

ISSUANCE OF 42,223,986 NEW ORDINARY SHARES IN THE CAPITAL OF QT VASCULAR LTD.

1. INTRODUCTION

The Board of Directors (the “**Board**”) of QT Vascular Ltd. (the “**Company**”), and together with its subsidiaries (the “**Group**”) wishes to announce that it has on 19 December 2017, issued 42,223,986 new ordinary shares in the capital of the Company (the “**New Shares**”), to MDIE Pte. Ltd. (“**MDIE**”) for settlement of short-term loan amounting to S\$646,027 (“**Shares Settlement**”), as further elaborated herein (“**Proposed Issue**”).

The Shares Settlement is pursuant to the loan agreement entered into 3 March 2017 between the Company and MDIE (“**Loan Agreement**”) in relation to a 120-day short term loan to the Company amounting to an aggregate principal amount of S\$500,000 (“**Principal**”), subject to the terms and upon the conditions of the Loan Agreement (“**Short Term Loan**”) and (ii) the repayment agreement dated 20 November 2017 between MDIE and the Company in relation to the repayment of the Short Term Loan (“**Repayment Agreement**”).

The key terms of the Short Term Loan include:

- (a) interest at a fixed rate of 20% on the Principal (“**Interest**”);
- (b) default interest of 20% per annum on a compounded basis shall be chargeable in respect of any late payments of Principal if the Loan is paid after 120 calendar days from the commencement date of the Short Terms Loan (“**Default Interest**”);
- (c) the Principal, Interest and Default Interest (“**Outstanding Sums**”) shall be repayable at the earlier of expiry of 120 calendar days from the date of the Loan Agreement (or such earlier date after the expiry of 60 calendar days of the Loan Agreement as determined by the Company at its sole discretion) (“**Settlement Date**”);
- (d) in the event that the Short Term Loan is not repaid to MDIE on the Settlement Date, MDIE shall be entitled to be paid in preference to other creditors such amount equivalent to the Outstanding Sums from realization of the intellectual property rights of the Company after the liabilities of secured creditors are satisfied from such realisation.

In relation to the above, the total Interest and Default Interest payable is S\$146,027.

Pursuant to the Repayment Agreement, the Company has settled the aggregate Outstanding Sums of S\$646,027 owing to MDIE by way of the allotment and issuance of 42,223,986 New Shares at the issue price equivalent to a discount of approximately 10% of the volume weighted average price of the Shares based on trades done on SGX-ST for the full market day on 20 November 2017, being S\$0.017 per New Share. Upon satisfaction of the aforementioned, the MDIE shall cease to have any rights or claims whatsoever against the Company and its subsidiaries (“**Group**”) under or in connection with the Loan Agreement.

MDIE do not fall within the categories set out in Rule 812 (1) of the Listing Manual Section B: Rules of Catalyst of the SGX-ST.

2. DETAILS OF THE NEW SHARES

The New Shares are 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.

The New Shares have been issued pursuant to the authority granted by Shareholders by way of an ordinary resolution at an annual general meeting of the Company held on 31 May 2017 ("**2017 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 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 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.

The Company had on (i) 24 July 2017 issued 291,004,980 Shares pursuant to the bond repayment and share issuance deed dated 29 June 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 24 July 2017, (ii) 24 July 2017 issued 22,290,322 Shares to an independent third party for settlement of trade payables, further details of which can be found in the Company's announcement on the SGXnet dated 24 July 2017, (iii) 19 December 2017 issued 42,185,184 Shares pursuant to the bond repayment and share issuance deed dated 27 November 2017, further details of which can be found in the Company's announcement on the SGXnet dated 27 November 2017 ("**Bond Settlement Shares**"); and (iv) 1 December 2017 received the listing and quotation notice in respect of 178,000,000 shares to be issued pursuant to the capital commitment agreement and revision entered with GEM Global Yield Fund LLC SCS, further details of which can be found in the Company's announcement dated 31 March 2017 and 22 November 2017.

As such, the remaining number of new Shares that may be issued other than on a pro rata basis is 125,792,776. Accordingly, the allotment and issuance of the New Shares falls within the limits of the Share Issue Mandate.

Including the issuance of the Bond Settlement Shares and the New Shares, the Company's issued and paid-up share capital will increase from 1,809,841,826 Shares ("**Existing Share Capital**") to 1,894,250,996 Shares ("**Enlarged Share Capital**"). The New Shares represents 2.33% of the Existing Share Capital and approximately 2.23% of the Enlarged Share Capital.

3. ADDITIONAL LISTING APPLICATION

The sponsor of the Company (the "**Sponsor**"), PrimePartners Corporate Finance Pte. Ltd., had made an application on behalf of the Company to the SGX-ST for the dealing in, listing of and quotation for the New Shares on Catalist of the SGX-ST ("**LQN**") and the LQN was received on 18 December 2017, and is subject to the compliance of the Company with the SGX-ST's listing requirements. The LQN is not to be taken as an indication of the merits of the Proposed Issue, the Company, its subsidiaries and their securities.

4. CONFIRMATION BY THE DIRECTORS

The Directors are of the opinion that after taking into consideration the Group's present bank and credit facilities (including the GEM Agreement), the working capital available to the Group is sufficient to meet its present requirements. Notwithstanding the aforementioned, the Company considers the repayment of the Short Term Loan 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.

5. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the directors or substantial Shareholders of the Company has any interest, direct or indirect, in the issuance of the New Shares (other than through their shareholdings in the Company).

By Order of the Board
QT VASCULAR LTD.

Eitan Konstantino
Chief Executive Officer
19 December 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 (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: sponsorship@ppcf.com.sg).
