

CAPITAL COMMITMENT AGREEMENT

1. INTRODUCTION

The Board of Directors ("**Board**") of QT Vascular Ltd. ("**Company**") wishes to announce that the Company has on 20 March 2017, entered into a capital commitment agreement ("**Agreement**") with GEM Global Yield Fund LLC SCS ("**Investor**") and GEM Investments America, LLC ("**GEMIA**") whereby (i) the Investor has agreed to grant the Company an option to require the Investor to subscribe for new ordinary shares of the Company ("**Shares**"), of which the timing and the aggregate number of Shares that the Company wishes the Investor to subscribe for are determined by the Company and not by the Investor, for up to an aggregate of S\$10 million ("**Total Commitment**") or a maximum of 178 million new Shares ("**Maximum Share Commitment**"); and (ii) for the Company to issue to the Investor warrants of up to 35 million new Shares with an exercise price of S\$0.10 each ("**Warrants**") to raise up to S\$3.5 million, upon the terms and conditions of the Agreement.

Under the Agreement, the Company and the Investor shall also enter into an additional capital commitment agreement on terms (including quantum i.e. S\$10 million) identical to the Agreement within a period of 6 calendar months from the date of the Agreement, as and when required by the Company in its absolute discretion.

2. RATIONALE

2.1 The Board has considered alternative sources of funding including the one with the Investor and GEMIA. After taking into consideration the timing, terms and nature of the financing alternatives available to the Company, the Board has decided to enter into the Agreement with the Investor and GEMIA as it meets the current financing needs of the Company in respect of expected timing for the funding and control over the amount of financing required. Accordingly, the Board is of the view that the Agreement is in the best interest of the Company and shareholders of the Company.

2.2 Given the Company's unaudited net liabilities position as at 31 December 2016 of US\$23.7 million, the Company's main purpose of entering into the Agreement is to, *inter alia*, use the net proceeds from the Agreement to: (a) repay existing borrowings that are due and improve its gearing ratio; (b) improve its cash flow; (c) increase production to support the increase in demand for the non-drug coated Chocolate® PTA following the announcement dated 2 February 2017 regarding its new distribution agreement with Medtronic, Inc.; and (d) for general corporate purposes such as the advancement of the drug coated Chocolate® program and the Group's strategic partnership discussions, as mentioned in the Company's previous announcements dated 26 January 2017 and 2 February 2017.

The Company intends to continue to explore ways and/or adopt measures with the objective of boosting its issued share capital and increasing its value for shareholders.

2.3 The Directors are of the opinion that after taking into consideration the present bank and credit facilities of the Group (including the Agreement), the working capital available to the Group is sufficient to meet its present requirements.

3. AGREEMENT

3.1 Sale Notice

Under the Agreement, the Company is entitled at its absolute discretion, subject to satisfaction of the conditions precedent (more particularly set out in paragraph 3.2 below), at any time prior to the expiry of 30 calendar months from the date of the Agreement ("**Commitment Period**"), to issue sales notices ("**Sales Notices**") to the Investor.

Each Sales Notice will specify:

- (a) the aggregate number of Shares that the Company wishes the Investor to subscribe for ("**Number of Sales Shares**"), provided that:
 - (i) the Number of Sales Shares stated in any Sales Notice shall not exceed 1,000% of the average daily trading volume of the Shares on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") during the 15 trading days immediately preceding the date of the Sales Notice ("**Sales Notice Date**");
 - (ii) 150% of the Number of Sales Shares in any Sales Notice shall not exceed the number of unissued Shares which the directors of the Company ("**Directors**") are authorised to allot and issue to the Investor as at the Sales Notice Date;
 - (iii) the Number of Sales Shares stated in any Sales Notice shall not exceed such number that, when multiplied by 90% of the average daily volume weighted average price ("**VWAP**") on the trading day immediately prior to the issue of the Sales Notice, and then added to the aggregate consideration for all the Shares subscribed by the Investor under the Agreement, would exceed the Total Commitment;
 - (iv) the Number of Sales Shares stated in any Sales Notice shall not exceed such number that, when added to the aggregate number of Shares subscribed by the Investor under the Agreement, would exceed the Maximum Share Commitment; and
 - (v) no Sales Notice will be issued which will result in the Investor being required to file a substantial shareholding notification, unless the Investor otherwise consents; and
- (b) the price per Share set by the Company, which price, in compliance with Rule 811(1) of the Listing Manual Section B: Rules of Catalist of the SGX-ST ("**Catalist Rules**"), shall not be at more than 10% discount to the VWAP for Shares traded on the SGX-ST for the full market day on which the Sales Notice is issued ("**Sales Price**").

