

**QT Vascular Ltd. and its subsidiaries**

(Company Registration No. 201305911K)

(Incorporated in Singapore)

**Unaudited Financial Statements Announcement for the third quarter/three months ended 30/9/2015**

*QT Vascular Ltd. (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. (“PPCF” or the “Sponsor”).*

*This announcement has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with 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.*

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**PART I INFORMATION REQUIRED FOR QUARTERLY (1Q, 2Q & 3Q), HALF-YEAR (HY) AND FULL YEAR ANNOUNCEMENTS**

**1(a)(i) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

**Consolidated statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	<b>Group</b>		<b>Change</b>
	<b>3 months ended</b>		
	<b>30/9/2015</b>	<b>30/9/2014</b>	
	<b>US\$'000</b>	<b>US\$'000</b>	
Revenue	2,478	3,381	(26.7)%
Cost of sales	(1,402)	(2,712)	(48.3)%
<b>Gross profit</b>	<b>1,076</b>	<b>669</b>	<b>60.8%</b>
Sales and marketing	(2,405)	(1,890)	27.2%
Administrative expenses	(3,867)	(2,531)	52.8%
Research and development expenses	(2,245)	(787)	>100.0%
Other expenses	(21,252)	(46)	>100.0%
<b>Results from operating activities</b>	<b>(28,693)</b>	<b>(4,585)</b>	<b>&gt;100.0%</b>
Finance income	511	920	(44.5)%
Finance costs	(5,093)	–	100.0%
<b>Net finance (costs)/income</b>	<b>(4,582)</b>	<b>920</b>	<b>NM</b>
<b>Loss before tax</b>	<b>(33,275)</b>	<b>(3,665)</b>	<b>&gt;100.0%</b>
Tax expense	–	–	–
<b>Loss for the period</b>	<b>(33,275)</b>	<b>(3,665)</b>	<b>&gt;100.0%</b>
<b>Other comprehensive loss</b>			
Item that is or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences	(300)	(1,387)	(78.4)%
<b>Total comprehensive loss for the period</b>	<b>(33,575)</b>	<b>(5,052)</b>	<b>&gt;100.0%</b>
<b>Loss attributable to:</b>			
Owners of the Company	(33,275)	(3,665)	>100.0%
<b>Loss for the period</b>	<b>(33,275)</b>	<b>(3,665)</b>	<b>&gt;100.0%</b>
<b>Total comprehensive loss attributable to:</b>			
Owners of the Company	(33,575)	(5,052)	>100.0%
<b>Total comprehensive loss for the period</b>	<b>(33,575)</b>	<b>(5,052)</b>	<b>&gt;100.0%</b>

NM denotes not meaningful

**1(a)(i) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONT'D)**

	<b>Group</b>		<b>Change</b>
	<b>9 months ended</b>		
	<b>30/9/2015</b>	<b>30/9/2014</b>	
	<b>US\$'000</b>	<b>US\$'000</b>	
Revenue	9,088	9,448	(3.8)%
Cost of sales	(5,874)	(8,258)	(28.9)%
<b>Gross profit</b>	<u>3,214</u>	<u>1,190</u>	<u>&gt;100.0%</u>
Sales and marketing	(8,112)	(6,059)	33.9%
Administrative expenses	(8,564)	(8,661)	(1.1)%
Research and development expenses	(6,377)	(3,602)	77.0%
Other income	12	–	100.0%
Other expenses	(21,252)	(133)	>100.0%
<b>Results from operating activities</b>	<u>(41,079)</u>	<u>(17,265)</u>	<u>&gt;100.0%</u>
Finance income	1,528	927	64.8%
Finance costs	(5,699)	(9,994)	(43.0)%
<b>Net finance costs</b>	<u>(4,171)</u>	<u>(9,067)</u>	<u>(54.0)%</u>
<b>Loss before tax</b>	(45,250)	(26,332)	71.8%
Tax expense	(2)	(1)	100.0%
<b>Loss for the period</b>	<u>(45,252)</u>	<u>(26,333)</u>	<u>71.8%</u>
<b>Other comprehensive loss</b>			
Item that is or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences	(1,050)	(1,171)	(10.3)%
<b>Total comprehensive loss for the period</b>	<u>(46,302)</u>	<u>(27,504)</u>	<u>68.3%</u>
<b>Loss attributable to:</b>			
Owners of the Company	(45,252)	(26,333)	71.8%
<b>Loss for the period</b>	<u>(45,252)</u>	<u>(26,333)</u>	<u>71.8%</u>
<b>Total comprehensive loss attributable to:</b>			
Owners of the Company	(46,302)	(27,504)	68.3%
<b>Total comprehensive loss for the period</b>	<u>(46,302)</u>	<u>(27,504)</u>	<u>68.3%</u>

