

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

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**RESPONSE TO QUERIES BY THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED DATED 4 MARCH 2021**

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**1. INTRODUCTION**

The Board of Directors ("**Board**") of QT Vascular Ltd (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce its responses to the queries raised by the Singapore Exchange Regulation Pte Ltd (the "**SGX Regco**") on 4 March 2021 in relation to the Company's unaudited results announcement for the financial year ended 31 December 2020 ("**FY2020**").

**2. QUERIES BY SGX REGCO AND COMPANY'S RESPONSES**

	<b>SGX Regco queries</b>	<b>Company's responses</b>
Q1	Please provide the reason(s) for the significant borrowings of US\$1.0 million by the Group when the Group recorded a cash and cash equivalent of US\$970K as at 31 Dec 2020.	The Group's US\$1.0 million borrowing as at 31 December 2020 (" <b>Loan</b> ") was an extension of an existing loan granted by Mr Tanhum Feld, as announced by the Company on 15 May 2019 .
	Please disclose: (i) details of the loans and borrowings, including the terms of the loan, interest on loans and maturity dates;	The Loan owing to the lender is unsecured and bear a fixed interest of 10% p.a. on the principal amount.  The expiry of the outstanding Loan is on 15 November 2020. The Company has on 22 February 2021, procured the confirmation letter from the lender that he will not seek or demand repayment of the Loan from the Company in the next 18 months from the date of the letter, unless the settlement agreement is entered into during this period.
	(ii) a breakdown of the lenders and their identities (and its ultimate beneficial shareholders and directors if this is not a bank);	The outstanding Loan as at 31 December 2020 is due to Mr. Tanhum Feld and he is deemed interested in the shares held by MDIE Pte. Ltd. by virtue of his 100% shareholding interest in MDIE Pte. Ltd. who is a shareholder of the Company.
	(iii) when were the loans obtained and approved by the Board including the Audit Committee; and	The Loan was previously converted from the Company's outstanding obligation under a convertible bond which was entered into and announced on 24 July 2015. The convertible bond issue was approved by the Board and the Audit Committee on 17 July 2015.

	SGX Regco queries	Company's responses																
	(iv) the use of proceeds from the loan.	The proceeds of the Loan arising from the July 2015 convertible bond were used as the research and development and Company's working capital purposes. The disclosure for the use of such proceeds was disclosed in the Company's annual report for financial year ended 31 December 2016.																
Q2	<p>Please provide the reason(s) for the significant trade and other payables of US\$1.64 million when the Group recorded a cash and cash equivalent of US\$970K as at 31 Dec 2020.</p> <p>Please disclose a breakdown of trade and other payables. For other payables, please disclose the aging and nature of these other payables and whether the counterparties are related parties.</p>	<p>The Group breakdown of the trade and other payables as at 31 December 2020 are as follows:</p> <table><tr><td></td><td>US\$'000</td></tr><tr><td>Trade payables</td><td>205</td></tr><tr><td>Other payables</td><td>228</td></tr><tr><td>Accrued payroll expenses</td><td>469</td></tr><tr><td>Directors' fee</td><td>432</td></tr><tr><td>Other accrued expenses</td><td>306</td></tr></table> <p>Total 1,640</p> <p>Ageing of other payables as at 31 December 2020 is as follows:</p> <table><tr><td></td><td>US\$'000</td></tr><tr><td>0 to 60 days</td><td>228</td></tr></table> <p>Out of the total other payables, US\$218,000 are advances from a related party and do not bear any interest expenses.</p>		US\$'000	Trade payables	205	Other payables	228	Accrued payroll expenses	469	Directors' fee	432	Other accrued expenses	306		US\$'000	0 to 60 days	228
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Q3	Given the Group's significant liabilities of US\$2.69 million and cash and bank balance of only US\$970K and noting that the Company incurred losses of US\$7.6 million in FY2020, please disclose the Board's assessment on:																	
	(i) whether the Company's current assets are adequate to meet the Company's short term liabilities of US\$2.69 million, including its bases of assessment; and	<p>The Group has undertaken steps (as disclosed in page 18 of the Company's unaudited FY2020 results announcement) to address the Group's negative working capital of US\$1.1 million as at 31 December 2020.</p> <p>The Board confirms that the Group will be able to meet its short-term debt obligations when they fall due based on the implementation of the steps</p>																

	SGX Regco queries	Company's responses
		as highlighted in page 18 of the FY2020 results announcement and continue to operate as a going concern.
	(ii) how the Company intends to fulfil its significant payment obligations in the next 12 months. Where the Company has worked out debt repayment plans to fulfil its debt obligations, please disclose if the Company is on track to fulfilling these obligations.	As highlighted in paragraph 3(i) above, the Company has taken the necessary steps to negotiate its key debt obligations and is on track to fulfill these debt obligations.
Q4	<p>As at 31 Dec 2020, the Group has negative working capital of approximately US\$1.13 million with cash and cash equivalents of US\$970K.</p> <p>Please disclose the pro-active actions which management plans to take to ensure that the Group's financial position remains strong.</p>	<p>Management is always looking out for potential corporate actions such as those relating to new business opportunities or monetizing its assets via an asset disposal transaction which will generate working capital for the Group.</p> <p>The Group also intends to obtain shareholders' approval at the upcoming annual general meeting for an interested party transactions mandate which will allow the Group to enter into a cost sharing arrangement with a company related to the CEO of the Company which will help reduce the Group's current operating costs.</p> <p>In addition, management has been in discussions with third parties to secure financing commitments to allow the Group to have access to additional working capital where required.</p>
	(i) Please assess the Company's ability to operate as a going concern.	Management has critically assessed the cash flow forecasts of the Group for the next twelve months and concluded that there will be sufficient cash flows and resources to allow the Group to continue its operations and meet its obligations for the foreseeable future.
	(ii) Please assess the Company's ability to meet its debt covenants (if any).	<p>The Company has on 22 February 2021 obtained the necessary waiver for the debt covenant from the lender as disclosed on page 4 of the FY2020 unaudited results announcement.</p> <p>Please also refer to Company's responses to question 1(i) above.</p>

	SGX Regco queries	Company's responses
	(iii) Please assess the Company's ability to meet its short-term obligations when they fall due.	The Board has assessed its ability to meet its short term obligations as and when it fall due and is also of the opinion that the Company is able to raise the necessary funds for its working capital purposes when required. Please also refer to Company's responses to question 3 above.

By Order of the Board  
**QT VASCULAR LTD.**

Eitan Konstantino  
Chief Executive Officer  
5 March 2021

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

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