CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Group 6 months ended 30 June 2021 US$'000	30 June 2020 US$'000	Change
Revenue	6	–	244	(100)%
Cost of sales		–	(333)	(100)%
Gross loss		–	(89)	(100)%
Sales and marketing		–	(42)	(100)%
Administrative expenses		(1,336)	(1,601)	(16.6)%
Research and development expenses		–	(2,957)	(100)%
Other income		338	138	>100%
Results from operating activities		(998)	(4,551)	(78.1)%
Finance costs		(62)	(204)	(69.6)%
Net finance costs		(62)	(204)	(69.6)%
Loss before taxation	7	(1,060)	(4,755)	(77.7)%
Tax expense		–	–	
Loss for the period		(1,060)	(4,755)	(77.7)%
Other comprehensive loss				
Item that is or may be reclassified subsequently to profit or loss:				
Foreign currency translation differences		11	(30)	NM
Total comprehensive loss for the period		(1,049)	(4,785)	(78.1)%
Loss attributable to:				
Owners of the Company		(1,060)	(4,755)	(77.7)%
Loss for the period		(1,060)	(4,755)	(77.7)%
Total comprehensive loss attributable to:				
Owners of the Company		(1,049)	(4,785)	(78.1)%
Total comprehensive loss for the period		(1,049)	(4,785)	(78.1)%
Loss per share for the loss for the period attributable to the owners of the Company during the period:				
Basic (USD)	14	(0.0005)	(0.002)	
Diluted (USD)	14	(0.0005)	(0.002)	

NM denotes not meaningful

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Note	Group		Company	
		30 June 2021 US$'000	31 December 2020 US$'000	30 June 2021 US$'000	31 December 2020 US$'000
Assets:					
Plant and equipment		–	–	–	–
Intangible assets	9	1,464	1,464	1,449	40
Investment in subsidiaries		–	–	11,001	12,624
Other investment		255	255	255	255
Right-of-use assets		464	41	–	–
Other non-current assets		36	94	–	–
Non-current assets		2,219	1,854	12,705	12,919
Trade and other receivables		170	588	78	200
Cash and cash equivalents		393	970	11	29
Current assets		563	1,558	89	229
Total assets		2,782	3,412	12,794	13,148
Equity:					
Share capital	12	173,201	173,182	173,201	173,182
Reserves		3,877	3,866	4,649	4,638
Accumulated losses		(177,354)	(176,294)	(166,937)	(166,384)
Total equity		(276)	754	10,913	11,436
Liabilities:					
Lease liabilities		314	–	–	–
Non-current liabilities		314	–	–	–
Loans and borrowings	10	1,000	1,000	1,000	1,000
Trade and other payables	11	1,586	1,613	881	712
Lease liabilities		158	45	–	–
Current liabilities		2,744	2,658	1,881	1,712
Total liabilities		3,058	2,658	1,881	1,712
Total equity and liabilities		2,782	3,412	12,794	13,148

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the Company						
Group	**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**	**Total equity US$'000**
At 1 January 2020	173,182	(1,385)	(77)	(3,715)	9,229	(168,717)	8,517
Total comprehensive loss for the period							
Loss for the period	–	–	–	–	–	(4,755)	(4,755)
Other comprehensive loss							
Foreign currency translation differences	–	–	–	(30)	–	–	(30)
Total comprehensive loss for the period	–	–	–	(30)	–	(4,755)	(4,785)
Contribution by and distribution to owners							
Share-based payment transactions	–	–	–	–	(77)	–	(77)
Total contribution by and distribution to owners	–	–	–	–	(77)	–	(77)
At 30 June 2020	173,182	(1,385)	(77)	(3,745)	9,152	(173,472)	3,655
At 1 January 2021	173,182	(1,385)	(77)	(3,838)	9,166	(176,294)	754
Total comprehensive loss for the period							
Loss for the period	–	–	–	–	–	(1,060)	(1,060)
Other comprehensive loss							
Foreign currency translation differences	–	–	–	11	–	–	11
Total comprehensive loss for the period	–	–	–	11	–	(1,060)	(1,049)
Contribution by and distribution to owners							
Shares issued pursuant to exercise of share options	19	–	–	–	–	–	19
Total contribution by and distribution to owners	19	–	–	–	–	–	19
At 30 June 2021	173,201	(1,385)	(77)	(3,827)	9,166	(177,354)	(276)

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (CONT'D)

