QT Vascular Ltd. and its subsidiaries

Unaudited Half Year Financial Statements Announcement for the second quarter and six months ended 30/6/2014

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 ñQT Vascular Pte. Ltd.ò. The Group (which comprises the Company and its subsidiaries) was formed on 11 July 2013 pursuant to a restructuring exercise (ñRestructuring Exerciseò) prior to the IPO and the Companyôs listing on the Catalist Board of the SGX-ST (ñCatalistò). Please refer to the Companyôs Offer Document dated 16 April 2014 (ñOffer Documentò) 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 financial period ended 30 June 2013 have been prepared on the assumption that the Groupôs 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		
	30/6/2014 US$'000	30/6/2013 US$'000	Change
Revenue	3,226	1,029	213.5%
Cost of sales	(3,045)	(1,147)	165.5%
Gross profit/(loss)	181	(118)	NM
Sales and marketing	(1,966)	(1,943)	1.2%
Administrative expenses	(2,766)	(1,577)	75.4%
Research and development expenses	(1,872)	(41)	NM
Other expenses	(52)	(141)	NM
Results from operating activities	(6,475)	(3,820)	69.5%
Finance income	6	273	NM
Finance costs	(7,025)	(8,515)	(17.5)%
Net finance costs	(7,019)	(8,242)	(14.8)%
Loss before tax	(13,494)	(12,062)	11.9%
Tax expense	ï	ï	ï
Loss for the period	(13,494)	(12,062)	11.9%
Other comprehensive loss			
Item that is or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences	245	160	53.1%
Total comprehensive loss for the period	(13,249)	(11,902)	11.3%
Loss attributable to:			
Owners of the Company	(13,494)	(11,435)	18.0%
Non-controlling interests [(1)]	ï	(627)	NM
Loss for the period	(13,494)	(12,062)	11.9%
Total comprehensive loss attributable to:			
Owners of the Company	(13,249)	(11,275)	17.5%
Non-controlling interests	ï	(627)	NM
Total comprehensive loss for the period	(13,249)	(11,902)	11.3%

NM denotes not meaningful

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

	Group 6 months ended		
	30/6/2014 US$'000	30/6/2013 US$'000	Change
Revenue	6,067	1,675	262.2%
Cost of sales	(5,546)	(2,277)	143.6%
Gross profit/(loss)	521	(602)	NM
Sales and marketing	(4,169)	(3,577)	16.6%
Administrative expenses	(6,130)	(2,364)	159.3%
Research and development expenses	(2,815)	(936)	200.7%
Other expenses	(87)	(156)	(44.2)%
Results from operating activities	(12,680)	(7,635)	66.1%
Finance income	7	519	(98.7)%
Finance costs	(9,994)	(9,494)	5.3%
Net finance costs	(9,987)	(8,975)	11.3%
Loss before tax	(22,667)	(16,610)	36.5%
Tax expense	(1)	(1)	ï
Loss for the period	(22,668)	(16,611)	36.5%
Other comprehensive loss			
Item that is or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences	216	226	(4.4)%
Total comprehensive loss for the period	(22,452)	(16,385)	37.0%
Loss attributable to:			
Owners of the Company	(22,668)	(15,530)	46.0%
Non-controlling interests (1)	ï	(1,081)	NM
Loss for the period	(22,668)	(16,611)	36.5%
Total comprehensive loss attributable to:			
Owners of the Company	(22,452)	(15,304)	46.7%
Non-controlling interests	ï	(1,081)	NM
Total comprehensive loss for the period	(22,452)	(16,385)	37.0%

NM denotes not meaningful

Note:

(1) As of 30 June 2013, the Group owned 42.10% of Quattro Vascular Pte. Ltd. (ñQuattroò) on an as-converted basis. Because the Group is able to govern the financial and operating policies of Quattro, the Group has been consolidating Quattro since it has been established in 2010. On 11 July 2013, the Group underwent a restructuring exercise whereby the shareholders of Quattro exchanged their respective ownership interests in Quattro for an ownership interest in the Company. Please refer to the Companyôs offer document dated 16 April 2014 and the Companyôs 2013 annual report for additional information.