NM denotes not meaningful

**1(a)(ii) Notes to the consolidated statement of comprehensive income**

	Group (Third Quarter)			Group (Year-To-Date)		
	3 months ended			9 months ended		
	30/9/2015 US\$'000	30/9/2014 US\$'000	% change	30/9/2015 US\$'000	30/9/2014 US\$'000	% change
Depreciation of property, plant and equipment	(60)	(29)	>100.0	(173)	(243)	(28.8)
Allowance of inventory obsolescence	–	(88)	(100.0)	–	(88)	(100.0)
Gain on disposal of property, plant and equipment	–	–	–	–	3	(100.0)
Property, plant and equipment written off	–	(25)	(100.0)	–	(25)	(100.0)
Amortization of intangible assets	(142)	(74)	91.9	(487)	(233)	>100.0
Exchange gain	1,115	907	22.9	1,523	455	>100.0
Equity-settled share based payment transactions	(433)	(123)	>100.0	(469)	(470)	NM
Interest income	1	8	(87.5)	5	15	(66.7)
Interest expense	(51)	–	100.0	(52)	(4,497)	(98.8)
Derivatives in relation to convertible bonds	(5,647)	–	100.0	(5,647)	–	100.0
Judgement liability expenses	(21,149)	–	100.0	(21,149)	–	100.0

**1(b)(i) CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

**Consolidated statements of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

	<b>Group</b>		<b>Company</b>	
	<b>30/9/2015</b>	<b>31/12/2014</b>	<b>30/9/2015</b>	<b>31/12/2014</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
<b>Assets:</b>				
Property, plant and equipment	937	827	–	–
Intangible assets	12,678	9,235	37	40
Investment in subsidiaries	–	–	82,685	73,232
Other non-current assets	147	201	–	–
<b>Non-current assets</b>	<b>13,762</b>	<b>10,263</b>	<b>82,722</b>	<b>73,272</b>
Inventories	6,408	6,174	–	–
Trade and other receivables	3,333	3,474	1,002	14
Cash and cash equivalents	4,456	20,152	2,581	11,516
<b>Current assets</b>	<b>14,197</b>	<b>29,800</b>	<b>3,583</b>	<b>11,530</b>
<b>Total assets</b>	<b>27,959</b>	<b>40,063</b>	<b>86,305</b>	<b>84,802</b>
<b>Equity:</b>				
Share capital	133,739	133,263	133,739	133,263
Reserves	(1,396)	(821)	(37,885)	(33,287)
Accumulated losses	(145,999)	(100,747)	(41,553)	(15,929)
<b>Total equity</b>	<b>(13,656)</b>	<b>31,695</b>	<b>54,301</b>	<b>84,047</b>
<b>Liabilities:</b>				
Loans and borrowings	5,480	12	5,475	–
Trade and other payables, including derivatives	20,544	175	20,369	–
<b>Non-current liabilities</b>	<b>26,024</b>	<b>187</b>	<b>25,844</b>	<b>–</b>
Loans and borrowings	3	1	–	–
Trade and other payables, including derivatives	15,265	8,180	6,160	755
Deferred income	323	–	–	–
<b>Current liabilities</b>	<b>15,591</b>	<b>8,181</b>	<b>6,160</b>	<b>755</b>
<b>Total liabilities</b>	<b>41,615</b>	<b>8,368</b>	<b>32,004</b>	<b>755</b>
<b>Total equity and liabilities</b>	<b>27,959</b>	<b>40,063</b>	<b>86,305</b>	<b>84,802</b>

**1(b)(ii) Aggregate amount of group's borrowings.**

	Secured		Unsecured	
	30 September 2015 US\$'000	31 December 2014 US\$'000	30 September 2015 US\$'000	31 December 2014 US\$'000
Amount repayable within one year or less or on demand:				
Loans and borrowings	3	1	–	–
	<u>3</u>	<u>1</u>	<u>–</u>	<u>–</u>

	Secured		Unsecured	
	30 September 2015 US\$'000	31 December 2014 US\$'000	30 September 2015 US\$'000	31 December 2014 US\$'000
Amount repayable after one year:				
Loans and borrowings	5,480	12	–	–
	<u>5,480</u>	<u>12</u>	<u>–</u>	<u>–</u>

**Details of any collateral**

The loans and borrowings are secured against an office equipment acquired via hire purchase and certain patents of the Group.

