

CIRCULAR DATED 28 JANUARY 2022

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, accountant, solicitor or other professional adviser immediately.

If you have sold or transferred all your shares in the capital of The Trendlines Group Ltd. (**Company**) represented by physical share certificate(s), you should immediately forward this Circular together with the Notice of Special General Meeting and the accompanying Proxy Form immediately to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or the transferee.

This Circular 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 (**SGX-ST**) and the SGX-ST 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.

The contact person for the Sponsor is Mr. Shervyn Essex, 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, sponsorship@ppcf.com.sg.

This Circular has been made available on SGXNet at <https://www.sgx.com/securities/company-announcements> and may be accessed via the Company's website at <https://www.trendlines.com/investors/investors-news/>. A printed copy of this Circular will NOT be despatched to shareholders. Due to the current COVID-19 restriction orders in Singapore, shareholders will not be able to physically attend the Special General Meeting (**SGM**). Instead, alternative arrangements have been put in place to allow shareholders to participate at the SGM by (a) observing and/or listening to the SGM proceedings via the live audio-visual webcast and live audio-only stream (**Live Webcast**); (b) submitting questions in advance of the SGM; (c) submitting text-based questions via the Live Webcast at the SGM; and (d) live voting or appointing proxy(ies) to attend and vote on their behalf at the SGM.

Please refer to the Notice of SGM set out on pages N-1 to N-6 of the Circular for further information, including the steps to be taken by shareholders to participate at the SGM.



THE TRENDLINES GROUP LTD.
(Incorporated in Israel)
(Company Registration Number: 513970947)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

- 1. THE PROPOSED RE-ELECTION OF PROFESSOR HANG CHANG CHIEH AS AN EXTERNAL DIRECTOR OF THE COMPANY;**
- 2. THE PROPOSED RE-ELECTION OF MS. ELKA NIR AS AN EXTERNAL DIRECTOR OF THE COMPANY; AND**
- 3. THE PROPOSED SUBSCRIPTION OF AN AGGREGATE OF 168,918,912 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AT THE SUBSCRIPTION PRICE OF S\$0.12 PER SHARE BY THE SUBSCRIBERS IN EIGHT (8) EQUAL TRANCHES BASED ON THE ALLOCATION.**

Independent Financial Adviser to the Audit Committee in relation to the Proposed Subscription by LH as an Interested Person Transaction



XANDAR CAPITAL PTE. LTD.
(Incorporated in the Republic of Singapore)
(Company Registration No. 200002789M)

IMPORTANT DATES AND TIMES:

Last Date and Time for Lodgement of Proxy Forms	:	Wednesday, 2 March 2022 at 3:00 p.m. (Singapore time)
Date and Time of Special General Meeting	:	Friday, 4 March 2022 at 3:00 p.m. (Singapore time)
Place of Special General Meeting	:	The SGM will be held by way of electronic means through Live Webcast

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DEFINITIONS

In this Circular, the following definitions apply throughout unless the context otherwise requires:

ADS(s)	:	The Company's sponsored Level 1 American Depository Shares
Allocation	:	The aggregate number of Ordinary Shares allocated to the Subscribers, as set out in Section 3.3(a) of this Circular
associate	:	(a) in relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means: <ul style="list-style-type: none">(i) his immediate family;(ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and(iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; (b) in relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
Audit Committee	:	The audit committee of the Company for the time being
Avztim	:	Avztim LLC, one of the Subscribers of the Proposed Subscription, details of which are set out in Section 3.3 of this Circular
Board or the Board of Directors	:	The board of Directors of the Company
Business Day	:	A day (excluding Saturday, Sunday or a public holiday) on which commercial banks are open for business in both Singapore and Israel
Catalist	:	The Catalist Board of the SGX-ST
Catalist Rules	:	Listing Manual Section B: Rules of Catalist of the SGX-ST, as amended, modified or supplemented from time to time
CDP	:	The Central Depository (Pte) Limited
Circular	:	This circular to Shareholders dated 28 January 2022
Companies Law	:	The Israeli Companies Law 5759-1999, as amended, modified or supplemented from time to time
Company	:	The Trendlines Group Ltd.