3.2 Conditions Precedent

The Company is entitled to deliver a Sales Notice upon, *inter alia*, the following conditions having been satisfied (or waived by the Investor in writing):

- (a) the Loan Shares (as defined below) relating to the Sales Notice have been delivered to the reasonable satisfaction of the Investor, and are freely tradable and unrestricted and remain in the Investor's account;
- (b) the Company has obtained all the required approvals (in a form reasonably acceptable to the Investor) and such required approvals are in full force and effect such that at least Shares equal to the sum of: (i) 150% of the Number of Sales Shares under the Sales Notice;

and (ii) Shares issuable pursuant to the Warrants issued under the Agreement may be duly allotted and issued to the Investor pursuant to the Agreement;

- (c) the Company shall have delivered, and the Investor shall have received originals, of this Agreement, and the promissory note in respect of the commitment fee as set out in section 3.11 in this announcement, duly executed by the Company, and those agreements remain in full force and effect, enforceable against the Company in accordance with their terms and the Share Lenders (as defined below) shall have delivered and the Investor shall have received the originals of the Share Lending Agreement (as defined below) duly executed by the Share Lenders (as defined below), and the Share Lending Agreement shall remain in full force and effect, enforceable against the Share Lenders in accordance with its terms;
- (d) the Company shall at each applicable Sales Notice Date, and shall thereafter during each applicable Evaluation Period (as defined below) and up to the listing of shares as may be specified in the corresponding Closing Notice (as defined below), have obtained the listing approval from the SGX-ST in respect of such number of unissued shares adequate for (i) allotting and issuing the shares specified in a Closing Notice in respect of the applicable Sales Notice, and (ii) allotting and issuing the shares issuable by the Company upon exercise of the Warrants to or to the order of the Investor pursuant to this Agreement;
- (e) the representations and warranties of the Company contained in the Agreement shall be true and correct in all material respects as at the date made and as at the Sales Notice Date as repeated at that time (except that representations and warranties that are expressed by their terms to be made, or by their nature are made, as at a specific date need be true and correct in all material respects only as at such specific date);
- (f) the Company shall have performed, satisfied and complied in all material respects with all covenants, agreements and conditions required by the Agreement to be performed, satisfied or complied with by the Company at or prior to the Sales Notice Date;
- (g) listing or trading of the Shares shall not have been suspended or subject to a real or imminent threat of suspension by the SGX-ST at any time during the 30 trading days prior to the Sales Notice Date, other than any suspension for the purpose of consummation or further reporting requirements/disclosure of any transaction for a period of not more than 3 trading days in aggregate;
- (h) the delivery of the Sales Notice and the subscription and payment for the Shares under the Agreement: (i) shall not be prohibited or enjoined (temporarily or permanently) by any applicable law or governmental or other regulation; and (ii) shall not subject the Investor to any penalty, or in the Investor's reasonable judgment, other onerous condition and/or obligations under or pursuant to any applicable law or governmental or other regulation to which the Investor is subject;
- (i) no event or circumstance has arisen or is threatening to arise which would entitle the Investor to terminate the Agreement in accordance with Clause 8.2 of the Agreement; and
- (j) the Investor shall have given notice to the Company (and shall not have withdrawn the same) on or before the applicable Sales Notice Date that it has entered into a Share Lending Agreement with respect to the lending and borrowing of shares equal to one hundred per cent (100%) of the Number of Sales Shares set forth in the relevant Sales Notice which may be borrowed from time to time by and on demand of the Investor. For the avoidance of any doubt, the Investor undertakes to give notice to the Company immediately after the Share Lending Agreement is duly executed by the Investor and Share Lenders; and
- (k) the Investor has not given notice to the Company on or before the applicable Sales Notice Date that the Share Lenders has failed to duly perform its obligations pursuant to the

terms of the Share Lending Agreement (which includes an obligation on the Share Lender to lend and deliver to the Investor such number of shares which in aggregate equal to one hundred per cent (100%) of the Number of Sales Shares set forth in the relevant Sales Notice to be issued by the Company (or lesser number of shares as the Investor shall elect from time to time)). In the event that the Investor has not received delivery of the Loan Shares or where the Loan Shares delivered by the Share Lenders pursuant to an Offer (as defined in the Share Lending Agreement) and received by the Investor are in aggregate less than one hundred per cent (100%) of the Number of Sales Shares set forth in the relevant Sales Notice, the Investor shall be entitled, at its sole discretion, to elect to treat the relevant Sales Notice issued by the Company as null and void notwithstanding any other provision in this Agreement.