	Attributable to owners of the Company							
Company	**Ordinary shares US$'000**	**Other reserve US$'000**	**Reserve for own shares US$'000**	**Capital contribution US$'000**	**Translation reserve US$'000**	**Share-based payment reserve US$'000**	**Accumulated losses US$'000**	**Total equity US$'000**
At 1 January 2020	173,182	(32,390)	(77)	33,124	(5,994)	9,229	(156,743)	20,331
Total comprehensive loss for the period								
Loss for the period	–	–	–	–	–	–	(414)	(414)
Other comprehensive loss								
Foreign currency translation differences	–	–	–	–	(31)	–	–	(31)
Total comprehensive loss for the period	–	–	–	–	(31)	–	(414)	(445)
Contribution by and distribution to owners								
Share-based payment transactions	–	–	–	–	–	(77)	–	(77)
Total contribution by and distribution to owners	–	–	–	–	–	(77)	–	(77)
At 30 June 2020	173,182	(32,390)	(77)	33,124	(6,025)	9,152	(157,157)	19,809
At 1 January 2021	173,182	(32,390)	(77)	34,056	(6,117)	9,166	(166,384)	11,436
Total comprehensive loss for the period								
Loss for the period	–	–	–	–	–	–	(553)	(553)
Other comprehensive loss								
Foreign currency translation differences	–	–	–	–	11	–	–	11
Total comprehensive loss for the period	–	–	–	–	11	–	(553)	(542)
Contribution by and distribution to owners								
Shares issued pursuant to exercise of share options	19	–	–	–	–	–	–	19
Total contribution by and distribution to owners	19	–	–	–	–	–	–	19
At 30 June 2021	173,201	(32,390)	(77)	34,056	(6,106)	9,166	(166,937)	10,913

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Group 6 months ended 30 June 2021 US$'000	30 June 2020 US$'000
Cash flows from operating activities		
Receipts from customers	1,476	885
Payments to suppliers and employees	(1,945)	(3,417)
Total net cash used in operating activities	(469)	(2,532)
Cash flows from investing activities		
Cash receipts from disposal of assets to Medtronic, Inc. and Teleflex, Inc.	–	1,338
Total net cash from investing activities	–	1,338
Cash flows from financing activities		
Proceeds from short-term loans	–	500
Payment of lease liabilities	(108)	(179)
Total net cash (used in)/from financing activities	(108)	321
Net decrease in cash and cash equivalents	(577)	(873)
Effect of exchange rate changes on cash and cash equivalents	–	(47)
Cash and cash equivalents at beginning of period	970	1,504
Cash and cash equivalents at end of period	393	584

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

These notes form an integral part of and should be read in conjunction with the consolidated financial statements.

1 General Information

QT Vascular Ltd. (the "**Company**") is a public limited liability company incorporated and domiciled in Singapore and whose shares are publicly traded on the Catalist board of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). These condensed interim consolidated financial statements as at and for the six months ended 30 June 2021 comprise the Company and its subsidiaries (collectively, the "**Group**").

The principal activities of the Company are those of investment holding. The principal activities of the subsidiaries are:

(a) development, manufacturing and distribution of medical devices; and
(b) support services to related corporations for the development, manufacturing and distribution of medical devices.

2 Basis of Preparation

The condensed interim financial statements for the six months ended 30 June 2021 have been prepared in accordance with Singapore Financial Reporting Standard (International) ("**SFRS(I)**") 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2020.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.2.

The condensed interim financial statements are presented in United States dollar which is the Company's functional currency.

2.1 Going concern assumption

For the financial period ended 30 June 2021, the Group incurred a net loss and a total comprehensive loss of US$1,060,000 (30 June 2020: US$4,755,000) and US$1,049,000 (30 June 2020: US$4,785,000), respectively, and has net cash used in operating activities of US$469,000 (30 June 2020: US$2,532,000). As at 30 June 2021, the Group and the Company have net current liabilities of US$2,181,000 (31 December 2020: US$1,100,000) and US$1,792,000 (31 December 2020: US$1,483,000), respectively.

The above conditions indicate the existence of a material uncertainty that may cast significant doubt on the ability of the Group and the Company to continue as going concerns and therefore they may be unable to realize their assets and discharge their liabilities in the normal course of business.