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

	Group (Second Quarter)			Group (Year-To-Date)		
	3 months ended			6 months ended		
	30/6/2014 US$'000	30/6/2013 US$'000	% change	30/6/2014 US$'000	30/6/2013 US$'000	% change
Depreciation of property, plant and equipment	(84)	(150)	(44.0)	(214)	(290)	(26.2)
Gain on disposal of property, plant and equipment	3	ï	NM	3	ï	NM
Amortization of intangible assets	(80)	(117)	(31.6)	(159)	(237)	(32.9)
Exchange (loss)/gain	(297)	329	NM	(452)	470	NM
Equity-settled share based payment transactions	(154)	(759)	(79.7)	(347)	(791)	(56.1)
Interest income	6	48	(87.5)	7	49	(85.7)
Interest expense on convertible notes	(4,033)	(1,255)	221.4	(4,497)	(2,234)	101.3

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	
	30/6/2014 US$'000	31/12/2013 US$'000	30/6/2014 US$'000	31/12/2013 US$'000
Assets:				
Property, plant and equipment	337	376	ï	ï
Intangible assets	8,255	6,833	ï	ï
Investment in subsidiaries	ï	ï	44,760	44,106
Other non-current assets	206	185	ï	ï
Non-current assets	8,798	7,394	44,760	44,106
Inventories	4,668	3,525	ï	ï
Trade and other receivables	1,682	1,872	8,675	239
Cash and cash equivalents	38,898	5,197	37,652	ï
Current assets	45,248	10,594	46,327	239
Total assets	54,046	17,988	91,087	44,345
Equity:				
Share capital	133,101	52,733	133,101	52,733
Reserves	2,445	1,850	(28,895)	(29,308)
Accumulated losses	(89,241)	(66,573)	(16,338)	(4,836)
Total equity	46,305	(11,990)	87,868	18,589
Liabilities:				
Loans and borrowings	ï	5,475	ï	5,475
Trade and other payables, including derivatives	146	4,824	ï	4,674
Non-current liabilities	146	10,299	ï	10,149
Loans and borrowings	ï	6,904	ï	6,904
Trade and other payables, including derivatives	7,077	12,128	3,219	8,703
Deferred income	518	647	ï	ï
Current liabilities	7,595	19,679	3,219	15,607
Total liabilities	7,741	29,978	3,219	25,756
Total equity and liabilities	54,046	17,988	91,087	44,345

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

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

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

Details of any collateral

Not applicable.

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 30/6/2014 US$'000	30/6/2013 US$'000
Cash flows from operating activities			
Net loss		(13,494)	(12,062)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation of property, plant and equipment		84	150
Amortisation of intangible assets		80	117
Interest income		(6)	(48)
Interest expense on convertible notes		4,033	1,255
Gain on disposal of property, plant and equipment		(3)	ï
Exchange loss/(gain)		297	(329)
Equity-settled share-based payment transactions		154	759
Change in fair value of financial instruments		2,695	7,364
		(6,160)	(2,794)
Changes in working capital:			
- Trade and other receivables		914	232
- Inventories		(255)	(773)
- Other assets		(16)	4
- Trade and other payables, including derivatives		447	580
- Deferred income		(2,488)	(20)
Net cash used in operating activities		(7,558)	(2,771)
Cash flows from investing activities			
Purchase of property, plant and equipment		(80)	(4)
Additions to intangible assets		(789)	(1,072)
Net cash used in investing activities		(869)	(1,076)
Cash flows from financing activities			
Proceeds from issuance of ordinary shares, net of transactions costs		40,768	ï
Proceeds from issuance of convertible notes, net of transaction costs		ï	5,388
Proceeds from exercise of share options		2	ï
Proceeds from exercise of warrants		3,487	ï
Net cash from financing activities		44,257	5,388
Net increase in cash and cash equivalents		35,830	1,541
Cash and cash equivalents at beginning of period		3,068	1,788
Cash and cash equivalents at end of period	1	38,898	3,329