3.3 Evaluation Period

The Sales Notice will trigger an evaluation period ("**Evaluation Period**"):

- (a) where the Number of Sales Shares stated in any Sales Notice is up to 300% of the average daily trading volume of the Shares during the 15 trading days immediately preceding the Sales Notice Date, amounting to a period of 15 consecutive trading days immediately following a Sales Notice Date;
- (b) where the Number of Sales Shares stated in any Sales Notice is in excess of 300% and up to 600% of the average daily trading volume during the 15 trading days immediately preceding the Sales Notice Date, amounting to a period of 30 consecutive trading days immediately following the Sales Notice Date; and
- (c) where the Number of Sales Shares stated in any Sales Notice is in excess of 600% and up to 1,000% of the average daily trading volume during the 15 trading days immediately preceding the Sales Notice Date, amounting to a period of 45 consecutive trading days immediately following the Sales Notice Date;

provided that the number of days in an Evaluation Period shall be reduced by such number of the trading days during the Evaluation Period ("**Knockout Days**") where:

- (i) on such trading day, 90% of the average daily VWAP is less than the Sales Price stated in the Sales Notice;
- (ii) on such trading day, trading of Shares has been suspended by the SGX-ST for more than 1 hour;
- (iii) the Investor has made an election in accordance with Clause 2.3 of the Agreement that such trading day is a Knockout Day; or
- (iv) following the date on which written notice is delivered by the Company to the Investor notifying the Investor that the Company desires an early termination of the Evaluation Period.

For the purpose of calculating the Evaluation Period obligation, if there has been a Material Adverse Change (as defined in the Agreement) on any trading day during an Evaluation Period, the Investor shall be entitled, at its sole discretion, to elect to treat such trading day and any further trading days following such trading day during the relevant Evaluation Period as a Knockout Day. The Investor shall notify the Company of the exact number of shares it wishes to subscribe for in a Closing Notice (as defined below) delivered pursuant to the Agreement.

3.4 Closing Notice

On expiry of the Evaluation Period, the Investor will be obliged to subscribe for such number of Shares to be specified in a closing notice ("**Closing Notice**") ("**Final Drawdown Shares**") which shall be not less than 75%, and not more than 150% of, the sum of the Shares for each trading day comprised in the Evaluation Period (other than a Knockout Day) ("**Daily Purchase Amount**") computed by multiplying the applicable Number of Sales Shares by:

- (a) 1/15th where the Number of Sales Shares stated in the Sales Notice is up to 300% of the average daily trading volume of the Shares during the 15 Trading Days immediately preceding the Sales Notice Date;
- (b) 1/30th where the Number of Sales Shares stated in the Sales Notice is in excess of 300% and below 600% of the average daily trading volume during the 15 trading days immediately preceding the Sales Notice Date; and
- (c) 1/45th where the Number of Sales Shares stated in the Sales Notice is in excess of 600% and up to 1,000% of the average daily trading volume of the Shares during the 15 trading days immediately preceding the Sales Notice Date;

provided that the number of Shares to be subscribed by the Investor shall be reduced to such smaller number of Shares so that the number of Shares subscribed will not, when added to other Shares held by the Investor, cause the Investor to be required under the laws and regulations of Singapore, to make a mandatory offer for all the Shares.

The subscription price for each Final Drawdown Share ("**Subscription Price**") with respect to any Evaluation Period, will be equal to the higher of (i) the applicable Sales Price and (ii) ninety per cent (90%) of the average daily VWAP during the Evaluation Period, ignoring for the purposes of such calculation any Knockout Day and the VWAP on any Knockout Day.

Accordingly, the final amount of monies received by the Company in respect of each Sales Notice would be the product of the Final Drawdown Shares and the Subscription Price specified in the Closing Notice.