Notwithstanding the above, the directors of the Company believe that the use of the going concern assumption in the preparation and presentation of the condensed interim consolidated financial statements for the financial period ended 30 June 2021 is appropriate after taking into account the following considerations:

i. Management is of the view that the Group will have sufficient working capital for at least the next 12 months from the date of these condensed interim consolidated financial statements and will be able to meet its obligations as and when they fall due based on the Group's cash flow forecast;

ii. Management will continue to implement comprehensive cost-containment measures and does not expect the Group to have any significant commitments that will require significant cash outflow in the next 12 months other than those incurred in the ordinary course of business;

iii. Management is of the view that the Group will continue to receive support from the short-term loan lender. As announced on 16 July 2021, the short-term loan of US$1,000,000 was partially settled by an amount of US$166,158 and the remaining outstanding loan of US$833,842 will be non-interest bearing, repayable on 31 December 2021 and secured over the Company's remaining 50% plus one share shareholding in TriReme Medical, LLC ("**TMI US**") via entry into a loan deed;

iv. Management has obtained letters of commitment from certain third-party lenders for additional new loans of up to US$2.0 million that can be drawn down by the Group within 18 months from April 2021, if required;

v. On 25 May 2021, the Company announced that it had entered into:

   (a) a conditional sale and purchase agreement in relation to the proposed acquisition by the Company of 60% of the entire issued and paid-up share capital of Asia Dental Group Pte. Ltd. (the "**Proposed Acquisition**"); and

   (b) a subscription agreement with certain investors for the issuance of an aggregate of 4,055,555,556 new shares for an aggregate cash consideration of S$7.3 million (the "**Proposed Subscription**").

   (together with the Proposed Diversification, collectively, the "**Proposed Transactions**")

   The Company is currently working towards achieving the completion of the Proposed Transactions by 30 November 2021 or such other date as the Company and the vendor may mutually agree and will update shareholders on the progress of the Proposed Transactions on SGXNet. Upon completion of the Proposed Transactions, the Company expects to receive net proceeds from the Proposed Subscription of at least S$6.8 million of which approximately 44.1% will be used to partially finance the Proposed Acquisition and the remaining 55.9% will be used for general working capital, all of which are envisaged to allow the Company to operate as a going concern; and

vi. Management continues to explore the possibility of corporate actions involving entering into new business opportunities to generate new sources of revenue and/or fund-raising exercises.

The above considerations are premised on future events which are inherently uncertain. In the event that the Group and the Company are unable to continue as going concerns, the Group and the Company may be unable to discharge their liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at

amounts which could differ significantly from the amounts at which they are recorded in the statement of financial position. In addition, the Group and the Company may have to provide for further liabilities that might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. No such adjustments have been made to these interim condensed consolidated financial statements as at 30 June 2021.

2.2 New and amended standards adopted by the Group

The Group has adopted all the applicable new and SFRS(I) and Interpretations of SFRS(I) ("**INT SFRS(I)**") that are relevant to its operations and effective for annual periods beginning on 1 January 2021. The adoption of these new and revised SFRS(I) and INT SFRS(I) did not result in any substantial change to the Group's accounting policies and had no material effect on the disclosures or amounts reported in these condensed interim consolidated financial statements.

2.3 Use of judgement and estimates

In preparing the condensed interim consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for FY2020.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

In particular, significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the condensed interim consolidated financial statements is:

- Note 9 – impairment test of intangible assets: underlying key assumptions

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Operating segments

Operating segments are defined as components of an enterprise that engage in business activities for which separate financial information is available and evaluated by the chief operating decision maker in deciding how to allocate resources and assessing performance. The Company's chief operating decision maker is its CEO. The CEO reviews financial information presented on a consolidated basis, for purposes of allocating resources and evaluating financial performance. The Group has one business activity and there are no segment managers who are held accountable for operations, or plans for levels or components below the consolidated unit level. Accordingly, the Group operates as a single reportable operating segment.

4. Operating segments (cont'd)

Geographical segments

The Group operates principally in the United States of America and Singapore. In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers and segment assets are based on the geographical location of the non-current assets.

