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

ENTRY INTO ASSET PURCHASE AND OPTION AGREEMENT

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1. INTRODUCTION

The Board of Directors of QT Vascular Ltd. ("**Company**", together with its subsidiaries, "**Group**") wishes to announce that the Company and its wholly-owned subsidiaries, TriReme Medical, LLC, Quattro Vascular Pte. Ltd. and TriReme Medical (Singapore) Pte. Ltd. (collectively "**Sellers**") have on 23 May 2018 entered into an asset purchase and option agreement ("**Asset Purchase and Option Agreement**"), inter alia, with Teleflex Life Sciences Unlimited Company and Teleflex Incorporated (referred to collectively herein as "**Teleflex**").

2. ASSET PURCHASE AND OPTION AGREEMENT

2.1 Non-Coated Coronary Products

Pursuant to the Asset Purchase and Option Agreement, Teleflex shall acquire specific assets of the Sellers and the Group shall grant Teleflex certain license(s) in respect of intellectual property relating to the Group's non-drug coated Chocolate® PTCA Balloon Catheter and Glider® PTCA Balloon Catheter products ("**Non-Coated Coronary Products**") for use by Teleflex solely in coronary non-drug coated vascular applications ("**Proposed Disposal**").

2.2 Coated Coronary Product

Pursuant to the Asset Purchase and Option Agreement, Teleflex has an option, which upon exercise, entitles Teleflex to acquire specific assets of the Sellers and be granted certain license(s) in respect of intellectual property relating to the drug-coated coronary balloon catheter product currently under development by the Sellers as of the date of the Asset Purchase and Option Agreement referred to as Chocolate Heart™ ("**Coated Coronary Product**") for use by Teleflex solely in coronary drug-coated vascular applications ("**Proposed Option Disposal**", together with the Proposed Disposal collectively referred to as the "**Proposed Transaction**").

2.3 Exercise of Option to acquire Coated Coronary Product

The option granted to Teleflex in respect of the Proposed Option Disposal ("**Option**") is exercisable by Teleflex during the period commencing from the Non-Coated Coronary Closing (as hereinafter defined) and ending on the earliest of the occurrence of ("**Option Exercise Period**"):

(a) if the date of issuance of a written order approving a premarket approval application for the Coated Coronary Product as issued by the United States Food and Drug Administration ("**FDA**") ("**PMA Approval Date**") is more than 10 calendar days prior to the next regularly scheduled meeting of the Teleflex Incorporated Board of Directors ("**Teleflex Board Meeting**") to be held after the PMA Approval Date, then the termination date of the Option shall be the date that is 10 calendar days after such Teleflex Board Meeting; or

(b) if the PMA Approval Date is less than 10 calendar days prior to the next regularly scheduled Teleflex Board Meeting to be held following the PMA Approval Date, then the termination date of the Option shall be the date that is 45 calendar days after the PMA Approval Date.

The Option Exercise Period remains subject to the automatic termination of the Asset Purchase and Option Agreement upon the expiry of 10 years from the date of signing.

2.4 Conditions Precedent

Closing of each of the Proposed Disposal ("**Non-Coated Coronary Closing**") and the Proposed Option Disposal ("**Coated Coronary Closing**") is further subject to, amongst others, the following conditions having been satisfied:

(a) there being no legal nor regulatory prohibitions nor restrictions affecting the Proposed Disposal or Proposed Option Disposal (as the case may be);

(b) there being no material adverse effect affecting the Proposed Transaction;

(c) receipt by the Company of shareholders' approval at the extraordinary general meeting, ("**EGM**") to be convened for the Proposed Transaction;

(d) compliance by the Sellers of the terms of the Asset Purchase and Option Agreement;

(e) the Non-Coated Coronary Products or Coated Coronary Products (as the case may be) being free from all encumbrances; and

(f) entry into variation agreements by the Group with Messrs Eitan Konstantino and Tanhum Feld ("**Inventors**") in respect of existing assignments of intellectual property by the Inventors to the Group for the licensing of these intellectual property rights by the Group to Teleflex in connection with the Asset Purchase and Option Agreement.

The percentage of royalties to be paid under the existing agreements with the Inventors by the Company remains unchanged. The amendments to such existing agreements with the Inventors are made to obtain consent and conform with the terms in the licensing arrangements with Teleflex. Teleflex will assume the Sellers' existing royalty obligations with respect to the Non-Coated Coronary Products and, in the event the Option is exercised, Teleflex will assume the Sellers' existing royalty obligations with respect to the Coated Coronary Product.