3.5 Closing

Closing for the subscription of Shares by the Investor will take place on the third trading day following the date of the Closing Notice, subject to, *inter alia*:

- (a) the Company having obtained all required approvals (in a form reasonably acceptable to the Investor) and such required approvals being in full force and effect as at the closing date;
- (b) the subscription and payment for the Shares pursuant to the Closing Notice not being prohibited or enjoined (temporarily or permanently) by any applicable law or governmental or judicial authority or other regulation to which the Investor and/or the Company are subject;
- (c) there being no change, during the period between the date of the Agreement and on the closing date, in any law, governmental or other regulation applicable in Singapore which would adversely affect in any material aspect the holding or disposal of Shares by or by order of the Investor or any other rights of the Investor or any Person acting by order of the Investor in respect of these Shares;

- (d) there being no Singapore law and/or Singapore governmental or other regulation on the closing date which would require the Investor and/or any person acting by the Investor's order to make a mandatory offer for all the Shares;
- (e) there being no law or governmental or other regulation applicable in Singapore on the closing date which would require the Investor and/or any person acting by order of the Investor to comply with prospectus registration requirements in Singapore;
- (f) the Company as at the closing date having obtain the listing and quotation approval from the SGX-ST in respect of such number of unissued Shares adequate for (i) allotting and issuing the Shares as may be specified in the Closing Notice in respect of the applicable Number of Sales Shares attributable to the Company set forth in the relevant Sales Notice and (ii) allotting and issuing the Shares issuable by the Company upon exercise of the Warrants;
- (g) the representations and warranties of the Company being true and correct in all material respects as at the date made and as at the closing date as repeated at that time (except that representations and warranties that are expressed by their terms to be made, or by their nature are made, as at a specific date need be true and correct in all material respects only as at such specific date);
- (h) the Company having performed, satisfied and complied in all material respects with all covenants, agreements and conditions required by the Agreement to be performed, satisfied or complied with by the Company at or prior to the applicable closing date;
- (i) no event or circumstance has arisen or is threatening to arise which would entitle the Investor to terminate the Agreement;
- (j) the listing and trading of the issued Shares not having been suspended, have not been suspended continuously for more than 20 trading days, or are subject to a real or imminent threat of suspension by the SGX-ST on the closing date;
- (k) the share borrowing facility entered into by the Investor under the Share Lending Agreement (as defined below) remaining in effect;
- (l) the Company being not in breach of any of its material obligations under the Agreement or its ancillary agreements; and
- (m) there being no reasonable allegation of fraud committed by the Company, its officers, or its shareholder affiliates.

3.6 Investor's Undertakings

Under the Agreement, the Investor has undertaken, *inter alia*, that it shall not:

- (a) on each trading day during the Evaluation Period, dispose or procure to be disposed of any number of Shares over and above 1/15th of the Number of Sales Shares, provided that where the Investor has disposed or procured to be disposed of Shares on a trading day which number is less than 1/15th of the Number of Sales Shares, the Investor may dispose or procure to be disposed of the remaining balance for that trading day on any subsequent trading day during and/or after the Evaluation Period;
- (b) at any point in time hold directly or indirectly in excess of 14.9% in aggregate of the outstanding share capital of the Company; or
- (c) sell, lend or otherwise dispose of any securities that are the subject of the Agreement that the Investor does not own or have the right to subscribe to,

provided that nothing shall prevent the Investor from trading in the Loan Shares subject to the restrictions provided in the Agreement, and the Investor shall be deemed to have a present right to subscribe for Shares when it receives a Sales Notice.

3.7 Company's Undertakings

Under the Agreement, the Company has undertaken that it shall not, and shall procure that its directors shall not, *inter alia*:

- (a) pay any cash dividends or make any other rights or distributions with respect to any Shares;
- (b) propose or declare the payment of any cash dividends or the granting of any other rights or the making of any other distributions in respect of the Shares to a shareholders' meeting of the Company;
- (c) set any record date for the payment of any cash dividends or the granting of any other rights or the making of any other distributions in respect of the Shares,

at any time during the period starting from the issuance of a Sales Notice up to the day the Shares required to be issued by the Company to the Investor under the corresponding Closing Notice are listed and issued to the Investor or to the Investor's order, as the case may be.

