derived from financing activities was US$3.3 million which was mainly due to proceeds from the issuance of preference shares of US$3.3 million.

9. FORECAST AND PROSPECT STATEMENT

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

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

10. SIGNIFICANT TRENDS AND COMPETITIVE CONDITIONS OF THE INDUSTRY

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

The overall global business conditions for companies servicing the healthcare industry have been promising with many countries focusing on the health of their population as a priority in the forthcoming decades, but also trying to limit the overall healthcare spending, thereby, driving the trend for more affordable healthcare.

The demand and outlook for medical devices appears to be largely positive. Over the last few decades, as healthcare and nutrition have improved in developed countries, life expectancies have also increased. This had led to the steady growth in the size of the over-65 year old population across US, Europe, Japan, and China. As Peripheral Artery Disease ("**PAD**") is more prevalent in the over-65 population, the largest demand driver for PAD treatments is the ageing population. Alongside this increase in the ageing population has been an increase in the number of people suffering from obesity, diabetes, high blood pressure and high cholesterol levels. These factors increase the likelihood of developing PAD, or can come about due to having PAD. The Group believes our products offer compelling solutions for patients suffering from PAD.

Long-term clinical data regarding the eventual outcome of angioplasty procedures is now available as the procedure has entered its third decade of use. Furthermore, in the highly competitive medical device market, companies are constantly developing new and novel devices. The clinical data coming from their regulatory approval process is adding further encouragement to physicians and patients alike that these procedures are safe and effective.

Many countries are also making the health of their population a priority. Despite wanting to ensure that their populations have good access to healthcare, they are also trying to limit their overall spending on healthcare. This is driving the trend for more affordable healthcare. The US has recently enacted the Affordable Care Act, which requires people to be under some form of health coverage, either privately through their employers or through the new government-sponsored healthcare exchange. In China, the aging population and rapid urbanisation are important factors contributing to the growth of the medical device market. China also has had a long-term goal to ensure its massive population has good access to healthcare.

As we enter the coronary angioplasty market, we feel this market presents a significant opportunity for the Group to increase its revenues due to the number of coronary angioplasty procedures ("PCI") performed annually. The use of drug eluting stents is the primary treatment of coronary artery disease. The PCI market has approached maturity in key markets including the United States, Western Europe and Japan. Due to economic wealth and increased disease states, coronary procedures have grown and are expected to continue to grow at a brisk pace in emerging markets, particularly China, India, Eastern Europe and the Middle East. Bioresorbable vascular scaffolds are expected to replace some or most of the drug eluting stent

use over time. Permanent implants (drug eluting stent) may have long term clinical risks and bioresorbable scaffolds are expected to show long term clinical benefits over DES. Clinical trials are ongoing. The Group's strategy of 'leaving nothing behind' focuses on the potential benefits of coronary therapies that do not require any implant, permanent or temporary.

These trends present significant opportunities for the Group to expand its business and management believes there is great potential for growth in this sector.

11. IF A DECISION REGARDING DIVIDEND HAS BEEN MADE:

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

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

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

Not applicable.

(b) (ii) Previous corresponding period (cents)

Not applicable

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

Not applicable.

(d) The date the dividend is payable

Not applicable.

(e) Books closure date

Not applicable.

12. IF NO DIVIDEND HAS BEEN DECLARED/RECOMMENDED, A STATEMENT TO THAT EFFECT

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

13. INTERESTED PERSONS TRANSACTIONS

If the Group has obtained a general mandate from shareholders for the IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

Other than the interested person transactions as disclosed on pages 169 to 181 of the Company's Offer Document, there were no new interested person transactions which were more than S$100,000 entered into during the current financial period reported on. The Group does not have a general mandate for recurrent interested person transactions.

14. USE OF IPO PROCEEDS

Pursuant to the IPO, the Company received gross proceeds of S$55,000,000 ("IPO Proceeds"). As at the date of this announcement, the IPO proceeds has been utilized as follows:

	Amount allocated S$'000	Amount utilised S$'000	Balance S$'000
Commercial expansion [(1)]	5,000	1,807	3,193
Development of new products and product enhancements	15,000	5,158	9,842
General working capital purposes [(2)]	30,261	13,391	16,870
Listing expenses [(3)]	4,739	4,718	21
Total	55,000	25,074	29,926

Notes:

(1) Commercial expansion includes marketing activities, expenses incurred in entering into further supplier and distributorship agreements, market expansion activities and costs of our sales force.

(2) Utilized mainly for the payment of salaries and wages and raw material purchases.

(3) Of the total listing expenses to be borne by our Company, approximately S$3.8 million (or the equivalent of US$3.0 million) was capitalized against share capital and the balance of the estimated listing expenses was charged to the income statement of our Company. This excludes professional fees paid by our Company to PPCF by the issue and allotment of 7,558,828 shares. The amount of placement commission for each placement share, agreed upon between the Joint Placement Agents and our Company, is 5.0% of the issue price for each placement share. Please refer to the section entitled "General and Statutory Information – Placement Arrangement" of the Company's Offer Document for further details.

The above utilizations are in accordance with the intended use of IPO proceeds, as stated in the Offer Document.

15. NEGATIVE CONFIRMATION PURSUANT TO RULE 705(5) OF LISTING MANUAL

The Board of Directors of the Company ("Board") confirms that to the best of their knowledge, nothing has come to the attention of the Board which may render the unaudited interim financial results for the 3 months and 9 months ended 30 September 2014 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD
Eitan Konstantino
Chief Executive Officer
14 November 2014