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

QT VASCULAR LTD. REDUCES US$19.2 MILLION BOND OBLIGATIONS BY ANOTHER US$4.6 MILLION TO A REMAINING US$6.825 MILLION VIA SETTLEMENT WITH SHARES

(A) ENTRY INTO BOND REPAYMENT AND SHARE ISSUANCE DEED FOR THE SECOND TRANCHE OF THE US$13.14 MILLION 8.0% CONVERTIBLE BONDS

INTRODUCTION

Reference is made to the announcement of the Company dated 24 July 2015 in relation to the subscription agreement for up to US$13.14 million 8.0% convertible bonds due 2017/2018 ("**July 15 Bonds**") dated the same date thereof ("**July 15 Bond Agreement**") made between the Company, and The Ephraim Heller Separate Property Trust, Toe Teow Heng, Kuah Ann Thia, Tanhum Feld, Malcolm Koo Chin Wei, Ho Kin Yan, Gary McCord, Tan Chin Hwee, Kenneth B. Landis and Peter J. Younger.

Pursuant to the July 15 Bond Agreement, the second tranche of US$5.475 million bonds is due for repayment on 27 June 2017 ("**July 15 Due Amount**"). In connection therewith, in relation to the amounts due to Toe Teow Heng, Kuah Ann Thia, Malcolm Koo Chin Wei and Ho Kin Yan (collectively "**July 15 Bondholders**") amounting to US$3.4 million ("**Due Amount**"), the Company has on 29 June 2017 entered into a bond repayment and share issuance deed ("**July 15 Bond Repayment and Share Issuance Deed**") with the July 15 Bondholders.

After the July 15 Bond Repayment and Share Issuance Deed, the remaining amount due to the July 15 Bondholders is US$4.265 million which the Company will continue to negotiate with the July 15 bondholders for settlement via cash or shares; or an extension of the maturity of the July 15 Bonds.

SALIENT TERMS

Under the July 15 Bond Repayment and Share Issuance Deed, the Company and the July 15 Bondholders have agreed as follows:

(a) The July 15 Bondholders shall accept, in lieu of cash repayment, the allotment and issue of an aggregate 194,485,595 new ordinary shares in the capital of the Company ("**July 15 Due Shares**") at an issue price of S$0.0243 per July 15 Due Share ("**July 15 Issue Price**") as full and final settlement of the July 15 Due Amount; and

(b) In consideration of the July 15 Bondholders agreeing to waive cash repayment the Company shall pay to the July 15 Bondholders an aggregate additional amount of US$340,000 (equivalent to 10 per cent (%) of the July 15 Due Amount) ("**July 15 Additional Amount**"), which July 15 Additional Amount will also be satisfied by way of the Company allotting and issuing an aggregate 19,448,557 new ordinary shares in the capital of the Company ("**July 15 Additional Shares**") to the July 15 Bondholders at the July 15 Issue Price.

(B) ENTRY INTO BOND REPAYMENT AND SHARE ISSUANCE DEED FOR US$4.2 MILLION 8.0% CONVERTIBLE BONDS

INTRODUCTION

Reference is made to the announcement of the Company dated 27 January 2016 in relation to the subscription agreement for US$4.2 million 8.0% convertible bonds due 2017/2018 ("**January 16**

Bonds") dated the same date thereof ("**January 16 Bond Agreement**") made between the Company, and The Ephraim Heller Separate Property Trust, Wang Yu Huei, Sim Siew Tin, Carol, Ong Shen Chieh, Kuah Ann Thia, Malcolm Koo Chin Wei, Ho Kin Yan, Gary McCord, Kenneth B. Landis and Lim Sai Guet.

Pursuant to the January 16 Bond Agreement, the January 16 Bonds was due for repayment on 16 March 2017 ("**January 16 Due Amount**"). In connection therewith, the Company had on 16 March 2017 entered into a bond repayment and share issuance deed with Wang Yu Huei, Sim Siew Tin, Carol and Ong Shen Chieh (save for (a) Kuah Ann Thia, Malcolm Koo Chin Wei and Ho Kin Yan amounting to US$1.20 million which will be fully settled in cash; and (b) The Ephraim Heller Separate Property Trust, Gary McCord, Kenneth B. Landis and Lim Sai Guet amounting to US$0.70 million which have elected to extend the due date of the Bonds by another six months to 9 September 2017) for settlement of the January 16 Bonds.

Further to the announcement made on 16 March 2017, the Company has on 28 June 2017 entered into a bond repayment and share issuance deed ("**January 2016 Bond Repayment and Share Issuance Deed**") with Kuah Ann Thia, Malcolm Koo Chin Wei and Ho Kin Yan (collectively "**January 16 Bondholders**") amounting to US$1,227,353 (which includes interests amounting to US$27,353) who had previously elected to receive cash as settlement.