3.8 Share Lending

In connection with the Agreement, the Investor shall also enter into a share lending agreement ("**Share Lending Agreement**") with various substantial and non-substantial shareholders (collectively, the "**Share Lenders**") of the Company, whereby the Share Lenders will collectively lend to the Investor an amount equal to 100% of the Number of Sales Shares in each Sale Notice from time to time, and the Investor will redeliver or procure the redelivery of an equivalent number of Shares to the Share Lenders. The Share Lenders have agreed to lend their Shares to the Investor in order to assist and support the Company's fund raising arrangements. The Share Lenders will not derive any financial benefit, whether directly or indirectly, from the share lending arrangement.

The Company has undertaken and agrees that it shall use its best endeavours:

- (a) prior to each Sales Notice Date, procure that the Share Lenders enter into and shall remain bound by the Share Lending Agreement with the Investor; and
- (b) on each Sales Notice Date, procure that the Share Lenders lends and transfers to the Investor such number of Shares ("**Loan Shares**") in aggregate equal to 100% of such Number of Sales Shares stipulated in the Sales Notice prior to such Sales Notice Date, and all Loan Shares delivered to the Investor shall be listed and free of all Encumbrances and trading restrictions.

In connection with the Share Lending Agreement, the Investor shall also have the right to redeliver the Loan Shares to the Share Lenders by assigning, or procuring the assignment to the Share Lenders of, the rights, title and claims the Investor or any person acting by order of the Investor may have against the Company pursuant to a Closing Notice or the exercise of a Warrant for the issue and/or delivery of Shares (or any portion thereof) which the Company is obliged to issue to the Investor or to the Investor's order.

The Investor also agrees with the Share Lenders not to exercise any vote attached to the Loan Shares during the term of the relevant loan.

The salient terms of the Share Lending Agreement are as aforesaid and the Company will announce

details of the Share Lenders as and when such Share Lending Agreements are entered into.

3.9 Warrants

Pursuant to the Agreement, the Company will also issue warrants to the Investor to subscribe for up to 35 million new Shares ("**Warrant Shares**") as follows:

Number of Warrants:	35 million
Trading and Transfer:	The Warrants will not be listed and traded on the Catalist of the SGX-ST, and are freely transferable with exception to persons prohibited under Rule 812 of the Catalist Rules and no Shares issued under the Warrants shall be issued by the Company to any persons prohibited under Rule 812 of the Catalist Rules.
Exercise Price:	S\$0.10 per Share (" Exercise Price ")
Exercise Period:	5 years of the date of issue of the Warrants. An announcement on the expiry of the Warrants will be made and a notice will be sent to Warrant holders at least 1 month before the expiry of the exercise period.
Adjustments:	The exercise price is subject to adjustments under certain circumstances in accordance with the terms and conditions of the Warrants (e.g. capital distribution, corporate changes, and subdivision or combination of Shares etc).
Exercise Proceeds:	Assuming an exercise price of S\$0.10, the gross proceeds from the full exercise of the Warrants will be S\$3,500,000.

Within five (5) Business Days after the listing and quotation notice in relation to the issuance of the Warrants is received, the Company shall issue and deliver the Warrants to the Investor or to the Investor's order, provided that, if the Warrants are not issued and delivered by the Company to the Investor within forty-five (45) days after the date hereof (the "**Warrants Delivery Date**"), the Company shall pay to the Investor an amount equal to the greater of (i) the Black Scholes Value of the Warrants as calculated on the Warrants Delivery Date (assuming all of the Warrants had been delivered on such date) or (ii) eight hundred thirty-eight thousand United States Dollars (US\$838,000) (the "**Warrants Fee**"). If the Warrants Fee becomes payable, upon receipt of the Warrants Fee in full by the Investor, the Company will no longer be required to issue the Warrants.

The Exercise Price represents a premium of 113.68% to the weighted average price of S\$0.0468 per Share, for trades done on the SGX-ST on 20 March 2017 (being the full market day on which the Agreement is signed).

3.10 Ranking

The new Shares under the Agreement (including the Warrants) when issued will rank in all respects *pari passu* with the existing issued Shares and be free from all pre-emption rights, charges,

liens and other encumbrances and with all rights and benefits attaching thereto save that they will not rank for any dividend, rights, allotments or other distributions, the Record Date of which falls on or before the completion of the Placement. For the purposes of this announcement, "**Record Date**" means the date fixed by the Company for the purposes of determining entitlements to dividends or other distributions to or rights of holders of shares.