	Revenue		Non-current assets	
	30 June 2021 US$'000	30 June 2020 US$'000	30 June 2021 US$'000	31 December 2020 US$'000
Group				
United States of America	–	191	496	1,483
Singapore	–	–	1,723	371
Europe	–	53	–	–
	–	244	2,219	1,854

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2021 and 31 December 2020:

	Group		Company	
	30 June 2021 US$'000	31 December 2020 US$'000	30 June 2021 US$'000	31 December 2020 US$'000
Financial Assets				
Other non-current assets	36	94	–	–
Amount due from subsidiaries	–	–	10,578	12,201
Cash and bank balances	393	970	11	29
Trade and other receivables (excluding prepayments)	37	354	–	–
	466	1,418	10,589	12,230
Financial Liabilities				
Trade and other payables (excluding accrued payroll and other related costs)	(1,091)	(1,143)	(881)	(712)
Loans and borrowings	(1,000)	(1,000)	(1,000)	(1,000)
Loans due to a subsidiary – capital contribution	–	–	(34,056)	(34,056)
Lease liabilities	158	(45)	–	–
	(1,933)	(2,188)	(35,937)	(35,768)
Net financial liabilities	(1,467)	(770)	(25,348)	(23,538)

6. Revenue from Contracts with Customers

Disaggregation of revenue from contract with customers

The Group's revenue is disaggregated by major product lines and timing of revenue recognition. This is consistent with the segment revenue information as disclosed in Note 4.

	Group 6 months ended	
	30 June 2021 US$'000	30 June 2020 US$'000
Type of good or services		
Sale of goods	–	244
Timing of transfer of good or services		
At a point in time	–	244

7. Loss before taxation

7.1 Significant items

	Group 6 months ended	
	30 June 2021 US$'000	30 June 2020 US$'000
Expenses		
Depreciation of plant and equipment	–	(21)
Amortization of intangible assets	–	(123)
Exchange loss	(3)	(59)
Equity-settled share-based payment transactions	–	77
Interest expense	(59)	(145)

8. Net (Liability)/Asset Value

	Group		Company	
	30 June 2021 US$	31 December 2020 US$	30 June 2021 US$	31 December 2020 US$
Net (liability)/asset value per ordinary share [(1), (2)]	(0.00012)	0.0003	0.005	0.005

Notes:

(1) The net (liability)/asset value per ordinary share of the Group is calculated based on net liabilities of US$259,000 as at 30 June 2021 (31 December 2020: net assets of US$727,000). The net asset value per ordinary share of the Company is calculated based on net assets of US$10.9 million as at 30 June 2021 (31 December 2020: US$11.4 million).

(2) For both the Group and the Company, the net asset value per ordinary share were calculated based on 2,239,453,174 ordinary shares in issue as at 30 June 2021 and 2,235,271,500 ordinary shares in issue as at 31 December 2020.

9. Intangible assets

	Intellectual property US$'000	Developed technology in progress US$'000	Total US$'000
Group			
At 31 December 2020			
Cost	372	1,426	1,798
Accumulated amortisation and impairment	(332)	(2)	(334)
Net book amount	40	1,424	1,464
At 30 June 2021			
Opening net book amount	40	1,424	1,464
Closing net book amount	40	1,424	1,464
Company			
At 31 December 2020			
Opening net book amount	40	–	40
Closing net book amount	40	–	40
At 30 June 2021			
Opening net book amount	40	–	40
Addition	–	1,409*	1,409
Closing net book amount	40	1,409	1,449

* The intangible asset addition of US$1.4 million at the Company level was due to the transfer of the Chocolate Heart™ product line from TMI US following the entry into the Proposed US Transactions.

Recoverability of intangible assets

Chocolate Heart™ product line

As at 30 June 2021, the recoverability of the intangible assets relating to the Chocolate Heart™ product line amounting to US$1.4 million is measured by comparing the carrying amount of the intangible assets to the recoverable amount.

Based on the assessment performed by management as at 30 June 2021, management concluded that there is no impairment loss to be recognised for the intangible assets relating to the Chocolate Heart™ product line as the recoverable amount based on the valuation report dated 9 June 2021 from Cushman and Wakefield VHS Pte Ltd of US$12.75 million was determined to be in excess of the carrying amount as at 30 June 2021 of US$1.4 million.

Notwithstanding the above, the methodology, assumptions and estimates used to determine the future values of the intangible assets are complex and subjective and may be affected by various factors such as the Group's ability to complete the development and to use or sell the intangible assets.

10. Loans and borrowings

	Secured		Unsecured	
	30 June 2021 US$'000	31 December 2020 US$'000	30 June 2021 US$'000	31 December 2020 US$'000
Group and Company				
Amount repayable within one year or less or on demand:				
Loans and borrowings	–	–	1,000	1,000

Details of loans and borrowings

The short-term loan owing to a third-party individual is unsecured and bear a fixed interest of 10% p.a. on the principal amount.