SALIENT TERMS

Under the January 2016 Bond Repayment and Share Issuance Deed, the Company and the January 16 Bondholders have agreed as follows:

(a) The January 16 Bondholders shall accept, in lieu of cash repayment, the allotment and issue of an aggregate 70,206,633 new ordinary shares in the capital of the Company ("**January 16 Due Shares**") at an issue price of S$0.0243 per January 16 Due Share ("**January 16 Issue Price**") as full and final settlement of the January 16 Due Amount and interests.

(b) In consideration of the January 16 Bondholders agreeing to waive cash repayment:

  (i) the Company shall pay to the January 16 Bondholders an aggregate additional amount of US$120,000 (equivalent to 10 per cent (%) of the January 16 Due Amount) ("**January 16 Additional Amount**"), which January 16 Additional Amount will also be satisfied by way of the Company allotting and issuing an aggregate 6,864,195 new ordinary shares in the capital of the Company ("**January 16 Additional Shares**") to the January 16 Bondholders at the January 16 Issue Price; and

  (ii) the Qualifying Exit Event (as defined below) under the January 2016 Bond Agreement will further be varied in respect of the January 2016 Due Amount such that:

    (1) the maturity date for the Qualifying Exit Event is extended to 29 September 2018; and

    (2) the Qualifying Exit Event payout will be an amount equivalent to fifty (50) per cent (%) of the January 16 Due Amount invested by such January 16 Bondholder under the January 16 Bond Agreement if there is a Qualifying Exit Event prior to (and including) 29 September 2018.

Under the January 16 Bond Agreement, a "Qualifying Exit Event" currently means any of the following events, provided that cumulatively such events involve an aggregate transaction size of equal to or more than S$75 million and occur prior to the maturity date of 16 March 2018:

(a) entry by the Company into legally binding agreements for the sale of the Company and/or any of its subsidiaries (collectively "**Group**"); or

(b) entry by the Company into legally binding agreements for the sale of a major asset or business of the Group; and

(c) Each January 16 Bondholder undertakes, *inter alia,* to the Company that on satisfaction of all the January 16 Due Amount and January 16 Additional Amount payable, the January 16 Bondholder shall discharge and release fully and absolutely all security interest (including any charge, debenture and mortgage) over the Group's assets (including intellectual properties) which the January 16 Bondholder may hold in connection with the January 16 Bond Agreement.

(C) ISSUE PRICE

The July 15 Issue Price and January 16 Issue Price represents a discount of approximately 10% to the volume weighted average price of S$0.027 for trades done on the shares of the Company ("**Shares**") on the Catalist of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") for the full market day on 29 June 2017, and was arrived at following arm's length negotiations between the Company and the Bondholders.

(D) DETAILS ON THE NEW SHARES

The July 15 Due Shares, January 16 Due Shares, July 15 Additional Shares and January 16 Additional Shares (collectively "**New Shares**") will be issued pursuant to the general share issue mandate approved by shareholders of the Company at the Company's annual general meeting ("**2017 AGM**") held on 31 May 2017 for the issue of Shares not exceeding 100% of the total number of issued Shares (excluding treasury shares) as at the date of the 2017 AGM, of which the aggregate number of shares to be issued other than on a pro-rata basis to the existing shareholders shall not exceed 50% of the total number of issued Shares (excluding treasury shares) (the "**Share Issue Mandate**").

As at the date of the Share Issue Mandate, the Company had an issued and paid up share capital of 1,310,858,710 Shares and as at the date of this announcement, 7,687,814 new Shares have been issued from the vesting of restricted share awards ("**Award Shares")** which was outstanding and/or subsisting as at the date of the Share Issue Mandate. Therefore, the total number of Shares that may be issued under the Share Issue Mandate as at the date of this announcement is 1,318,546,524 Shares, of which the maximum number of Shares to be issued other than on a pro-rata basis is 659,273,262 Shares.

As such, the remaining number of new Shares that may be issued other than on a pro rata basis is 659,273,262. Accordingly, the allotment and issuance of the 291,004,980 New Shares falls within the limits of the Share Issue Mandate.

Pursuant to the allotment and issuance of the 291,004,980 New Shares, the Company's issued and paid-up share capital has increased from 1,345,046,524 Shares ("**Existing Share Capital**") to 1,636,051,504 Shares ("**Enlarged Share Capital**"). The New Shares represents 21.64% of the Existing Share Capital and approximately 17.79% of the Enlarged Share Capital.