## 1(c) CONSOLIDATED STATEMENT OF CASH FLOWS

Consolidated statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group	
	3 months ended	
Note	30/9/2015 US\$'000	30/9/2014 US\$'000
<b>Cash flows from operating activities</b>		
Net loss	(33,275)	(3,665)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation of property, plant and equipment	60	29
Amortisation of intangible assets	142	74
Interest income	(1)	(8)
Interest expense on convertible notes	51	–
Property, plant and equipment written off	–	25
Exchange gain	(1,115)	(907)
Derivatives in relation to convertible bonds	5,647	–
Equity-settled share-based payment transactions	433	123
	<u>(28,058)</u>	<u>(4,329)</u>
Changes in working capital:		
- Trade and other receivables	616	(1,667)
- Inventories	(200)	(888)
- Other assets	6	7
- Trade and other payables, including derivatives	23,936	(1,260)
- Deferred income	325	(237)
<b>Net cash used in operating activities</b>	<u>(3,375)</u>	<u>(8,374)</u>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(122)	(127)
Additions to intangible assets	(1,196)	(1,497)
<b>Net cash used in investing activities</b>	<u>(1,318)</u>	<u>(1,624)</u>
<b>Cash flows from financing activities</b>		
Repayment of hire purchase creditor	(2)	–
Repayment of convertible note interests	–	(702)
Proceeds from issuance of convertible bonds	4,424	–
Proceeds from exercise of share options	324	99
<b>Net cash from/(used in) financing activities</b>	<u>4,746</u>	<u>(603)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	53	(10,601)
Effect of exchange rate changes on cash and cash equivalents	76	(655)
Cash and cash equivalents at beginning of period	4,327	38,898
<b>Cash and cash equivalents at end of period</b>	<u>1</u> 4,456	<u>27,642</u>

**1(c) CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)**

	Note	Group	
		30/9/2015	30/9/2014
		US\$'000	US\$'000
<b>Cash flows from operating activities</b>			
Net loss		(45,252)	(26,333)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation of property, plant and equipment		173	243
Amortisation of intangible assets		487	233
Interest income		(5)	(15)
Interest expense on convertible notes		52	4,497
Gain on disposal of property, plant and equipment		–	(3)
Property, plant and equipment written off		–	25
Exchange gain		(1,523)	(455)
Derivatives in relation to convertible bonds		5,647	–
Equity-settled share-based payment transactions		469	470
Change in fair value of financial instruments		–	5,045
		<u>(39,952)</u>	<u>(16,293)</u>
Changes in working capital:			
- Trade and other receivables		1,146	(1,469)
- Inventories		(234)	(2,032)
- Other assets		54	(13)
- Trade and other payables, including derivatives		22,794	494
- Deferred income		325	(366)
<b>Net cash used in operating activities</b>		<u>(15,867)</u>	<u>(19,679)</u>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(330)	(300)
Additions to intangible assets		(3,951)	(3,075)
<b>Net cash used in investing activities</b>		<u>(4,281)</u>	<u>(3,375)</u>
<b>Cash flows from financing activities</b>			
Repayment of hire purchase creditor		(4)	–
Proceeds from issuance of ordinary shares		–	40,768
Repayment of convertible note interests		–	(702)
Proceeds from issuance of convertible notes		4,424	2,500
Proceeds from exercise of share options		471	101
Proceeds from exercise of warrants		–	3,487
<b>Net cash from financing activities</b>		<u>4,891</u>	<u>46,154</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>		(15,257)	23,100
Effect of exchange rate changes on cash and cash equivalents		(439)	(655)
Cash and cash equivalents at beginning of year/period		20,152	5,197
<b>Cash and cash equivalents at end of period</b>	1	<u>4,456</u>	<u>27,642</u>



**1(c) CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)**

Note:

(1) Cash and cash equivalents are derived from:

	<b>Group</b>	
	<b>30 September 2015</b>	<b>30 September 2014</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Bank balances	4,414	27,595
Deposits pledged	42	47
Total cash and cash equivalents	<u>4,456</u>	<u>27,642</u>

## 1(d)(i) CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Attributable to owners of the Company						Total equity US\$'000
	Ordinary shares US\$'000	Other reserve US\$'000	Reserve for own shares US\$'000	Translation reserve US\$'000	Share-based payment reserve US\$'000	Accumulated losses US\$'000	
<b>Group</b>							
<b>At 1 July 2014</b>	133,101	(1,385)	(77)	572	3,335	(89,241)	46,305
<b>Total comprehensive loss for the period</b>							
Loss for the period	–	–	–	–	–	(3,665)	(3,665)
<b>Other comprehensive income</b>							
Foreign currency translation differences	–	–	–	(1,387)	–	–	(1,387)
<b>Total comprehensive loss for the period</b>	–	–	–	(1,387)	–	(3,665)	(5,052)
<b>Contributions by and distributions to owners</b>							
Share options exercised	99	–	–	–	(99)	–	–
Share-based payment transactions	–	–	–	–	123	–	123
<b>Total contributions by and distributions to owners</b>	99	–	–	–	24	–	123
<b>At 30 September 2014</b>	133,200	(1,385)	(77)	(815)	3,359	(92,906)	41,376
<b>At 1 July 2015</b>	133,410	(1,385)	(77)	(3,607)	3,533	(112,724)	19,150
<b>Total comprehensive loss for the period</b>							
Loss for the period	–	–	–	–	–	(33,275)	(33,275)
<b>Other comprehensive income</b>							
Foreign currency translation differences	–	–	–	(300)	–	–	(300)
<b>Total comprehensive loss for the period</b>	–	–	–	(300)	–	(33,275)	(33,575)
<b>Contributions by and distributions to owners</b>							
Share options exercised	329	–	–	–	–	–	329
Share-based payment transactions	–	3	–	–	437	–	440
<b>Total contributions by and distributions to owners</b>	329	3	–	–	437	–	769
<b>At 30 September 2015</b>	133,739	(1,382)	(77)	(3,907)	3,970	(145,999)	(13,656)