As at 30 June 2021, the short-term loan outstanding was US$1,000,000 (As at 31 December 2020: US$1,000,000).

The loan was due on 15 November 2020 and is repayable on demand and became immediately due when the Group's cash balance fell below US$2 million in accordance with the terms of the loan agreement.

On 16 July 2021, the Company entered into a loan deed with the third-party lender. Please refer to Note 2.1(iii) for more details.

11. Trade and other payables

	Group		Company	
	30 June 2021 US$'000	31 December 2020 US$'000	30 June 2021 US$'000	31 December 2020 US$'000
Trade payables	7	6	–	–
Accruals	1,270	1,409	649	615
Non-trade payables	253	115	232	97
Other payables	56	84	–	–
	1,586	1,613	881	712

12. Share capital

	Group and Company			
	30 June 2021		31 December 2020	
	Number of ordinary shares '000	US$'000	Number of ordinary shares '000	US$'000
Issued and fully paid:				
As at 1 January 2021 and 1 January 2020	2,235,271	173,182	2,235,271	173,182
Shares issued pursuant to exercise of share options under QTV 2013 Share Plan	4,182	19	–	–
As at 30 June 2021 and 31 December 2020	2,239,453	173,201	2,235,271	173,182

The Company do not hold any treasury shares as at 30 June 2021 and 30 June 2020.

The Company's subsidiaries do not hold any shares in the Company as at 30 June 2021 and 30 June 2020.

As at 30 June 2021, the issued and paid-up share capital excluding treasury shares of the Company comprised 2,239,453,174 (31 December 2020: 2,235,271,500) ordinary shares.

13. Outstanding Convertibles

Save as disclosed below, there were no outstanding convertibles held by the Company as at 30 June 2021 and 30 June 2020.

	As at 30 June 2021	As at 30 June 2020
(A) Options[1]		
Number of unexercised Options	59,471,976	84,463,283
Maximum number of shares that may be issued on exercise of all unexercised Options ("**Maximum Issuable Option Shares**")	59,279,976	84,463,283
Maximum Issuable Option Shares as a % of Company's issued share capital as at the end of the respective financial periods	2.6%	3.8%
(B) Share Awards[2]		
Number of Share Awards granted but not yet vested ("**Unvested Share Awards**")	5,488,863	5,905,743
Total number of shares which are the subject of Unvested Share Awards ("**Maximum Issuable Awards Shares**")	5,488,863	5,905,743
Maximum Issuable Awards Shares as a % of Company's issued share capital as at the end of the respective financial periods	0.25%	0.26%

13. Outstanding Convertibles (cont'd)

	As at 30 June 2021	As at 30 June 2020
(C) Warrants[3]		
Number of unexercised Warrants	35,000,000	35,000,000
Maximum number of shares that may be issued on exercise of all unexercised Warrants ("**Maximum Issuable Warrants Shares**")	35,000,000	35,000,000
Maximum Issuable Warrants Shares as a % of Company's issued share capital as at the end of the respective financial periods	1.56%	1.57%
Maximum number of Shares that may be issued on conversion of all Outstanding Convertibles ("Maximum Issuable Shares")	**99,768,839**	**125,369,026**
Maximum Issuable Shares as a % of Company's issued share capital as at the end of the respective financial periods	**4.5%**	**5.6%**

Notes:

1. Options issued under the following share plans:
   i. 2005 Stock Plan of TriReme Medical, LLC, a wholly owned subsidiary of the Group ("**2005 Stock Plan**").
   ii. 2010 Equity Incentive Plan of Quattro Vascular Pte. Ltd., a wholly owned subsidiary of the Group ("**2010 Equity Incentive Plan**").
   iii. 2013 QTV Share Plan.
   iv. 2014 QTV Employee Share Option Scheme.

   The Company had ceased the issuance of options under the 2005 Stock Plan, 2010 Equity Incentive Plan and QTV 2013 Share Plan after the close of placement of shares in relation to its IPO on 25 April 2014.

2. Share awards granted under the QT Vascular Restricted Share Plan 2015.

3. Unlisted warrants issued to GEM Global Yield Fund LLC SCS on 4 May 2017 ("**Warrants**"). Each Warrant carry the right to subscribe for 1 new Share at an exercise price of S$0.10 for each new Share and is exercisable within five years from the date of the agreement – 20 March 2017.