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

	Note	Group 6 months ended 30/6/2014 US$'000	30/6/2013 US$'000
Cash flows from operating activities			
Net loss		(22,668)	(16,611)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation of property, plant and equipment		214	290
Amortisation of intangible assets		159	237
Interest income		(7)	(49)
Interest expense on convertible notes		4,497	2,234
Gain on disposal of property, plant and equipment		(3)	ï
Exchange loss/(gain)		452	(470)
Equity-settled share-based payment transactions		347	791
Change in fair value of financial instruments		5,045	7,260
		(11,964)	(6,318)
Changes in working capital:			
- Trade and other receivables		198	(108)
- Inventories		(1,144)	(436)
- Other assets		(20)	6
- Trade and other payables, including derivatives		1,754	1,034
- Deferred income		(129)	(20)
Net cash used in operating activities		(11,305)	(5,842)
Cash flows from investing activities			
Purchase of property, plant and equipment		(173)	(80)
Additions to intangible assets		(1,578)	(1,779)
Net cash used in investing activities		(1,751)	(1,859)
Cash flows from financing activities			
Proceeds from issuance of ordinary shares, net of transactions costs		40,768	ï
Proceeds from issuance of convertible note, net of transaction costs		2,500	5,388
Proceeds from issuance of preference shares, net of transaction costs		ï	645
Proceeds from exercise of share options		2	ï
Proceeds from exercise of warrants		3,487	ï
Net cash from financing activities		46,757	6,033
Net increase/(decrease) in cash and cash equivalents		33,701	(1,668)
Cash and cash equivalents at beginning of period		5,197	4,997
Cash and cash equivalents at end of period	1	38,898	3,329

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

Note:

(1) Cash and cash equivalents are derived from:

	Group	
	30 June 2014 US$'000	**30 June 2013 US$'000**
Bank balances	38,850	3,232
Deposits pledged	48	97
Total cash and cash equivalents	38,898	3,329

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								
Group	**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**
At 1 April 2013	ï	ï	1,793	(41)	919	(36,145)	(33,474)	(2,443)	(35,917)
Total comprehensive loss for the period									
Loss for the period	ï	ï	ï	ï	ï	(11,435)	(11,435)	(627)	(12,062)
Other comprehensive income									
Foreign currency translation differences	ï	ï	ï	160	ï	ï	160	ï	160
Total comprehensive loss for the period	ï	ï	ï	160	ï	(11,435)	(11,275)	(627)	(11,902)
Contributions by and distributions to owners									
Share-based payment transactions	ï	ï	ï	ï	759	ï	759	ï	759
Total contributions by and distributions to owners	ï	ï	ï	ï	759	ï	759	ï	759
At 30 June 2013	ï	ï	1,793	119	1,678	(47,580)	(43,990)	(3,070)	(47,060)

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$'000	Reserve for own shares US$'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 April 2014	5,529	47,404	(1,368)	(77)	327	3,149	(75,747)	(20,783)	ï	(20,783)
Total comprehensive loss for the period										
Loss for the period	ï	ï	ï	ï	ï	ï	(13,494)	(13,494)	ï	(13,494)
Other comprehensive income										
Foreign currency translation differences	ï	ï	ï	ï	245	ï	ï	245	ï	245
Total comprehensive loss for the period	ï	ï	ï	ï	245	ï	(13,494)	(13,249)	ï	(13,249)
Contributions by and distributions to owners										
Preference shares issued pursuant to exercise of warrants	ï	3,487	ï	ï	ï	ï	ï	3,487	ï	3,487
Shares issued pursuant to conversion of preference shares	50,891	(50,891)	ï	ï	ï	ï	ï	ï	ï	ï
Shares issued pursuant to the initial public offering	43,775	ï	ï	ï	ï	ï	ï	43,775	ï	43,775
Shares issued in satisfaction of professional fees	1,684	ï	ï	ï	ï	ï	ï	1,684	ï	1,684
Transaction costs pursuant to the initial public offering	(4,691)	ï	ï	ï	ï	ï	ï	(4,691)	ï	(4,691)
Shares issued pursuant to conversion of convertible notes	35,911	ï	ï	ï	ï	ï	ï	35,911	ï	35,911
Share options exercised	2	ï	ï	ï	ï	(2)	ï	ï	ï	ï
Share-based payment transactions	ï	ï	(17)	ï	ï	188	ï	171	ï	171
Total contributions by and distributions to owners	127,572	(47,404)	(17)	ï	ï	186	ï	80,337	ï	80,337
At 30 June 2014	133,101	ï	(1,385)	(77)	572	3,335	(89,241)	46,305	ï	46,305