**1(d)(i) CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONT'D)**

	Attributable to owners of the Company						Total equity US\$'000
	Ordinary shares US\$'000	Other reserve US\$'000	Reserve for own shares US\$'000	Translation reserve US\$'000	Share-based payment reserve US\$'000	Accumulated losses US\$'000	
<b>Company</b>							
<b>At 1 July 2014</b>	133,101	(32,390)	(77)	583	2,989	(16,338)	87,868
<b>Total comprehensive loss for the period</b>							
Loss for the period	-	-	-	-	-	(237)	(237)
<b>Other comprehensive income</b>							
Foreign currency translation differences	-	-	-	(1,560)	-	-	(1,560)
<b>Total comprehensive loss for the period</b>	-	-	-	(1,560)	-	(237)	(1,797)
<b>Contributions by and distributions to owners</b>							
Share options exercised	99	-	-	-	(99)	-	-
Share-based payment transactions	-	-	-	-	469	-	469
<b>Total contributions by and distributions to owners</b>	99	-	-	-	370	-	469
<b>At 30 September 2014</b>	133,200	(32,390)	(77)	(977)	3,359	(16,575)	86,540
<b>At 1 July 2015</b>	133,410	(32,390)	(77)	(6,012)	3,533	(16,290)	82,174
<b>Total comprehensive loss for the period</b>							
Loss for the period	-	-	-	-	-	(25,263)	(25,263)
<b>Other comprehensive income</b>							
Foreign currency translation differences	-	-	-	(3,377)	-	-	(3,377)
<b>Total comprehensive loss for the period</b>	-	-	-	(3,377)	-	(25,263)	(28,640)
<b>Contributions by and distributions to owners</b>							
Share options exercised	329	-	-	-	-	-	329
Share-based payment transactions	-	1	-	-	437	-	438
<b>Total contributions by and distributions to owners</b>	329	1	-	-	437	-	767
<b>At 30 September 2015</b>	133,739	(32,389)	(77)	(9,389)	3,970	(41,553)	54,301

## 1(d)(ii) CHANGES IN COMPANY'S SHARE CAPITAL

Details of any changes in the company's share capital arising from rights issue, bonus issue, share buybacks, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

### Ordinary Share Capital

The Company's issued and fully paid-up ordinary share capital increased by 8,281,717 shares from 766,306,009 as at 30 June 2015 to 774,587,726 shares as at 30 September 2015 due to the following:

	<b>Number of ordinary shares</b>	<b>Issued and paid-up share capital US\$'000</b>
<b>At 30 June 2015</b>	766,306,009	133,410
Shares issued pursuant to exercise of share options	8,281,717	329
<b>At 30 September 2015</b>	<u>774,587,726</u>	<u>133,739</u>

### Outstanding Options

The Group was formed following the restructuring exercise pursuant to which TriReme Medical LLC ("TriReme US") and Quattro Vascular Pte. Ltd. ("Quattro") became wholly owned subsidiaries of the Group (the "Restructuring Exercise").

Prior to the Restructuring Exercise, TriReme US had in 2005, adopted the 2005 Stock Plan to allow TriReme US to grant options to purchase shares in TriReme US to its employees, directors and consultants (each, as defined under the 2005 Stock Plan) and Quattro had in 2010, adopted the 2010 Equity Incentive Plan to allow Quattro to grant options to purchase shares in Quattro to its employees, directors and consultants (each, as defined under the 2010 Equity Incentive Plan). Subsequently, the Company had in 2013, adopted the QTV 2013 Share Plan to allow the Company to grant options to purchase shares in the Company to employees, directors and consultants (each, as defined under the QTV 2013 Share Plan).

Pursuant to the Restructuring Exercise, the Company had on 9 April 2014, assumed the options under the 2005 Stock Plan and 2010 Equity Incentive Plan. Following the close of placement of shares in relation to the IPO on 25 April 2014, the Company had ceased the issuance of options under the 2005 Stock Plan, 2010 Equity Incentive Plan and QTV 2013 Share Plan (collectively, the "Three Share Plans").