3.11 Commitment Fee

A commitment fee of S\$225,000 is payable by the Company in multiple tranches and by the first year of this Agreement.

3.12 No Placement Agent

No placement agent has been appointed in respect of the Agreement. Therefore, no commission or referral fees will be paid to any party.

3.13 Subsequent Equity Offering

The Investor is further given the right of participation of up to 7.5% in any subsequent offering of Shares or other equity or equity-linked interest in the Company, provided that the Investor shall be deemed to have irrevocably waived its right to participate if it does not confirm its participation in writing and provide reasonable evidence of its source and adequacy of funds within 7 calendar days of such notification by the Company.

3.14 Prospectus Exemption

The Agreement is made pursuant to the exemption under Section 272B and Section 275 of the Securities and Futures Act, Chapter 289 of Singapore. Accordingly, no prospectus or offer information statement will be issued by the Company in connection with the Agreement.

3.15 Termination of Agreement

The Agreement can be terminated at any time by the mutual consent of the Company and the Investor during the Commitment Period.

The Investor may also terminate the Agreement during the Commitment Period by giving written notice to the Company, if:

- (a) there has been any Material Adverse Change (as defined in the Agreement); or
- (b) the Company has materially breached any of its representations, warranties, covenants, undertakings or obligation contained in this Agreement and such breach is not cured within five (5) Business Days following receipt by the Company of written notice of such breach; or
- (c) any material information supplied by or on behalf of the Company to the Investor in relation to the Company, its Subsidiaries, and the share lender is materially misleading or deceptive; or
- (d) hostilities not presently existing commence (whether war has been declared or not) or in the opinion of the Investor there is a major act of terrorism or significant escalation in existing hostilities (whether war has been declared or not) involving any one or more of Singapore and the United States of America; or
- (e) either one of the following occurs:

- (i) a general moratorium on commercial banking activities in Singapore is declared by the relevant banking authority, or if there is a material disruption in commercial banking or security settlement or clearance services in Singapore; or
- (ii) trading in all securities quoted or listed on the SGX-ST is suspended or limited in any material respect for five (5) consecutive Trading Days,

in either case the effect of which is such as to make it reasonably impractical to enforce this Agreement, any Closing Notice or the exercise of any Warrant; or

- (f) approval is refused or approval is not granted which is unconditional to the listing of the Sales Shares, or if granted, the approval is subsequently withdrawn, qualified or withheld.

The Company may also terminate the Agreement during the Commitment Period by giving written notice to the Investor, if:

- (a) there has been a Material Adverse Effect (as defined in the Agreement) relating to the Investor; or
- (b) the Investor has materially breached any of its representations, warranties, covenants, undertakings or obligations contained in this Agreement and such breach is not cured within thirty (30) Business Days following receipt by the Investor of written notice of such breach.

Save for the commitment fee payable to the Investor, there are no fees payable by either party in the event of the termination of the Agreement.

4. DETAILS ON THE INVESTOR AND GEMIA

The information in this section relating to the Investor and GEMIA is based on information provided by and/or representations made by the Investor and GEMIA. The Directors have not conducted an independent review or verification of the accuracy of the statements and information below.

The Investor was introduced by a third party external consultant to the Company. No specific commission or other payment was made by the Company to the external consultant for introducing the Investor. The Company, in its recent efforts to secure appropriate ongoing sources of funds, approached the Investor to negotiate a funding commitment appropriate for the Company's needs.

GEM Global Yield Fund LLC SCS is one of a worldwide series of diverse investment vehicles managed by GEM (www.gemny.com). Global Emerging Markets ("GEM"), founded in 1991, is a US\$3.4 Billion alternative investment group having completed over 365 transactions in 65 countries. The firm manages a diverse set of investment vehicles across the world. In addition to GEM Global Yield Fund, GEM's other managed funds include: CITIC/GEM Fund; Kinderhook; GEM India and VC Bank / GEM Mena Fund*. GEMIA is an affiliate of GEM.

*(GEM exited both its LP and GP stakes in Q1 2010.)

To the best of the Company's knowledge, none of the Company's directors or substantial shareholders have any connection (including business relationship) with the Investor, GEMIA, its directors or substantial shareholders.

The Investor is not a person in the categories set out in Rule 812(1) of the Catalyst Rules.