In respect of sub-paragraph (f) above, the Audit Committee, having evaluated the terms of the amendments to the agreements with the Inventors, is of the opinion that the amendments to the agreements and the royalty payments payable thereto are on normal commercial terms and are not prejudicial to the interests of the Company and minority shareholders and accordingly, is not adverse to the Group.

2.5 Consideration

2.5.1 Non-Coated Coronary Products

Upon the Non-Coated Coronary Closing, Teleflex shall pay to the Sellers the purchase consideration of S$26,227,100 in cash, comprising S$24,915,745 to be paid directly to the Sellers and S$1,311,355 to be held by an escrow agent and released to the Sellers 18 months following the date of the Non-Coated Coronary Closing plus the non-coated coronary milestone payments described below, ("**Non-Coated Coronary Purchase Price**"). The Non-Coated Coronary Purchase Price may be adjusted in accordance with the Asset Purchase and Option Agreement for payment for any prepaid finished goods inventory amount at the point of the Non-Coated Coronary Closing.

The Sellers will also receive the non-coated coronary milestone payments of up to an aggregate of S$6,556,580 upon the respective achievements of the following milestones:

(a) In the event that the worldwide annual net revenue from the sales of the Non-Coated Coronary Products by Teleflex for the calendar year ended 31 December 2019 or 31 December 2020 is equal to or greater than US$10,000,000 ("**First Measurement Period Milestone**"), Teleflex shall pay the Sellers S$3,278,290; and

(b) In the event that the worldwide annual net revenue from the sales of the Non-Coated Coronary Products by Teleflex for either (i) the calendar year ended 31 December 2021 or 31 December 2022, or (ii) if the First Measurement Period Milestone is achieved for the calendar year ended 31 December 2019, the calendar year ended 31 December 2020 and 31 December 2021, is equal to or greater than US$12,500,000, Teleflex shall pay the Sellers S$3,278,290.

2.5.2 Coated Coronary Product

Upon exercise of the Option by Teleflex and Coated Coronary Closing, Teleflex shall pay to the Sellers the purchase consideration of S$65,567,800 ("**Coated Coronary Purchase Price**") in cash, comprising S$62,289,410 to be paid directly to the Seller and S$3,278,390 to be held by an escrow agent and released to the Sellers 18 months following the date of the Coated Coronary Closing.

Upon exercise of the Option by Teleflex and Coated Coronary Closing, the Sellers will be entitled to receive royalties from Teleflex in an amount equal to five (5) percent of net sales of the Coated Coronary Product (to the extent covered by a valid claim of patents) ("**Royalty**").

2.5.3 Arm's Length Basis

The Non-Coated Coronary Purchase Price and Coated Coronary Purchase Price were each negotiated on an arm's length basis, after taking into account the amounts received and the value of the assets being sold.

2.6 Business Agreements

It is also envisaged that on each of the Non-Coated Coronary Closing and Coated Coronary Closing, the Group will enter into other business agreements with Teleflex to facilitate the transfer of the assets of the Group that are the subject of the Asset Purchase and Option Agreement, which includes, among others, the following agreements:

(a) licence agreements and a sublicense agreement to grant certain intellectual property rights in connection with the Non-Coated Coronary Products and the Coated Coronary Product to Teleflex;

(b) transition services agreements to provide Teleflex with certain functional support and transitional services in connection with the Non-Coated Coronary Products and the Coated Coronary Product;

(c) supply agreements to manufacture and supply the Non-Coated Coronorary Products and the Coated Coronary Product to Teleflex until such time that it has established its own manufacturing capabilities; and

(d) quality agreements to regulate the quality of Non-Coated Coronary Products and the Coated Coronary Product and components supplied to Teleflex,

(collectively the "**Business Agreements**").

3. BUYER

Teleflex is an independent and unrelated third party to the Group, the Company's Directors and its controlling shareholders.

Teleflex is headquartered in Wayne, Pennsylvania, in the United States of America, and listed on the New York Stock Exchange. The Teleflex group is a global provider of medical technologies designed to improve the health and quality of people's lives, with solutions in the fields of vascular and interventional access, surgical, anesthesia, cardiac care, urology, emergency medicine and respiratory care. More information about Teleflex (including copies of its filings with the U.S. Securities and Exchange Commission) can be found at www. teleflex.com.