On 9 April 2014, the Company undertook a subdivision of 1 ordinary share into 16 ordinary shares.

The Company also had on 9 April 2014, adopted the 2014 QTV Employee Share Option Scheme. On 14 August 2015, the Company granted 29,162,000 options under the 2014 QTV Employee Share Option Scheme to its employees and directors, out of which 817,000

options granted to Mr Mark Allen Wan, the Company's existing Non-Executive Director and controlling shareholder, are subject to the approval of shareholders of the Company ("Shareholders") at a general meeting of the Company to be convened.

For the three months ended 30 September 2015, 8,281,717 ordinary shares in the share capital of the Company ("Shares") were issued in respect of the exercise of 8,281,717 options under the Three Share Plans.

A reconciliation of outstanding share options from 1 July 2015 to 30 September 2015 is as follows:

<b>Outstanding Options</b>	<b>Number of Options</b>
<b>At 1 July 2015</b>	102,854,786
Forfeited during the period	(132,538)
Exercised during the period	(8,281,717)
Granted during the period	29,162,000*
<b>At 30 September 2015</b>	<u><u>123,602,531</u></u>

Note:

\* Includes 817,000 options that are subject to Shareholders' approval as mentioned above.

As of 30 September 2015, there are 123,602,531, outstanding options convertible into 123,602,531 Shares, representing approximately 16.0% of the existing issued share capital of the Company comprising 774,587,726 Shares as at 30 September 2015 (30 September 2014: 114,309,910 (representing approximately 15.1% of the then existing issued share capital of the Company comprising 758,193,576 Shares).

For further details on the Three Share Plans, please refer to the Company's Offer Document dated 16 April 2014.

#### Share awards

At the Annual General Meeting of the Company held on 30 April 2015, the shareholders of the Company adopted the QT Vascular Restricted Share Plan 2015. On 14 August 2015, the Company granted 9,294,000 share awards to its employees and directors which will vest accordingly based on a prescribed set of milestones set by the Board of Directors of the Company.

A reconciliation of outstanding share awards from 1 July 2015 to 30 September 2015 is as follows:

<b>Outstanding Share Awards</b>	<b>Number of Shares</b>
<b>At 1 July 2015</b>	–
Forfeited during the period	–
Vested during the period	–
Granted during the period	9,294,000
<b>At 30 September 2015</b>	<u><u>9,294,000</u></u>

As at 30 September 2015, the 9,294,000 share awards in issue are convertible into 9,294,000 Shares (30 September 2014: Nil). No share awards had vested during the three months ended 30 September 2015. For further details on the QT Vascular Restricted Share Plan 2015, please refer to the Appendix of the Company's 2014 Annual Report.

#### Convertible bonds

As at 30 September 2015, the Group had issued convertible bonds with an aggregate carrying value of US\$5.4 million outstanding which is convertible to 59,027,346 Shares (30 September 2014: Nil). No convertible bonds were converted into Shares of the Company during the three months ended 30 September 2015.

On 12 October 2015 and 30 October 2015, a total of 47,437,501 ordinary shares with an aggregate principal value of US\$4.4 million were issued to certain convertible bond holders as they exercised their rights to convert their bonds to shares.

Based on the foregoing, the total number Shares that may be issued on conversion of all outstanding convertibles (including Share Awards) as at 30 September 2015 is 191,923,877 Shares, representing approximately 24.8% of the of the existing issued share capital of the Company comprising 774,587,726 Shares as at 30 September 2015 (30 September 2014: 114,309,910 Shares, representing approximately 15.1% of the then existing issued share capital of the Company comprising 758,193,576 Shares).

#### **Treasury Shares**

The Company held no treasury shares as at 30 September 2015 and as at 30 September 2014.

Save as disclosed above, there were no outstanding convertibles or treasury shares held by the Company as at 30 September 2015 and 30 September 2014.

#### **1(d)(iii) NUMBER OF ISSUED SHARES**

**To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

The total number of issued ordinary shares was 774,587,726 as at 30 September 2015 and 760,128,260 as at 31 December 2014.

The Company held no treasury shares as at 30 September 2015 and 31 December 2014.

#### **1(d)(iv) TREASURY SHARES**

**A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable. There were no treasury shares during and as at the end of the current financial period reported on.

#### **2. Whether the figures have been audited or reviewed in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the Company's auditors.

**3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Save as disclosed in Paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as compared to those used in the most recently audited annual financial statements for the financial year ended 31 December 2014.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for and the effect of, the change.**

The Group has applied the same accounting policies and methods of computation in the preparation of financial statements for the current financial period compared with the most recently audited financial statements for the financial year ended 31 December 2014, except for the adoption of the Financial Reporting Standards (“FRSs”) and Interpretation of FRS (“INT FRS”) that are mandatory for financial years beginning on or after 1 January 2015. The adoption of these new FRS and INT FRS has no material impact to the results of the Group and of the Company for the current period reported on.