14. Loss per share

Group	6 months ended 30/6/2021	6 months ended 30/6/2020
Loss for the period attributable to owners of the Company **(US$'000)** used to compute:		
- Basic loss per share	(1,060)	(4,755)
- Diluted loss per share	(1,060)	(4,755)
Weighted average number of ordinary shares **('000)** used to compute:		
- Basic loss per share	2,238,020	2,235,271
- Diluted loss per share	2,238,020(1)	2,235,271(1)
Loss per share **(US$)**		
(a) Based on the weighted average number of ordinary shares	(0.0005)	(0.002)
(b) On a fully diluted basis	(0.0005)	(0.002)

Note:

(1) For the six months ended 30 June 2020 and 2021, the basic and diluted loss per share were the same as the outstanding options and warrants are anti-dilutive as the effect of the share conversions for any outstanding options and warrants would be to decrease the loss per share.

15. Subsequent event

Save as disclosed, there are no known subsequent events which have led to adjustments to this set of interim financial statements.

On 16 July 2021, the Company completed the proposed disposal and issuance of shares in TMI US (the "**Proposed US Transactions**"). The financial effects of the Proposed US Transactions have not been included in these interim financial statements for the period ended 30 June 2021. The financial effects will be reflected in the third quarter financial statements ending 30 September 2021 and full year financial statements for 2021.

Other Information Required by Catalist Rule Appendix 7C

A. Review

The condensed consolidated statement of financial position of the Company and its subsidiaries as at 30 June 2021 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and explanatory notes have not been audited or reviewed.

The Company's auditors for the financial year ended 31 December 2020 ("**FY2020**"), Moore Stephens LLP, had issued a disclaimer of opinion on the Group's financial statements for FY2020 as highlighted on pages 47 and 48 of the Company's Annual Report for FY2020.

Update on efforts to resolve accounting issue arising from the latest audited financial statements for FY2020

Efforts taken to resolve each outstanding audit issue are as follows:

(i) Recoverability of the Group's intangible assets

Please refer to Note 9 for management's assessment of the recoverability of the Group's intangible assets as at 30 June 2021.

(ii) Recoverability of the Company's investment in subsidiaries

The Company continues to monitor the carrying amount of its investment in subsidiaries which is linked to the intangible assets valuation assessment indicated in Note 9 as the value of the Company's subsidiaries are supported by the value of the intangible assets held by the respective subsidiaries. As at 30 June 2021, there is no indication of impairment for the investment in subsidiaries based on the value of the intangible assets assessed by management.

(iii) Material uncertainty related to going concern

Please refer to Note 2.1 for the steps taken by management to address the going concern assumption of the Group as at 30 June 2021.

The Board confirms that the impact of the outstanding audit issues on the financial statements have been adequately disclosed.

B. Review of performance of the Group

Condensed interim consolidated statement of profit or loss and other comprehensive income

The Group did not record any revenue and cost of sales for HY2021 as there were no sales to Teleflex, Inc. following the cessation of the product manufacturing and supply agreement as at 31 December 2020.

As a result of the above, the Group did not record any gross loss or profit for HY2021 as compared to a gross loss of US$89,000 in HY2020.

In HY2021, the Group's loss before taxation decreased by US$3.7 million mainly due to the following reasons:

- Our administrative expenses decreased by US$0.3 million in HY2021 mainly due to reduction in overall spending due to progressive cost cutting measures implemented since the financial year ended ("**FY**") 2017;

- There was no research and development expenses incurred upon completion of the disposal of Chocolate Touch® in August 2020 to G Vascular Pte. Ltd.;

- Other income increased mainly due to gain on disposal of fixed assets as well as the recharge of lease and services to Expanse Medical, Inc. ("**Expanse Medical**") in HY2021;

- Net finance cost position decreased by US$142,000 during HY2021 mainly due to (i) foreign exchange loss suffered of US$56,000 from US$59,000 in HY2020 to US$3,000 in HY2021 and (ii) interest expenses accrued for a third-party loan of US$86,000 from US$145,000 in HY2020 to US$59,000 in HY2021; and

- Depreciation of plant and equipment decreased by US$21,000, or 100% in HY2021 as all of the Group's assets were fully depreciated in the prior year.