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$'000	Reserve for own shares US$'000	Translation reserve US$'000	Share-based payment reserve US$'000	Accumulated losses US$'000	Total equity US$'000
Company*								
At 1 April 2014	5,529	47,404	(32,373)	(77)	(4)	2,956	(8,686)	14,749
Total comprehensive loss for the period								
Loss for the period	ï	ï	ï	ï	ï	ï	(7,652)	(7,652)
Other comprehensive income								
Foreign currency translation differences	ï	ï	ï	ï	587	ï	ï	587
Total comprehensive loss for the period	ï	ï	ï	ï	587	ï	(7,652)	(7,065)
Contributions by and distributions to owners								
Preference shares issued pursuant to exercise of warrants	ï	3,487	ï	ï	ï	ï	ï	3,487
Shares issued pursuant to conversion of preference shares	50,891	(50,891)	ï	ï	ï	ï	ï	ï
Shares issued pursuant to the initial public offering	43,775	ï	ï	ï	ï	ï	ï	43,775
Shares issued in satisfaction of professional fees	1,684	ï	ï	ï	ï	ï	ï	1,684
Transaction costs pursuant to the initial public offering	(4,691)	ï	ï	ï	ï	ï	ï	(4,691)
Shares issued pursuant to conversion of convertible notes	35,911	ï	ï	ï	ï	ï	ï	35,911
Share options exercised	2	ï	ï	ï	ï	(2)	ï	ï
Share-based payment transactions	ï	ï	(17)	ï	ï	35	ï	18
Total contributions by and distributions to owners	127,572	(47,404)	(17)	ï	ï	33	ï	80,184
At 30 June 2014	133,101	ï	(32,390)	(77)	583	2,989	(16,338)	87,868

* The Company was incorporated on 6 March 2013 with an issued and paid-up share capital of S$1.00 comprising 1 ordinary share. There were no changes in equity from 6 March 2013 to 30 June 2013. Therefore, we have not presented a comparative statement of changes in equity for the Company from 1 April 2013 to 30 June 2013. To consolidate the business activities of the Group, a restructuring exercise was undertaken on 11 July 2013. Please refer to the Companyôs offer document dated 16 April 2014 for additional information.

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 Companyôs issued and fully paid-up ordinary share capital increased by 751,578,859 shares from 4,543,977 as at 1 April 2014 to 756,122,836 shares as at 30 June 2014 due to the following:

	Number of ordinary shares	Issued and paid-up share capital US$'000
At 1 April 2014	4,543,977	2,480
Shares issued pursuant to conversion of preference shares	19,939,150	54,307
Subdivision of 1 ordinary share to 16 ordinary shares	367,246,905	ï
Shares issued pursuant to conversion of convertible notes	160,164,976	35,544
Shares issued pursuant to the initial public offering	196,429,000	43,775
Shares issued in satisfaction of professional fees	7,558,828	1,684
Shares issued pursuant to exercise of share options	240,000	2
Listing expenses taken against equity	ï	(4,691)
At 30 June 2014	756,122,836	133,101

Convertible Preference Shares (ñCPSò)

Convertible preference shares	Number of CPS	Issued and paid-up share capital US$'000
At 1 April 2014	16,574,610	50,820
Issuance of Series A and B CPS	1,204,134	3,487
Conversion of Series A and Series B CPS into ordinary shares on 9 April 2014	(17,778,744)	(54,307)
At 30 June 2014	ï	ï

Each share of convertible preference shares, at the option of the holder, is convertible into the number of fully paid and on assessable shares of common shares at conversion price in effect at the time of conversion.

As of 30 June 2013, the Company had CPS with an aggregate carrying amount of US$26.1 million outstanding convertible into an unknown number of ordinary shares as the IPO price was unknown as of that date.

Outstanding Options

The Group was formed following the Restructuring Exercise pursuant to which TriReme Medical LLC (ñTriReme USò) 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 ñThree Share Plansò).

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 (ñSubdivisionò).

On 25 June 2014, 240,000 ordinary shares were issued in respect of the exercise of 240,000 options under the Three Share Plans.