**6. EARNINGS PER SHARE**

**Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

<b>Group</b>	<b>3 months ended 30/9/2015</b>	<b>3 months ended 30/9/2014</b>
	<b>Basic and diluted <sup>(1)</sup></b>	<b>Basic and diluted <sup>(1)</sup></b>
Loss for the period attributable to owners of the Company (US\$'000)	(33,275)	(3,665)
Weighted average number of ordinary shares used to compute loss per share ('000)	771,890	756,168
Loss per share (US\$)	(0.04)	(0.005)

Note:

- (1) The basic and diluted loss per share were the same as the potential ordinary shares are anti-dilutive as the effect of the share conversions would be to decrease the loss per share.

## 7. NET ASSET VALUE FOR ISSUER AND GROUP

Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:

- (a) current financial period reported on; and
- (b) immediately preceding financial year.

	Group		Company	
	30/9/2015 US\$	31/12/2014 US\$	30/9/2015 US\$	31/12/2014 US\$
Net (liability)/asset value per ordinary share <sup>(1), (2)</sup>	(0.02)	0.04	0.07	0.11

Notes:

- (1) The net liability value per ordinary share of the Group is calculated based on net liability of US\$13.7 million as at 30 September 2015 (31 December 2014: net assets of US\$31.7 million). The net asset value per ordinary share of the Company is calculated based on net assets of US\$54.3 million as at 30 September 2015 (31 December 2014: US\$84.0 million).
- (2) For both the Group and the Company, the net (liability)/asset value per ordinary share were calculated based on 774,587,726 ordinary shares in issue as at 30 September 2015 and 760,128,260 as at 31 December 2014.



## 8. REVIEW OF PERFORMANCE OF THE GROUP

A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

*Three months ended 30 September 2015 compared to the three months ended 30 September 2014*

The breakdown of our revenue derived from the sale of our products to the various geographical regions and by the number of units sold for the three months ended 30 September 2015 ("3Q2015") and for the three months ended 30 September 2014 ("3Q2014") are presented below:

	Three Months Ended 3Q2015		Three Months Ended 3Q2014	
	US\$'000	%	US\$'000	%
United States	2,279	91.9	2,686	79.4
Europe	36	1.5	129	3.8
Asia	163	6.6	566	16.8
	<u>2,478</u>	<u>100.0</u>	<u>3,381</u>	<u>100.0</u>

  

	Three Months Ended 3Q2015	Three Months Ended 3Q2014
Units sold	<u>5,100</u>	<u>8,397</u>

Our revenue decreased by US\$0.9 million, or 26.7%, from US\$3.4 million in 3Q2014 to US\$2.5 million in 3Q2015. The decrease was mainly due to a decrease in sales of our Chocolate® PTA Balloon Catheter ("Chocolate PTA") to Cordis as the Group only finalized the renegotiating the terms of the distribution agreement with Cordis on 18 September 2015. Sales of Chocolate® PTCA Balloon Catheter ("Chocolate PTCA") and Glider PTCA by our direct sales team continues to improve following a 289.2% increase in average sales per sales representative of US\$56,120 in 3Q2015 as compared to US\$14,418 in 3Q2014.

Cost of sales decreased by US\$1.3 million, or 48.3%, from US\$2.7 million in 3Q2014 to US\$1.4 million in 3Q2015 mainly due to the lower sales of Chocolate PTA to Cordis and the improvement of the Group's overall production efficiency.

As a result of the above, our Group recorded a gross profit of US\$1.1 million or 43.4% of revenue in 3Q2015 as compared to a gross profit of US\$0.7 million or 19.8% of revenue in 3Q2014.

Our loss before taxation increased by US\$29.6 million or 807.9%, from US\$3.7 million in 3Q2014 to US\$33.3 million in 3Q2015. The analysis of the loss before taxation are as follows:

- Our sales and marketing expenses increased by US\$0.5 million, or 27.2% from US\$1.9 million in 3Q2014 to US\$2.4 million in 3Q2015 mainly due to an increase in cost of our direct sales personnel in 3Q2015 following the increase in number of sales personnel at the end of 4Q2014.
- Our administrative expenses increased by US\$1.4 million, or 52.8%, from US\$2.5 million in 3Q2014 to US\$3.9 million in 3Q2015. The increase was mainly due to the increase in professional service fees incurred in respect of our ongoing litigation with AngioScore, Inc. (“AngioScore”). For more information regarding the litigation with AngioScore, please refer to the Company’s Offer Document and recent announcements on SGX-ST.
- Our research and development expenses increased by approximately US\$1.5 million from US\$0.8 million in 3Q2014 to US\$2.3 million in 3Q2015. The increase is due to lower capitalization of development expenses to intangible assets of US\$1.2 million in 3Q2015 as compared to capitalized development expenses of US\$1.5 million in 3Q2014 to intangible assets.
- We were in a net finance cost position of US\$4.6 million for 3Q2015, as compared to a net finance income position of US\$0.9 million in 3Q2014 which was mainly due to the interest expenses incurred on our convertible bonds of US\$0.1 million in 3Q2015 and derivatives in relation to the convertible bonds of US\$5.6 million. Finance costs was partially offset by foreign exchange gains where in 3Q2015, the Group recorded a foreign exchange gain of US\$1.1 million as compared to a foreign exchange gain of US\$0.9 million in 3Q2014 pursuant to exchange rate changes between the Singapore dollar and United States dollar.
- The increase in other expenses by US\$21.2 million in 3Q2015 was mainly due to the recognition of the AngioScore litigation judgement expenses of US\$20.4 million. As a prudent measure, the Company had in 3Q2015 recognised the entire sum of US\$20.4 million, being damages awarded against the Company, TriReme Medical, LLC, Quattro Vascular Pte. Ltd., and the Company’s CEO, Dr Eitan Konstantino, following the judgement in relation to the State Law Claims in 3Q2015. The final sum to be borne by the Group in relation to the State Law Claims will be determined at the conclusion of the appeal which the Group intends to file.
- Amortisation of intangible assets increased by US\$68,000, or 91.9% from US\$74,000 in 3Q2014 to US\$142,000 in 3Q2015 mainly due to the amortisation of Chocolate PTA and Chocolate PTCA capitalised costs.

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at 30 September 2015 US\$'000	As at 31 December 2014 US\$'000	Change %
<b>Non-current assets</b>	13,762	10,263	34.1
<b>Current assets</b>	14,197	29,800	(52.4)
<b>Total assets</b>	27,959	40,063	(30.2)
 <b>Total equity</b>	 (13,656)	 31,695	 NM
 <b>Non-current liabilities</b>	 26,024	 187	 >100.0
<b>Current liabilities</b>	15,591	8,181	90.6
<b>Total liabilities</b>	41,615	8,368	>100.0

The Group had negative net working capital of US\$1.4 million and positive net working capital of US\$21.6 million as at 30 September 2015 and 31 December 2014 respectively. The negative working capital as at 30 September 2015 was mainly due to the recognition of the derivatives in relation to the convertible bond of US\$5.5 million. Subsequent to 30 September 2015, certain bond holders had, on 12 October 2015 and 30 October 2015, converted the bonds with an aggregate principal value of US\$4.4 million.

Our non-current assets increased by US\$3.5 million from US\$10.3 million as at 31 December 2014 to US\$13.8 million as at 30 September 2015 mainly due to the increase in intangible assets of US\$3.4 million. The increase in intangible assets was due to the capitalization of research and development expenses.

Our current assets decreased by US\$15.6 million from US\$29.8 million as at 31 December 2014 to US\$14.2 million as at 30 September 2015 mainly due to the decrease in cash and cash equivalents of US\$15.7 million following the increase in research and development expenses and general working capital requirements such as payments to our suppliers, professional fees relating to the litigation with AngioScore and staff costs. The overall decrease in current assets was offset by the net proceeds received from convertible bond investors amounting to US\$4.4 million during the period and an increase in inventories as at 30 September 2015 as a result of raw material purchases made to support future production requirements of the Group's products.

Our non-current liabilities increased by US\$25.8 million from US\$0.2 million as at 31 December 2014 to US\$26.0 million as at 30 September 2015 mainly due to convertible bonds issued in August 2015 as well as the recognition of the judgement liability arising from the litigation with AngioScore of US\$20.4 million.

Our current liabilities increased by US\$7.4 million from US\$8.2 million as at 31 December 2014 to US\$15.6 million as at 30 September 2015 mainly due to the increase in the Group's deferred income by US\$0.3 million and, trade and other payables (including derivatives) by US\$7.1 million mainly attributable to the recognition of derivatives in relation to the convertible bonds of US\$5.5 million, accrual for litigation costs of US\$0.5 million and increase in purchases from suppliers of US\$0.8 million.

## CONSOLIDATED STATEMENT OF CASH FLOWS

### *Cash Flow Analysis 3Q2015*

The Group recorded cash outflows from operating activities of US\$3.4 million for 3Q2015 which was a result of an operating loss before working capital changes of US\$28.1 million and a decrease in working capital changes of US\$24.7 million. The decrease in working capital changes was mainly due to the decrease in trade and other receivables of US\$0.6 million mainly pursuant to collection of outstanding receivables from customers as well as the increase of US\$23.9 million in trade and other payables (including derivatives) mainly attributable to the US\$20.4 million AngioScore judgement liability recorded in the Group's books in 3Q2015.

