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

ANNOUNCEMENT PURSUANT TO RULE 704(4) OF THE CATALIST RULES (AS DEFINED HEREIN) OF THE SGX-ST (AS DEFINED HEREIN) – EMPHASIS OF MATTER BY THE AUDITORS ON THE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

Pursuant to Rule 704(4) of the Listing Manual Section B: Rules of Catalist ("**Catalist Rules**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the board of directors (the "**Board**") of QT Vascular Ltd. (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that the Company's independent auditor, KPMG LLP had without modifying their opinion, included in the Independent Auditor's Report an emphasis of matter in respect of the Group's ability to continue as a going concern on the audited financial statements of the Group for the financial year ended 31 December 2015 (the "**Audited Financial Statements**"). A copy of the Independent Auditors' Report and extracts of Notes 2 and 18 to the Audited Financial Statements are attached to this announcement for information.

Notwithstanding the above, the Board is of the opinion that the Group will continue as a going concern for the following reasons:

1. The negative working capital is mainly due to the recognition of the legal liability provision of US$23.4 million in accordance with Financial Reporting Standards although the Group is appealing against the judgement. The final sum to be borne by the Group in relation to the State Law claims (if any) will be determined at the conclusion of the appeal. The appeal is on-going.

   With the exclusion of the aforementioned legal liability provision, the Company's and the Group's current liabilities will exceed their respective current assets by US$2.2 million and US$613,000, respectively, and the total equity of the Company and the Group will be a positive US$84.4 million and US$9.7 million, respectively;

2. The 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;

3. On 9 March 2016 and 30 March 2016, the Company raised an aggregate of US$6.39 million, following the subscriptions of convertible bonds by various bondholders, to support its working capital position and other operational needs, and intends to raise an additional US$1.86 million as announced on 27 January 2016, subject to the approval of the Company's shareholders ("**Shareholders**") at the forthcoming annual general meeting of the Company to be convened; and

4. The international investment bank, Nomura Securities International, Inc., appointed by the Company as its strategic advisor, as announced on 23 October 2015, continues to provide financial and market-related advice and assistance related to the sale of the company or sale of certain assets.

The Board (i) is in the opinion that sufficient information has been disclosed for trading of the Company's securities to continue in an orderly manner; and (ii) confirmed that all material disclosures have been provided for trading of the Company's shares to continue.

Shareholders of the Company are advised to read the Audited Financial Statements in its 2015 annual report, which will be despatched to Shareholders in due course.

BY ORDER OF THE BOARD

Eitan Konstantino
Chief Executive Officer
6 April 2016

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

The contact person for the Sponsor is Ms Gillian Goh, Director, Head of Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone +65 6229 8088.

Extracted from the Independent Auditors' Report to the Audited Financial Statements of QT Vascular Ltd. for the financial year ended 31 December 2015

Independent auditors' report

Members of the Company
QT Vascular Ltd.

Report on the financial statements

We have audited the accompanying financial statements of QT Vascular Ltd. (the Company) and its subsidiaries (the Group), which comprise the statements of financial position of the Group and the Company as at 31 December 2015, the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 ("the Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date.

Emphasis of matter

Without qualifying our opinion, we draw attention to Note 2 to the financial statements which indicates that the financial statements have been prepared on a going concern basis notwithstanding the net loss of US$53,050,000 for the current year, the deficiency in net assets of US$13,686,000 and the net current liabilities of US$23,972,000 as of 31 December 2015.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
31 March 2016

Extracted Note 2 to the Audited Financial Statements of QT Vascular Ltd. for the financial year ended 31 December 2015

Going concern

The consolidated financial statements have been prepared on a going concern basis which assumes that the Group will be able to meet its obligations for the foreseeable future.

The Group recorded net loss of US$53,050,000 for the year ended 31 December 2015 and as at that date, the statement of financial position showed a deficiency in net assets of US$13,686,000 and net current liabilities of US$23,972,000.

As described in note 18 to the financial statements, the Group recognised US$23,359,000 of provision for a legal liability based on the State Law claims judgement awarded by the United States District Court (Northern District of California – Oakland Division), which is not payable until the conclusion of the appeal. As at the date of this report, the appeal filed by the Group is still on-going.

Notwithstanding that the appeal is on-going, 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 in operation and meet its obligations for the foreseeable future.

The cash flow forecasts were prepared based on reasonable assumptions on growth and reorganisation plans that were ongoing within the Group to drive operational efficiency. Based on the cash flow forecasts, management has reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. If for any unforeseen reason the Group is unable to continue as a going concern, it could have an impact on the Group's ability to realise assets at their recognised values and to extinguish liabilities in the normal course of business at amounts stated in the consolidated financial statements.

Extracted Note 18 to the Audited Financial Statements of QT Vascular Ltd. for the financial year ended 31 December 2015

Provision for legal liability

On 1 July 2015, a State Law claims judgement was awarded in favour of AngioScore, Inc. ("AngioScore") by the United States District Court (Northern District of California – Oakland Division) ("Trial Court") against Dr. Eitan Konstantino (CEO and Executive Director of the Company), TMI US, Quattro and the Company (collectively, the "Defendants").

The judgement awarded against the Defendants (which is joint and several) for the breach of fiduciary duty is as follows:

- US$2,970,000 in past lost profits for Chocolate®;
- US$17,064,000 in future lost profits for Chocolate®;
- US$333,000 of pre-judgement interests; and
- 0.31% per annum of post-judgement interests as set forth at 28 U.S.C. § 1961. The total post-judgement interest accrued for the year ended 31 December 2015 was US$16,000.

In addition to the above judgement, the Trial Court also required Dr. Eitan Konstantino to disgorge any monies received that he earned in respect of Chocolate® (i.e. IP assignment fee, royalties and consulting fees) and shares and options in the Company that he owns at the time of the judgement. In accordance with the by-laws of the respective companies within the Group as well as the indemnity agreements entered into between Dr. Eitan Konstantino and TMI US and the Company, the respective companies will be liable to reimburse Dr. Eitan Konstantino for all monies disgorged related to this judgement.

As a result, as at 31 December 2015, the Company and the Group recorded a provision for legal liability amounting to US$23,359,000 including US$2,976,000 in relation to the disgorgement.

On 26 November 2015, a three-judge panel of the United States Court of Appeals for the Federal Circuit ("Federal Circuit") has unanimously granted the Defendants a motion to stay the enforcement of the Trial Court's judgement on the State Law claims ("Order"). As a result of the Federal Circuit's Order, AngioScore is not permitted to seek enforcement of the Trial Court's judgement while the appeal is pending.

On 17 February 2016, the Company and the Group submitted the brief of defendants document to the United States Court of Appeals for the Federal Circuit. As of the date of this report, the hearing on the appeal has not been scheduled.

The final sum to be borne by the Group in relation to the State Law claims (if any) will be determined at the conclusion of the appeal.

With the exclusion of the legal liability provision, the Company and the Group's net current liabilities will exceed their respective current assets by US$2,219,000 and US$613,000, respectively, and the total equity of the Company and the Group will be a positive US$84,380,000 and US$9,673,000, respectively.

No payment in relation to the judgement is expected to occur in 2016.