A reconciliation of outstanding share options from 1 April 2014 to 30 June 2014 is as follows:

Outstanding Options	**Number of Options**
At 1 April 2014	118,407,264
Forfeited during the period	(1,476,678)
Exercised during the period	(240,000)
Granted during the period	ï
At 30 June 2014	116,690,586

As of 30 June 2014, there are 116,690,586 outstanding options convertible into 116,690,586 ordinary shares, representing approximately 15.4% of the existing ordinary share capital as at 30 June 2014 (30 June 2013: 8,997,500 previously held by its subsidiary, TriReme US (13.8% of the ordinary shares in TriReme US on a fully diluted basis) and 1,280,400 previously held by its subsidiary, Quattro (13.5% of the ordinary shares in Quattro on a fully diluted basis).

For further details on the Three Share Plans, please refer to the Companyôs offer document dated 16 April 2014.

Convertible Notes and Convertible Preference Share Liability

On 11 April 2014, in connection with the Companyôs IPO, the aggregate carrying amount of the Companyôs convertible notes of approximately US$21.5 million were converted into 160,164,976 ordinary shares at a price per share equal to the price which it will be sold to cash investors.

As of 30 June 2014, the Company does not have any outstanding convertible notes and convertible preference shares.

As of 30 June 2013, the Company had convertible notes and convertible preference shares with an aggregate carrying amount of US$50.5 million outstanding convertible into an unknown number of ordinary shares as the IPO price was unknown as of that date.

Convertible Warrants

During 2Q2014, all holders of the Companyôs warrants except for Adams Street Partners exercised their right to convert their warrants into shares in the Company at per share prices ranging from S$0.01 to S$4.21 for gross proceeds of approximately US$3.5 million.

As Adams Street Partners did not exercise their right to convert their warrants into shares in the Company, their outstanding warrants expired on 9 April 2014 in accordance with the provisions of the terms of the warrants.

As of 30 June 2014, the Company does not have any outstanding convertible warrants.

As of 30 June 2013, the predecessor companies to the Company had outstanding warrants for 3,508,771 shares of Trireme Series D stock and outstanding warrants for 185,185 Series B Preference Shares of Quattro. The predecessor companies also had warrants to purchase an additional unknown number of shares as of that date, since their conversion features were predicated on the occurrence of future events that had yet to occur.

As of 30 June 2013, a predecessor company to the Company had outstanding warrants in conjunction with its convertible notes issued in November 2012 and, April and June 2013 amounting to S$12.5 million (US$10.2 million at the exchange rate at the date of the transaction). The warrants were convertible into an unknown number of shares at 30 June 2013, since their conversion features were predicated on the occurrence of future events that had yet to occur.

As of 30 June 2013, a predecessor company to the Company issued warrants in conjunction with its convertible notes issued in January and July 2012 and, June 2013 amounting to US$7.9 million. The warrants are convertible into an unknown number of shares at 30 June 2013, since their conversion features were predicated on the occurrence of future events that had yet to occur.

For further details on the convertible preference shares, convertible warrants and convertible notes, please refer to the Companyôs offer document dated 16 April 2014 and the Companyôs 2013 Annual Report.

Save for the above, the Company does not have any other outstanding convertible instruments as at 30 June 2014 and 30 June 2013.

Treasury Shares

The Company held no treasury shares as at 30 June 2014 and as at 30 June 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 756,122,836 as at 30 June 2014 and 4,542,897 as at 31 December 2013.

The total number of issued CPS was Nil as at 30 June 2014 and 16,506,675 as at 31 December 2013.

The Company held no treasury shares as at 30 June 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 Companyôs 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 (ñ**FRS**ò) and Interpretation of FRS (ñ**INT FRS**ò) 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 30/6/2014 Basic and diluted [(1), (2)]**	**3 months ended 30/6/2013 Basic and diluted [(1), (2)]**	**Adjusted [(3)]**
Loss for the period attributable to owners of the Company **(US$'000)**	(13,494)	(11,435)	(11,435)
Weighted average number of ordinary shares used to compute loss per share **('000)**	656,477	1,321	21,142
Loss per share **(US$)**	(0.02)	(8.66)	(0.54)