4. RATIONALE AND USE OF PROCEEDS

The potential sale of the Non-Coated Coronary Products and Coated Coronary Product under the Asset Purchase and Option Agreement represents an attractive opportunity for the Group to realise the value of its Non-Coated Coronary Products and Coated Coronary Product. Such sale proceeds will enable the Group to further develop other products including Chocolate Touch®, the Group's drug coated Chocolate PTA, which has received an Investigational Device Exemption ("**IDE**") approval from the FDA, as well as to develop, acquire or obtain rights to new products.

Pursuant to the Asset Purchase and Option Agreement: (a) the Sellers (which includes the Company), without limiting the use of sale proceeds (other than as set forth in (b) below), have agreed to pay all costs (not exceeding US$25,000,000) associated with, and to use reasonable best efforts in connection with, (i) conducting a United States IDE clinical trial for Chocolate Heart™ and (ii) submitting premarket approval application to the FDA for Chocolate Heart™ ("**PMA Submission**"); and (b) the Sellers (which includes the Company) have also agreed not to use any portion of the sales proceeds of the Non-Coated Coronary Purchase Price to provide loans to any person or declare any dividend or other distribution of payments to the Company's shareholders.

The Group believes that the potential sale to an international medical product conglomerate such as Teleflex is once again a proud testimony of the exceptional quality of the Group's research, product development and regulatory capabilities.

5. BUSINESS OF THE GROUP AFTER THE PROPOSED TRANSACTION

Following the Proposed Transaction, the Group will continue to (i) sell its drug-coated peripheral product, i.e. Chocolate Touch® in Europe; (ii) supply non-drug coated Chocolate® PTA Balloon Catheter to Medtronic, Inc. and (iii) supply the Non-Coated Coronary Products and the Coated Coronary Product to Teleflex. The Group will also continue with its clinical trials of Chocolate Touch® in the US to obtain FDA approval for its sale in the US.

Focusing on its strengths of research, product development and regulatory capabilities the Group plans to develop, acquire or obtain rights to new products in new fields and further to engage in research collaboration activities with large multinational partners.

6. NET PROCEEDS AND GAIN ON DISPOSAL

The net proceeds from the Proposed Disposal, after deducting estimated costs and expenses of S$1.0 million, is expected to amount to approximately S$25.2 million. The net proceeds from the Proposed Option Disposal, after deducting estimated costs and expenses of S$0.5 million, is expected to amount to approximately S$65.1 million.

The net proceeds from the Proposed Disposal will give rise to an estimated net gain of approximately S$20.1 million over the book value of the Non-Coated Coronary Products of approximately S$5.1 million as at 31 December 2017 for the Group. The net proceeds from the Proposed Option Disposal will give rise to an estimated net gain of approximately S$63.2 million over the book value of the Coated Coronary Products of approximately S$1.9 million as at 31 December 2017 for the Group.

7. RELATIVE FIGURES UNDER CHAPTER 10 OF THE CATALIST RULES

The relative figures for the Proposed Transaction computed on the bases set out in Rule 1006 of the Listing Manual Section B: Rules of Catalist of the SGX-ST ("**Catalist Rules**"), based on the latest audited financial statements of the Group for the financial year ended 31 December 2017 ("**FY2017**") are as follows:

Rule 1006	*Bases*	*Relative Figures*
(a)	The net asset value of assets to be disposed of, compared with the group's net liabilities value. This basis is not applicable to an acquisition of assets.	(38.6)% (1)
(b)	The net losses attributable to the assets acquired or disposed of, compared with the Group's net losses.	8.7% (2)
(c)	The aggregate value of the consideration given or received, compared with the issuer's market capitalisation based on the total number of issued shares excluding treasury shares.	301.4% (3)
(d)	The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable (4)
(e)	The aggregate volume or amount of proven and probable reserves to be disposed of, compared with the aggregate of the group's proven and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil or gas company, but not to an acquisition of such assets.	Not applicable (5)

Notes:

(1) Computed based on the net asset value of the Non-Coated Coronary Products and the Coated Coronary Product of US$3.8 million and US$1.4 million respectively as at 31 December 2017 compared with the Group's net liabilities of US$13.6 million as at 31 December 2017.

(2) Computed based on the net losses attributable to the Non-Coated Coronary Products of US$2.0 million for FY2017 compared with the Group's net losses for FY2017 of US$22.9 million. There are no net profits or losses attributable to the Coated Coronary Product for FY2017 as research and development costs in FY2017 was focused on Chocolate Touch®, the Group's drug-coated peripheral product.