The New Shares will be issued free from all claims, pledges, mortgages, charges, liens and encumbrances and ranks in all respect *pari passu* with the then existing issued Shares at the time

of the issue except that the New Shares will not rank for any dividends, rights, allotment or other distributions at the record date which falls on or before the date of issue of the New Shares.

(E) ADDITIONAL LISTING APPLICATION

The New Shares will be issued to the July 15 Bondholders and January 16 Bondholders ("**July 15 and January 16 Bondholders**") and will not be issued to any of the persons listed in Rule 812(1)(a) to (d) of the Catalist Rules and will be in compliance with Rule 812.

The Company will be making an application to the SGX-ST for the listing and quotation of the New Shares on the SGX-ST Catalist through its continuing sponsor, PrimePartners Corporate Finance Ptd. Ltd. ("**Listing Approval**"). The Company will make the necessary announcement upon receipt of the Listing Approval. The allotment and issue of the New Shares to the July 15 and January 16 Bondholders is to be made within three (3) business days of the Company obtaining the Listing Approval.

(F) BONDHOLDERS

The New Shares will be allotted and issued to the following July 15 and January 16 Bondholders as follows:

Bondholder	*Due Amount (US$)*	*No. of Due Shares in consideration of Due Amount#*	*Additional Amount (US$)*	*No. of Additional Shares in consideration of Additional Amount#*	*Aggregate No. of New Shares*
Toe Teow Heng	1,500,000	85,802,469	150,000	8,580,246	94,382,715
Kuah Ann Thia	2,113,677*	120,905,786	210,000	12,012,344	132,918,130
Malcolm Koo Chin Wei	354,559*	20,281,351	35,000	2,002,056	22,283,407
Ho Kin Yan	659,118*	37,702,622	65,000	3,718,106	41,420,728
TOTAL	4,626,827	264,692,228	460,000	26,312,752	291,004,980

Notes:
* includes interests
# based on exchange rate of US$1.00 to S$1.39

(G) RATIONALE

The July 15 and January 16 Bond Repayment and Share Issuance Deed is in the best interest of the Company as it will enable the Company to settle the July 15 Due Amounts and January 16 Due Amounts in Shares, and conserve the Company's valuable cash resources for its businesses. At the same time, it further aligns the interests of the July 15 and January 16 Bondholders with shareholders of the Company, and demonstrates their confidence in the future and prospect of the Company.

(H) FINANCIAL EFFECTS

Assumptions

The pro forma financial effects of the issuance of the New Shares to the July 15 and January 16 Bondholders 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 Completion.

The pro forma financial effects of Completion are calculated based on the latest audited financial statements of the Group for the financial year ended 31 December 2016 ("**FY2016**") and the following assumptions:

(a) that Completion had taken place on 31 December 2016 for purposes of the financial effect on the net liabilities value ("**NLV**") per Share;

(b) that Completion had taken place on 1 January 2016 for purposes of the financial effect on the loss per Share ("**LPS**"); and

(c) that a total of 307,040,174 shares issued during the period from 1 January 2017 to 29 June 2017 had all been issued on 1 January 2016.

NLV per Share

	Before Completion	*After Completion*
NLV (US$'000)	(10,198)	(5,111)
Number of Shares ('000)	1,345,046	1,636,051
NLV per Share (US cents)	(0.01)	<(0.01)

LPS

	Before Completion	*After Completion*
Loss after tax attributable to shareholders (US$'000)	(11,978)	(11,978)
Weighted average number of Shares (excluding treasury Shares) ('000)	1,242,494	1,533,499
LPS (US cents)	(0.01)	<(0.01)

(I) CONFIRMATION BY THE DIRECTORS

The Directors are of the opinion that after taking into consideration the Group's present bank facilities, the working capital available to the Group is sufficient to meet its present requirements. Notwithstanding the aforementioned, the Company considers the settlement of the July 15 Due Amounts and January 16 Due Amounts and the payment of the July 15 Additional Amounts and January 16 Additional Amounts in the form of equity to be advantageous to the Group as it will, inter alia, ease the cash flow position of the Group and is in the long term interest of the Group, as further elaborated in paragraph G above.

(J) INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the July 15 Bond Repayment and Share Issuance Deeds and January 16 Bond Repayment and Share Issuance Deeds (other than their direct or indirect shareholdings in the Company).

(K) DOCUMENT AVAILABLE FOR INSPECTION

A copy of the July 15 Bond Repayment and Share Issuance Deeds and January 16 Bond Repayment and Share Issuance Deeds will be made available 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
29 June 2017

*This announcement has been prepared by the Company and its contents have been reviewed by PrimePartners Corporate Finance Ptd. Ltd. (the "**Sponsor**") for compliance with the Singapore Exchange Securities Trading Limited (the "**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, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone +65 6229 8088.