6. EARNINGS PER SHARE (CONT'D)

Group	6 months ended 30/6/2014 Basic and diluted [1], [2]	6 months ended 30/6/2013 Basic and diluted [1], [2]	6 months ended 30/6/2013 Adjusted [3]
Loss for the period attributable to owners of the Company **(US$'000)**	(22,668)	(15,530)	(15,530)
Weighted average number of ordinary shares used to compute loss per share **('000)**	366,196	1,321	21,142
Loss per share **(US$)**	(0.06)	(11.76)	(0.73)

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 six months ended 30 June 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	
	30/6/2014 US$	31/12/2013 US$	30/6/2014 US$	31/12/2013 US$
Net asset/(liability) value per ordinary share [(1), (2)]	0.06	(2.64)	0.12	4.09

Notes:

(1) The net asset/(liability) value per ordinary share of the Group is calculated based on net assets/(liabilities) of US$46.3 million as at 30 June 2014 (31 December 2013: US$(12.0) million). The net asset value per ordinary share of the Company is calculated based on net assets of US$87.9 million as at 30 June 2014 (31 December 2013: US$18.6 million).

(2) For both the Group and the Company, the net asset/(liability) per ordinary share were calculated based on 756,122,836 ordinary shares in issue as at 30 June 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 June 2014 compared to the three months ended 30 June 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 June 2014 (ñ**2Q2014**ò) and for the three months ended 30 June 2013 (ñ**2Q2013**ò) are presented below:

	Three Months Ended 2Q2014		**Three Months Ended 2Q2013**	
	US$'000	**%**	**US$'000**	**%**
United States	3,096	96.0	932	90.6
Europe	82	2.5	71	6.9
Asia	48	1.5	26	2.5
	3,226	100	1,029	100

	Three Months Ended 2Q2014	**Three Months Ended 2Q2013**
Units sold	8,321	1,778

Our revenue increased by US$2.2 million, or 213.5%, from US$1.0 million in the three months ended 2Q2013 to US$3.2 million in the three months ended 2Q2014. The increase was mainly due to an increase in sales of our Chocolate® PTA Balloon Catheter (ñChocolate PTAò) which is based on an agreed sales price model for this product under our US distribution agreement with Cordis.

Cost of sales increased by US$1.9 million, or 165.5%, from US$1.1 million in the three months ended 2Q2013 to US$3.0 million in the three months ended 2Q2014 mainly due to the increased sales of Chocolate PTA and some short-term increase in unit costs primarily attributable to materials and overhead expenses as we increased manufacturing capacity and volume. 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$0.2 million or 5.6% of revenue in the three months ended 2Q2014 as compared to a gross loss of US$0.1 million or 11.5% of revenue in the three months ended 2Q2013.

Our loss before taxation increased by US$1.4 million or 11.9%, from US$12.1 million in the three months ended 2Q2013 to US$13.5 million in the three months ended 2Q2014. The analysis of the loss before taxation are as follows:

- Our administrative expenses increased by US$1.2 million, or 75.4%, from US$1.6 million in three months ended 2Q2013 to US$2.8 million in the three months ended 2Q2014. The increase was mainly due to a US$1.2 million increase in professional service fees of which US$0.9 million of the professional fees were associated with our IPO.

- Our research and development expenses increased by approximately US$1.8 million from an insignificant amount in the three months ended 2Q2013 to US$1.9 million in the three months ended 2Q2014. The increase is due to US$2.7 million of research and development expenses incurred in the three months ended 2Q2014 but is offset by capitalization of development expenses of US$0.8 million in the three months ended 2Q2014. The Group capitalized US$1.1 million of development expenses in the three months ended 2Q2013 to intangible assets.

- We were in a net finance cost position of US$7.0 million in the three months ended 2Q2014, as compared to a net finance cost position of US$8.2 million in the three months ended 2Q2013. We recorded a fair value loss on financial instruments of US$2.7 million in the three months ended 2Q2014 as compared to a fair value loss of US$7.4 million in the three months ended 2Q2013. 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$4.0 million in the three months ended 2Q2014 as compared to US$1.3 million in the three months ended 2Q2013 mainly pursuant to accretion expense incurred on our convertible notes. In addition, we recorded a foreign exchange loss of US$0.3 million during the months ended 2Q2014 as compared to a foreign exchange gain of US$0.3 million in the three months ended 2Q2013 pursuant to exchange rate changes between the Singapore dollar and United States dollar.