(3) Computed based on aggregate of the Non-Coated Coronary Purchase Price, the Milestone Payments and the Coated Coronary Purchase Price ("**Maximum Purchase Consideration**") amounting to S$98.4 million and the market capitalisation of the Company of S$32.6 million

(based on 2,026,977,062 Shares in issue and the weighted average price of S$0.0161 per Share transacted on 22 May 2018, being the market day preceding the date of the Asset Purchase and Option Agreement).

(4) This is not an acquisition.

(5) This is not a disposal of mineral, oil or gas assets by a mineral, oil or gas company.

The Proposed Transaction constitutes a "major transaction" pursuant to Rule 1014 of the Catalist Rules and is subject to the approval of shareholders at an EGM to be convened.

8. FINANCIAL EFFECTS

8.1 Assumptions

The pro forma financial effects of the Proposed Transaction on the Group presented below are strictly for illustrative purposes only and do not reflect the actual financial effects or future financial performance and condition of the Company and/or the Group following the Non-Coated Coronary Closing and the Coated Coronary Closing.

The pro forma financial effects are calculated based on the latest audited financial statements of the Group for FY2017 and the following assumptions:

(i) that each of the Non-Coated Coronary Closing and Coated Coronary Closing had taken place on 31 December 2017 for purposes of the financial effect on the (NLV)/NAV per Share and (NTL)/NTA per Share, do not include the Milestone Payments and do not include the costs incurred in relation to the PMA Submission;

(ii) that each of the Non-Coated Coronary Closing and Coated Coronary Closing had taken place on 1 January 2017 for purposes of the financial effect on the earnings per Share ("**EPS**") or loss per Share ("**LPS**") and do not include the Milestone Payments and do not include the costs incurred in relation to the PMA Submission; and

(iii) that the issuances of 132,726,066 Shares between 1 January 2018 and 23 May 2018 had all been issued on 1 January 2017.

8.2 (NLV)/NAV per Share

	Before the Non-Coated Coronary Closing	***After the Non-Coated Coronary Closing, before the Coated Coronary Closing***	***After the Coated Coronary Closing***
(NLV)/NAV (US$'000)	(13,580)	2,222	49,851
Number of issued Shares ('000)	2,026,977	2,026,977	2,026,977
(NLV)/NAV per Share (US cents)	(0.007)	0.001	0.025

8.3 (NTL)/NTA per Share

	Before the Non-Coated Coronary Closing	***After the Non-Coated Coronary Closing, before the Coated Coronary Closing***	***After the Coated Coronary Closing***
(NTL)/NTA (US$'000)	(25,195)	(7,198)	41,855
Number of issued Shares ('000)	2,026,977	2,026,977	2,026,977
(NTL)/NTA per Share (US cents)	(0.012)	(0.004)	0.021

8.4 (LPS)/EPS

	Before the Non-Coated Coronary Closing	***After the Non-Coated Coronary Closing, before the Coated Coronary Closing***	***After the Coated Coronary Closing***
After (Loss)/Profit attributable to the shareholders (US$'000)	(22,871)	(7,688)	38,394
Weighted average number of Shares (excluding treasury Shares) ('000)	1,599,416	1,599,416	1,599,416
(LPS)/EPS (US cents)	(0.014)	(0.005)	0.024

9. SERVICE CONTRACTS

No person is proposed to be appointed as a director of the Company in connection with the Proposed Transaction.

10. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save as provided in the Asset Purchase and Option Agreement and disclosed herein, none of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Transaction (other than their direct or indirect financial interest in the Company).

11. EGM AND SHAREHOLDERS' CIRCULAR

The Company will convene an EGM to seek the approval of shareholders for the Proposed Transaction. A circular containing further details of the same and enclosing the notice of EGM will be dispatched by the Company to shareholders in due course.

12. DIRECTORS' RESPONSIBILITY STATEMENT

The directors of the Company collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Transaction and the Group, and the directors of the Company are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the directors of the Company has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

13. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the Asset Purchase and Option Agreement and the Business Agreements will be made available for inspection during normal business hours at the registered office of the Company for a period of three months commencing from the date of this announcement.

BY ORDER OF THE BOARD

Eitan Konstantino
Chief Executive Officer
24 May 2018

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*This announcement has been prepared by 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 announcement.*

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

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).