

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

**RESPONSE TO QUERIES BY THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED DATED
22 APRIL 2021**

1. INTRODUCTION

The Board of Directors ("**Board**") of QT Vascular Ltd (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce its responses to the queries raised by the Singapore Exchange Regulation Pte Ltd (the "**SGX Regco**") on 22 April 2021 in relation to the Company's annual report for the financial year ended 31 December 2020 ("**FY2020**").

2. QUERIES BY SGX REGCO AND COMPANY'S RESPONSES

	SGX Regco queries	Company's responses
Q1	The Group's revenue declined 93% in FY2020 and with the disposal of the Chocolate Touch asset in Aug 2020, what is the Group's main product now that is generating revenue?	<p>The Group currently provides transitional services such as human resources, billing support and assistance in the clinical trial for Chocolate Touch® to G Vascular Private Limited ("G Vascular") following the Chocolate Touch® transaction completed in August 2020 and expects to provide such service to at least Q1 2022 or until such time G Vascular successfully achieves the premarket approval from the United States Food and Drug Administration in relation to the drug coated peripheral product.</p> <p>The provision of the above transitional services also benefits the Company as it will lead to the potential post-closing payments from G Vascular such as the potential royalty payments from sale of the Chocolate Touch® product and/or the proceeds from the sale of Chocolate Touch® asset to other parties. Please refer the Company's circular dated 13 July 2020 for details relating to above.</p>
Q2	What are the Company's plans to turn around the Group's business? Is the continued operations sustainable in the long run?	<p>The Group is finalizing its repayment proposal with its existing lender and third party fund raising negotiations, which upon completion could involve a potential disposal of certain shares in a subsidiary.</p> <p>Further, the Group is in active negotiations with third parties in relation to potential corporate activities involving entering into new business opportunities to generate new sources of revenue and/or fund-raising exercise; all of these efforts are undertaken</p>

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		<p>with a view to ensure continued sustainable operations for the Group in the long run.</p> <p>The Company will update its shareholders as and when it enters into definitive agreements in relation to its proposed corporate actions.</p>
Q3	In view of the Group's negative operating cash flow of US\$5.995 million and cash balance of US\$970K as at 31 Dec 2020, please elaborate on the funds / financing available for its continued operations?	<p>The Board is of the view that funds/financing available would be sufficient for the continued operation of the Group as the Company has undertaken the following initiatives:</p> <p>(i) Continue to reduce its operating costs since FY2017 and has proposed for the Company to adopt an interested person transactions ("IPT") mandate in relation to a cost sharing arrangement with an interested party. The proposed IPT mandate is subject to shareholders' approval at the upcoming extraordinary general meeting to be held on 30 April 2021. This proposed cost sharing plan is expected to reduce the Group's operational costs by at least 20% if the resolution pertaining to the adoption of the proposed IPT mandate is approved by shareholders.</p> <p>(ii) The Company's existing lender has agreed in writing not to seek or demand repayment for the short-term loan to the Company in the next 18 months. Further, the lender also granted indulgence to the Group for the non-compliance of the loan covenant. As stated in the response to question 2 above, the Company is finalizing its repayment proposal with the lender.</p> <p>(iii) The Group has secured committed lines of financing of up to US\$2 million from third-party lenders that can be utilised by the Group in the next 18 months if required for its working capital.</p> <p>(iv) As stated in the response to question 2 above, the Company is currently finalizing its negotiations with a third party in relation to a fund-raising exercise.</p>
Q4	Please provide the Board of Directors' opinion as to whether trading of the Company's shares	As announced on 15 April 2021 by the Company, in relation to the disclaimer of opinion by the Independent Auditors on the

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	should be suspended pursuant to Listing Rule 1303(3) (Going Concern) and the basis for such opinion.	<p>financial statements of the Group on the Company for FY2020, the Board of Directors is of the opinion that the Company can continue to operate as a going concern based on, <i>inter alia</i>, the reasons indicated in paragraph 9 of the Independent Auditor's report.</p> <p>The Company will update its shareholders as and when it enters into definitive agreements in relation to its proposed corporate actions.</p>
Q5	Please provide the Board of Directors' confirmation as to whether sufficient information has been disclosed to enable trading of the Company's shares to continue in an orderly manner and the bases for its views.	<p>The Board confirms that all material disclosures have been provided for trading of the Company's shares in an orderly manner.</p> <p>Please also refer to page 4 of the Company's announcement dated 15 April 2021 entitled '<i>Disclaimer of opinion by the independent auditors on the financial statements of the Group and the Company within the annual report for FY2020</i>' for the Board's confirmation that all material disclosures have been provided for trading of the Company's shares to continue in orderly manner.</p> <p>The Company is also committed to make all necessary disclosures on SGXNet as and when it is required for the shareholders of the Company to make an informed decision.</p>
Q6	Did the auditors review the cash flow forecast and assumptions adopted? What are the auditors' views and justifications on the reasonableness of the assumptions, and as a result, the material uncertainty with regards to going concern.	<p>As part of their audit procedures, the auditors have discussed with management the Group's business plan and financing requirements as disclosed in paragraph 9 of the Independent Auditor's report, including the possibility of entering into new business opportunities and/or fund-raising exercises. These considerations underlie the assumptions used in the cash flow forecast that was provided to auditors, and which the auditors have evaluated and concluded that management's use of the going concern basis of accounting is appropriate in the circumstance.</p> <p>However, notwithstanding the above, as disclosed in the Independent Auditor's report, these assumptions are premised on future events which are inherently uncertain. Accordingly, the auditors have described the circumstances that led to the material</p>

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		uncertainty under the heading "Material Uncertainty Related to Going Concern".
Q7	What are the Sponsor's opinion on whether the Group is able to continue as a going concern. Please provide justifications.	The Sponsor believes the Board's opinions in relation to the Group's ability to continue to operate as a going concern is reasonable having considered the Board's bases set out in the response to question 4 above and discussions with the Independent Auditors in relation to their audit work performed and their audit opinion as detailed in the response to question 6 above.

By Order of the Board
QT VASCULAR LTD.

Eitan Konstantino
Chief Executive Officer
23 April 2021

*This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "**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 document, including the correctness of any of the statements or opinions made or reports contained in this document.*

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