- For the three months ended 2Q2014, the Group incurred expenses that are non-recurring in nature such as those relating to the IPO of US$0.9 million and interest expenses relating to convertible notes of US$4.0 million as the Group does not have any more outstanding convertible instruments as at 30 June 2014.

Six months ended 30 June 2014 compared to the six months ended 30 June 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 six months ended 30 June 2014 (ñ**2Q2014**ò) and for the six months ended 30 June 2013 (ñ**2Q2013**ò) are presented below:

	Six Months Ended 2Q2014		**Six Months Ended 2Q2013**	
	US$'000	**%**	**US$'000**	**%**
United States	5,856	96.5	1,532	91.5
Europe	82	1.4	117	6.9
Asia	129	2.1	26	1.6
	6,067	100	1,675	100

	Six Months Ended 2Q2014	**Six Months Ended 2Q2013**
Units sold	13,043	2,933

Our revenue increased by US$4.4 million, or 262.2%, from US$1.7 million in the six months ended 2Q2013 to US$6.1 million in the six months ended 2Q2014. The increase was mainly due to an increase in sales of our Chocolate PTA.

Cost of sales increased by US$3.2 million, or 143.6%, from US$2.3 million in the six months ended 2Q2013 to US$5.5 million in the six months ended 2Q2014 mainly due to the increased sales of Chocolate PTA and 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$0.5 million or 8.6% of revenue in the six months ended 30 June 2014 mainly due to better sales volumes achieved for the Groupôs products during period as compared to a gross loss of US$0.6 million or 35.9% of revenue for the six months ended 30 June 2013 which was mainly due to low sales volumes and higher unit costs incurred for the production of the Groupôs various products.

Our loss before taxation increased by US$6.1 million or 36.5%, from US$16.6 million in the six months ended 2Q2013 to US$22.7 million in the six months ended 2Q2014. The analysis of the loss before taxation are as follows:

- Our sales and marketing expenses increased by US$0.6 million, or 16.6%, from US$3.6 million in the six months ended 2Q2013 to US$4.2 million in the six months ended 2Q2014. The increase was mainly due to a US$0.8 million increase in salaries and benefits and commissions expense mainly associated with increased sales force headcount to drive the sales and marketing of our Chocolate PTA product, partially offset by a decrease in travel related expense of US$0.1 million and a decrease in miscellaneous sales and marketing expense of US$0.1 million.

- Our administrative expenses increased by US$3.7 million, or 159.3%, from US$2.4 million in six months ended 2Q2013 to US$6.1 million in the six months ended 2Q2014. The increase was mainly due to a US$3.3 million increase in professional service fees of which US$2.0 million of the professional fees were associated with our

IPO and a US$0.8 million increase in salaries and benefits expense, partially offset by a US$0.4 million decrease in stock based compensation expense.

- Our research and development expenses increased by approximately US$1.9 million from US$0.9 million in the six months ended 2Q2013 to US$2.8 million in the six months ended 2Q2014. The increase is due to US$4.4 million of research and development expenses incurred in the six months ended 2Q2014 but is offset by capitalization of development expenses of US$1.6 million in the six months ended 2Q2014. The Group capitalized US$1.8 million of development expenses in the six months ended 2Q2013 to intangible assets.

- We were in a net finance cost position of US$10.0 million in the six months ended 2Q2014, as compared to a net finance cost position of US$9.0 million in the six months ended 2Q2013. We recorded a fair value loss on financial instruments of US$5.0 million in the six months ended 2Q2014 as compared to a fair value loss of US$7.3 million in the six months ended 2Q2013. 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 six months ended 2Q2014 as compared to US$2.2 million in the six months ended 2Q2013 mainly due to accretion expense on our convertible notes. In addition, we recorded a foreign exchange loss of US$0.5 million during the six months ended 2Q2014 as compared to a foreign exchange gain of US$0.5 million during the six months ended 2Q2013 pursuant to exchange rate changes between the Singapore dollar and United States dollar.