5. AUTHORITY FOR THE ISSUE OF THE NEW SHARES

The new Shares underlying the Agreement (including the Warrants) will be issued pursuant to the authority granted by shareholders of the Company by way of an ordinary resolution at an annual general meeting of the Company held on 28 April 2016 ("**2016 AGM**") for the issue of Shares not exceeding 100% of the total number of issued Shares (excluding treasury shares) as at the date of the 2016 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) ("**Share Issue Mandate**").

As at the date of the Share Issue Mandate, the Company had an issued and paid up share capital of 928,389,037 Shares and as at 9 March 2017, 43,783,512 new Shares have been issued from the conversion of convertible bonds and the exercise of options which were 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 20 March 2017 is 972,172,549 Shares, of which the maximum number of Shares to be issued other than on a *pro rata* basis is 486,086,274 Shares.

The Company had on (i) 19 December 2016 issued 29,765,346 Shares for settlement of certain short-terms loans amounting to S\$2,991,417 at an issue price of S\$0.1005, further details of which can be found in the Company's announcement on the SGXnet dated 19 December 2016; (ii) 26 January 2017 issued 118,882,706 Shares pursuant to the bond repayment and share issuance deed dated 18 January 2017 entered into between the Company and certain bondholders, further details of which can be found in the Company's announcement on the SGXnet dated 26 January 2017; and (iii) will be issuing 77,964,405 Shares pursuant to the bond repayment and share issuance deed dated 16 March 2017 entered into between the Company and certain bondholders, further details of which can be found in the Company's announcement on the SGXnet dated 16 March 2017 ("**January 2016 CB Shares**").

As such, assuming the issuance of the January 2016 CB Shares, the remaining number of new Shares that may be issued other than on a *pro rata* basis is 259,473,727. Accordingly, the allotment and issuance of new Shares underlying the Agreement (including the Warrants) of up to 213,000,000 new Shares falls within the limits of the Share Issue Mandate.

Assuming the issuance of all 213,000,000 new Shares underlying the Agreement (including Warrants), the Company's issued and paid-up share capital will increase from 1,172,315,915 Shares ("**Existing Share Capital**") to 1,385,315,915 Shares ("**Enlarged Share Capital**"). The New Shares represents 18.17% of the Existing Share Capital and approximately 15.38% of the Enlarged Share Capital.

Assuming the January 2016 CB Shares have been issued, and assuming the issuance of all 213,000,000 new Shares underlying the Agreement (including Warrants), the Company's issued and paid-up share capital will increase from 1,250,280,320 Shares ("**Post January 2016 CB Shares Existing Share Capital**") to 1,463,280,320 Shares ("**Post January 2016 CB Enlarged Share Capital**"). The New Shares represents 17.04% of the Post January 2016 CB Shares Existing Share Capital and approximately 14.56% of the Post January 2016 CB Enlarged Share Capital.

Notwithstanding, as set out in section 3.6 of this announcement, the Investor has undertaken to not at any point in time hold directly or indirectly in excess of 14.9% in aggregate of the outstanding share capital of the Company.

In addition, the issuance of the Maximum Share Commitment, Warrants and the Warrant Shares will not be made without the prior approval of the Company's shareholders in a general meeting if such issuance would bring about a transfer of controlling interest.

6. USE OF PROCEEDS

- 6.1 Assuming the capital commitment is utilised in full by the Company and the Warrants are fully exercised by Warrantholder(s), the estimated net proceeds after deducting expenses of approximately S\$275,000 incurred in connection with the Agreement is expected to amount to approximately S\$13,225,000 comprising S\$9,725,000 from the Total Commitment ("**Commitment Net Proceeds**") and S\$3,500,000 from the exercise of Warrants ("**Warrants Net Proceeds**") (Commitment Net Proceeds and Warrants Net Proceeds shall collectively be referred to as "**Net Proceeds**").
- 6.2 The Company intends to use the Commitment Net Proceeds as follows:
- (a) approximately S\$6.000 million or 61.7% of the Commitment Net Proceeds to repay existing borrowings and improve its gearing ratio; and
 - (b) approximately S\$3.725 million or 38.3% of the Commitment Net Proceeds for general corporate purposes (including to finance the business expansion of the Group and for working capital purposes such as for advancement of the Group's drug coated Chocolate® program, payment of salaries and, trade and other payables).
- 6.3 The Company intends to use 100% of the Warrants Net Proceeds for general corporate purposes (including to finance the business expansion of the Group and for working capital purposes such as for payment of salaries and, trade and other payables).
- 6.4 The Company will make periodic announcements as to the use of the Net Proceeds as and when such Net Proceeds are materially disbursed and whether such use is in accordance with the stated use. The Company will also provide a status report on the use of the Net Proceeds raised in the Company's interim and full year financial statements and the Company's annual report. Where the Net Proceeds are used for working capital purposes, the Company will provide a breakdown with specific details on how the Net Proceeds have been applied in the announcements and the status report. Where there is any material deviation from the stated use of the Net Proceeds, the Company will announce the reason(s) for such deviation.
- 6.5 Pending the deployment of the Net Proceeds, such Net Proceeds may be placed as short term deposits with financial institutions and/or invested in short term money markets or debt instruments or for any other purposes on a short term basis as the Directors may in their absolute discretion deem fit, from time to time.