Cash used in investing activities for 3Q2015 was US\$1.3 million which was mainly due to additions to intangible assets pertaining to developed technology of approximately US\$1.2 million and purchases of plant and equipment of approximately US\$0.1 million.

In 3Q2015, net cash inflow from financing activities was US\$4.7 million which was mainly due to net receipt of funds of US\$4.4 million from the convertible bond investors and US\$0.3 million following the conversion of share options.

### *Cash Flow Analysis 3Q2014*

The Group recorded cash outflows from operating activities of US\$8.4 million for 3Q2014 which was a result of an operating loss before working capital changes of US\$4.3 million and an increase in working capital changes of US\$4.1 million. The increase in working capital changes was mainly due to a decrease in deferred income of US\$0.2 million following the fulfilment of our obligations under the distribution agreement with Cordis. The increase in inventories of US\$0.9 million and trade debtors of US\$1.7 million as well as the decrease of US\$1.3 million in trade and other payables (including derivatives) also contributed to the increase in working capital changes.

Cash used in investing activities for 3Q2014 was US\$1.6 million which was mainly due to additions to intangible assets pertaining to developed technology of approximately US\$1.5 million.

In 3Q2014, net cash outflow from financing activities was US\$0.6 million which was mainly due to payment of the remaining interest on convertible notes to investors.

## **9. FORECAST AND PROSPECT STATEMENT**

**Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not applicable. No forecast or prospect statement had been issued for the current financial reporting period.

## **10. SIGNIFICANT TRENDS AND COMPETITIVE CONDITIONS OF THE INDUSTRY**

**A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

In the world's largest medical device market, the United States ("US"), the adoption of drug-coated balloons ("DCBs") continues to increase at a strong pace. With two products approved in the US (i.e. Medtronic's In.Pact Admiral and CR Bard's Lutonix) and continued strong clinical data (which now covers up to two years in some studies), Management expects this continued growth in the use of DCBs to continue for some time. Some analysts estimate that the use of DCBs may reach 20% of procedures in the femoral-popliteal arteries. The impact on other technologies such as stents, atherectomy, conventional balloons, and specialty is still unclear, but these categories may be expected to experience some weakening of their previous sales growth. In fact, the Group has experienced some flattening of its shipments to its US distributor, Cordis (which was as a result of Cordis' recent acquisition by Cardinal Health, Inc. as well as our renegotiation of the distribution agreement). An additional short-term challenge is a possible delay in the approval of Chocolate PTA in Japan from late 2015 until 1H2016. Despite these near-term headwinds, the Group expects growth to be driven by continued adoption of its Chocolate PTCA device in the US, the launch of Chocolate Touch (drug-coated Chocolate PTA) in Europe and the launch of Chocolate PTA in Japan. Furthermore, the Group recently released very strong clinical results for Chocolate Touch which is expected to bode well for long-term growth prospects and continued strong interest for the product.

## **11. IF A DECISION REGARDING DIVIDEND HAS BEEN MADE:**

**(a) Whether an interim (final) ordinary dividend has been declared (recommended); and**

No dividends have been declared or recommended for the current reporting period.

**(b) (i) Amount per share (cents)**

Not applicable.

**(b) (ii) Previous corresponding period (cents)**

Not applicable

**(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of the shareholders, this must be stated).**

Not applicable.

**(d) The date the dividend is payable**

Not applicable.

**(e) Books closure date**

Not applicable.

**12. IF NO DIVIDEND HAS BEEN DECLARED/RECOMMENDED, A STATEMENT TO THAT EFFECT**

No dividends have been declared or recommended for the current reporting period.

**13. INTERESTED PERSONS TRANSACTIONS**

**If the Group has obtained a general mandate from shareholders for the IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

There was no interested persons transactions which are S\$100,000 or more entered into during the current financial period reported on. The Group does not have a general mandate for recurrent interested persons transactions.

**14. USE OF PROCEEDS**

Convertible Bonds

The Company has announced a proposed issue of convertible bonds of up to US\$13.14 million (the “Bonds”) on 24 July 2015. On 6 August 2015, the Company announced the completion of the subscription of the first tranche of the Bonds amounting to US\$5.475 million.

None of the net proceeds of US\$4.4 million received from the issuance of the first tranche of the Convertible Bond have been utilised as at 30 September 2015.

**15. NEGATIVE CONFIRMATION PURSUANT TO RULE 705(5) OF LISTING MANUAL**

The Board of Directors of the Company (“Board”) confirms that to the best of their knowledge, nothing has come to the attention of the Board which may render the unaudited interim financial results for the 3 months and 9 months ended 30 September 2015 to be false or misleading in any material aspect.

**BY ORDER OF THE BOARD**

**Eitan Konstantino**

**Chief Executive Officer**

9 November 2015