- For the six months ended 2Q2014, 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 as the Group do not have any more outstanding convertible instruments as at 30 June 2014.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at 30 June 2014 US$'000	As at 31 December 2013 US$'000	Change %
Non-current assets	8,798	7,394	19.0%
Current assets	45,248	10,594	327.1%
Total assets	54,046	17,988	200.5%
Total equity	46,305	(11,990)	NM
Non-current liabilities	146	10,299	(98.6)%
Current liabilities	7,595	19,679	(61.4)%
Total liabilities	7,741	29,978	(74.2)%

The Group had working capital of US$37.7 million as at 30 June 2014 and a negative working capital of US$9.1 million as at 31 December 2013. The working capital as at 30 June 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 Groupôs loans and borrowings.

Our non-current assets increased by US$1.4 million from US$7.4 million as at 31 December 2013 to US$8.8 million as at 30 June 2014 mainly due to the increase in intangible assets of US$1.6 million. The increase in intangible assets was due to the capitalization of development expenses.

Our current assets increased by US$34.6 million from US$10.6 million as at 31 December 2013 to US$45.2 million as at 30 June 2014 mainly due to the increase in cash from net IPO proceeds of US$40.8 million and increase in inventories of US$1.2 million. The increase in inventories was due to the ramping up of our production to meet the increase in customer demand for Chocolate PTA.

Our non-current liabilities decreased by US$10.2 million from US$10.3 million as at 31 December 2013 to US$0.1 million as at 30 June 2014 mainly due to the conversion of all loans and borrowings of S$5.5 million, being long-term obligations as at 31 December 2013, to ordinary shares upon the Companyôs IPO. Trade and other payables, including derivatives decreased by $4.7 million due mainly to the extinguishment of the Companyôs embedded derivatives.

Our current liabilities decreased by US$12.1 million from US$19.7 million as at 31 December 2013 to US$7.6 million as at 30 June 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 Companyôs IPO. Trade and other payables, including derivatives decreased by $5.0 million due to the extinguishment of the Companyôs embedded derivatives.

CONSOLIDATED STATEMENT OF CASH FLOWS

Cash Flow Analysis 2Q2014

The Group recorded cash outflows from operating activities of US$7.6 million for 2Q2014 which was a result of an operating loss before working capital changes of US$6.2 million and an increase in working capital changes of US$1.4 million. The increase in working capital changes was mainly due to a decrease in deferred income of US$2.5 million following the fulfilment of our obligations under the distribution agreement with Cordis and increase in inventories of US$0.3 million. The decrease was partially offset by a US$0.9 million decrease in trade and other receivables due to an improvement in collection from trade debtors and US$0.4 million in trade and other payables (including derivatives).

Cash used in investing activities for 2Q2014 was US$0.9 million which was mainly due to additions to intangible assets pertaining to developed technology of approximately US$0.8 million.

In 2Q2014, net cash inflow derived from financing activities was US$44.3 million which was mainly due to net proceeds received from the exercise of warrants and the issue of share capital pursuant to the Companyôs IPO.

Cash Flow Analysis 2Q2013

The Group recorded cash outflows from operating activities of US$2.8 million for 2Q2013 which was mainly due to the operating loss before working capital changes of US$2.8 million. Working capital changes was mainly flat during the period due to a US$0.2 million decrease in trade and other receivables and, increase in trade and other payables (including derivatives) of US$0.6 million. The increase was partially offset by an increase in inventory balances of US$0.8 million.

Cash used in investing activities for 2Q2013 was US$1.1 million which was mainly due to additions to intangible assets pertaining to developed technology of approximately US$1.1 million.

In 2Q2013, net cash inflow derived from financing activities was US$5.4 million which was due to net proceeds received from issuance of convertible notes.

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 (ñ**PAD**ò) 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 (ñPCIò) 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 Groupôs strategy of ôleaving nothing behindô 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 Companyôs 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 (ñIPO Proceedsò). 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	305	4,695
Development of new products and product enhancements	15,000	2,661	12,339
General working capital purposes [(2)]	30,261	3,760	26,501
Listing expenses [(3)]	4,739	4,693	46
Total	55,000	11,419	43,581

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) will be capitalized against share capital and the balance of the estimated listing expenses will be 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 ñGeneral and Statutory Information ï Placement Arrangementò of the Companyôs offer document dated 16 April 2014 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 (ñBoardò) 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 6 months ended 30 June 2014 to be false or misleading in any material aspect.

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