7. FINANCIAL EFFECTS

- 7.1 As at the date of this announcement, the issued and paid up capital of the Company is S\$167,943,547 divided into 1,250,280,320 Shares (excluding treasury Shares and assuming the January 2016 CB Shares have been issued). Assuming Maximum Share Commitment and full exercise of the Warrants at S\$0.10 per Share, this will increase the existing issued and paid-up share capital of the Company by S\$13,500,000 to S\$181,443,547, divided into 1,463,280,320 Shares (excluding treasury Shares and assuming the January 2016 CB Shares have been issued).

- 7.2 The financial effects of the aforesaid fundraising on the Group are prepared based on the unaudited financial statements of the Group for the financial year ended 31 December 2016 and the following assumptions:
- (a) for purposes of computing the effect of the fundraising on the net asset value ("**NAV**") per Share of the Group, it is assumed that the Maximum Share Commitment and full exercise of the Warrants at S\$0.10 per Share occurred on 31 December 2016;
 - (b) for purposes of computing the effect of the fundraising on the equity per Share ("**EPS**") of the Group, it is assumed that the Maximum Share Commitment and full exercise of the Warrants at S\$0.10 per Share was completed on 1 January 2016;
 - (c) that the issuances of 134,309,655 Shares between 1 January and 20 March 2017 had all been issued on 1 January 2016; and
 - (d) that the issuances of 77,964,405 Shares in relation to January 2016 CB Shares had been issued on 1 January 2016.
- 7.3 It should be noted that the financial effects set out below are for illustrative purposes only and do not purport to be an indication or a projection of the results and financial position of the Company and the Group, after completion of the fundraising.

	Before the Maximum Share Commitment and full exercise of the Warrants	After the Maximum Share Commitment and full exercise of the Warrants
Loss attributable to Shareholders (US\$'000)	(11,978)	(11,978)
LPS (United States cents)	(0.010)	(0.009)
Weighted average number of Shares for calculating LPS	1,147,728	1,360,728
NLV (US\$'000)	(10,200)	(10,200)
NLV per Share (Singapore cents)	(0.01)	(0.01)
Number of Shares for calculating NLV per Share	1,250,280	1,463,280

8. ADDITIONAL LISTING APPLICATION

The sponsor of the Company, PrimePartners Corporate Finance Pte. Ltd., will be making an application on behalf of the Company to the SGX-ST for the listing of and quotation for the Shares and Warrant Shares on Catalist of the SGX-ST.

The Company will make the necessary announcement upon receipt of the listing and quotation notice from the SGX-ST.

9. INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed in this announcement, none of the directors or substantial shareholders of the Company has any interest, direct or indirect, in the Agreement (save via their shareholdings in the Company, if any).

No person is proposed to be appointed as a director of the Company in connection with the Agreement. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

10. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors 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 Agreement, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in the announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the announcement in its proper form and context.

11. TRADING CAUTION

Shareholders are advised to exercise caution in trading their Shares.

Shareholders and potential investors are also advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

12. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Agreement is available for inspection at the Company's registered office at 3A International Business Park, #09-10/11/12 ICON@IBP Tower B, Singapore 609935 during normal business hours for a period of three months commencing from the date of this announcement.

By Order of the Board

QT VASCULAR LTD.

Eitan Konstantino
Chief Executive Officer
21 March 2017

*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 at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.