Condensed interim statements of financial position

	As at 30 June 2021 US$'000	As at 31 December 2020 US$'000	Change %
Non-current assets	2,219	1,854	19.7%
Current assets	563	1,558	(63.9)%
Total assets	2,782	3,412	(18.5)%
Total equity	(276)	754	NM
Non-current liabilities	314	–	100%
Current liabilities	2,744	2,658	(3.2)%
Total liabilities	3,058	2,658	15.0%

Our non-current assets increased by US$365,000 mainly due to:

(i) increase in right-of-use assets in relation to the Group's office rental leases of US$423,000; and
(ii) offset by decrease of other non-current assets of US$58,000 due to decrease in amount of security deposit for leased units.

Our current assets decreased by US$995,000 mainly due to:

(i) decrease in cash and cash equivalents of US$577,000 due to reasons presented in the cashflow analysis below;
(ii) decrease in trade and other receivables of US$418,000 mainly due to collection of trade receivables from customers.

Our non-current liabilities increased by US$314,000 due to the accounting recognition of lease liabilities following the lease renewal by TMI US in March 2021.

Our current liabilities increased by US$86,000 mainly due to:

(i) increase in lease liabilities in relation to the Group's office rental leases of approximately US$113,000; and
(ii) offset by decrease in trade and other payables and accrued expenses of approximately US$27,000.

The Group has undertaken the steps highlighted in Note 2.1 to address the Group's negative working capital of US$2.2 million and deficit in shareholders' equity of US$276,000 as at 30 June 2021. The Board confirms that the Group will be able to meet its short-term debt obligations when they fall due based on the implementation of the aforementioned steps and continue to operate as a going concern and confirmed that all material disclosures have been provided for trading of the Company's shares to continue in an orderly manner.

Condensed interim consolidated statement of cash flows

The Group recorded cash outflows from operating activities of US$469,000 in HY2021 due mainly to payments made to our suppliers and employees of US$1.95 million. The cash outflows from operating activities are partially offset by the receipts from customers amounting to approximately US$1.5 million.

Net cash used in financing activities for HY2021 was approximately US$108,000 which is mainly due to lease payments made during the period to third party lessors.

C. 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.

D. 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.

The global situation in relation to the COVID-19 pandemic is still uncertain with some countries experiencing second and third wave infections. This may have an impact on the Company's future potential strategic plans in respect of fund-raising activities due to the current weak economy and volatile market conditions. However, the Company will continue to monitor our operational business performance and costs and will respond accordingly where appropriate and necessary to adapt to the changing business environment.

The Company continues to actively explore various strategic options and is working towards the completion of the Proposed Transactions. The Company will update shareholders via SGXNET as and when there are any material developments on the aforementioned.

E. Dividend information

(1) 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.

(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.

(2) IF NO DIVIDEND HAS BEEN DECLARED/RECOMMENDED, A STATEMENT TO THAT EFECT AND THE REASON(S) FOR THE DECISION

No dividends have been declared or recommended for the current reporting period as the Company wishes to retain the available funds for its working capital.

F. Interested person transactions

On 30 April 2021, the Company had obtained a general mandate for interested party transactions in respect of future transactions with Expanse Medical, a company wholly-owned by a director of the Company. For HY2021, the transactions under the general mandate with Expanse Medical are individually and in aggregate less than S$100,000 for HY2021.

G. Disclosures on incorporation, acquisition and realization of shares pursuant to Catalist Rule 706A

During HY2021, the Company had obtained shareholders' approval on 25 June 2021 for the Proposed US Transactions which resulted in the shareholding of the Company in TMI US to decrease from 100% to 50% plus one share and was completed on 16 July 2021.

Please refer to the Company's circular dated 10 June 2021 for details of the aforementioned disposal.

Other than the above-mentioned transaction, the Company did not incorporate, acquire or realize any shares in subsidiaries pursuant to Catalist Rule 706A.

H. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7H) under Catalist Rule 720(1)

The Company has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Catalist Rule 720(1) of the Catalist Listing Manual.

By order of the Board of Directors

Eitan Konstantino
Executive Director and
Chief Executive Officer

I. Confirmation by the Board pursuant to Catalist Rule 705(5)

We, the undersigned, hereby confirm to the best of our knowledge that nothing has come to our attention of the Board of Directors of the Company which may render the Group's unaudited condensed interim financial statements for the six-months ended 30 June 2021 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Eitan Konstantino
Executive Director and
Chief Executive Officer

Amir Belson
Independent Chairman

Singapore
13 August 2021

This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. ("Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Ms Lim Hui Ling, 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, sponsorship@ppcf.com.sg.