DEFINITIONS

Completion	:	Completion of the Proposed Subscription in accordance with the terms of the Subscription Agreements and where the context admits, the completion of the subscription of each of the eight (8) equal tranches of the Ordinary Shares
Completion Date	:	Has the meaning ascribed to it in Section 4.3 of this Circular
Consideration	:	Has the meaning ascribed to it in Section 3.1 of this Circular
Controlling Shareholder	:	<p>As defined in the Catalist Rules, a person who:</p> <p>(a) holds directly or indirectly 15% or more of the nominal amount of all voting shares in the Company (unless otherwise determined by the SGX-ST); or</p> <p>(b) in fact exercises control over the Company,</p> <p>or may, where the context so requires, have the meaning as defined in the Companies Law, being a Shareholder with the ability to direct the activities of the Company, other than by virtue of being a director or holding any other position with the Company. A Shareholder is presumed to be a Controlling Shareholder if he holds 50.0% or more of the "means of control" in the Company. The term means of control is defined under the Israeli Securities Law as voting rights in the Company's general meeting or the right to appoint the directors of the Company or its general manager.</p> <p>With respect to certain matters, a controlling shareholder is deemed to include a shareholder that holds 25.0% or more of the voting rights in a public company if no other shareholder holds more than 50.0% of the voting rights in such company. With respect of holding, two or more person who hold voting rights in the company and each of whom has a personal interest in the approval of the same transaction that is up for approval by the company shall be treated as one holder</p>
Depository	:	The Bank of New York Mellon
Directors	:	The directors of the Company as at the Latest Practicable Date
Disinterested Majority	:	A simple majority of votes of the Shareholders which satisfies one of the following conditions: (a) at least a majority of the Shares held by all Shareholders who are not Controlling Shareholders (as defined in the Companies Law) and who do not have a personal interest in such resolution (other than a personal interest which is not derived from a relationship with a Controlling Shareholder), present and voting at such meeting (and without including any abstaining votes) or (b) the total number of Shares of non-Controlling Shareholders (as defined in the Companies Law) and Shareholders who do not have a personal interest in such resolution voting against the resolution does not exceed 2.0% of the aggregate voting rights in the Company
Early Payment	:	Has the meaning ascribed to it in Section 4.3 of this Circular
EPS	:	Earnings per Share

DEFINITIONS

Exception	:	Has the meaning ascribed to it in Section 4.2 of this Circular
External Director(s)	:	External director(s) as defined under the Companies Law
Completion Date	:	Has the meaning ascribed to it in Section 4.2 of this Circular
FEA Innovations	:	FEA Innovations LLC, one of the Subscribers of the Proposed Subscription, details of which are set out in Section 3.3 of this Circular
FY2020	:	Financial year ended 31 December 2020
Giza VC Fund	:	Has the meaning ascribed to it in Section 2.2 of this Circular
Group	:	The Company and its subsidiaries
IFA or Independent Financial Adviser	:	Xandar Capital Pte. Ltd., being the independent financial adviser in relation to the Proposed Subscription by LH
IFA Letter	:	The letter dated 28 January 2022 from the IFA to the Audit Committee (as at the Latest Practicable Date) in relation to the Proposed Subscription by LH, appended as <u>Appendix B</u> to this Circular
Indemnifying Party	:	Has the meaning ascribed to it in Section 4.5 of this Circular
Installments	:	Has the meaning ascribed to it in Section 3.1 of this Circular
Latest Audited NTA	:	The Group's latest audited net tangible assets of US\$96.3 million as at 31 December 2020
Latest Practicable Date	:	25 January 2022, being the latest practicable date prior to the date of this Circular
LH	:	Librae Holdings Limited, a Controlling Shareholder and one of the Subscribers of the Proposed Subscription, details of which are set out in Section 3.3 of this Circular
Listing Approval	:	The listing and quotation notice for the listing and quotation on the Catalist of the Ordinary Shares
Live Webcast	:	The live audio-visual webcast and live audio-only stream of the SGM proceedings
Ms. Nir	:	Ms. Elka Nir, one of the directors of the Board as at the Latest Practicable Date
Nominating Committee	:	The nominating committee of the Company for the time being
Net Proceeds	:	Has the meaning ascribed to it in Section 6 of this Circular
NTA	:	Net tangible assets
NUS	:	The National University of Singapore
Offer Document	:	The Company's offer document dated 16 November 2015

DEFINITIONS

Ordinary Shares	:	168,918,912 Shares to be allotted and issued by the Company to the Subscribers under the Proposed Subscription
Palm Tree	:	Palm Tree IV, LLC, one of the Subscribers of the Proposed Subscription, details of which are set out in Section 3.3 of this Circular
Professor Hang	:	Professor Hang Chang Chieh, one of the directors of the Board as at the Latest Practicable Date
Proposals	:	Has the meaning ascribed to it in Section 1.1(c) of this Circular
Proposed Re-Election	:	Has the meaning ascribed to it in Section 1.1(b) of this Circular
Proposed Subscription	:	Has the meaning ascribed to it in Section 1.1(c) of this Circular
Proxy Form	:	The proxy form in respect of the SGM as attached to this Circular
Remuneration Committee	:	The remuneration committee of the Company for the time being
Remuneration Regulations	:	The Remuneration Regulations, as promulgated under the Companies Law
SFA	:	Securities and Futures Act 2001 of Singapore, as amended, modified or supplemented from time to time
SGM	:	The special general meeting of the Company to be held on Friday, 4 March 2022 at 3:00 p.m. (Singapore time), notice of which is set out in this Circular
SGX-ST	:	Singapore Exchange Securities Trading Limited
Share Registrar	:	Boardroom Corporate & Advisory Services Pte. Ltd.
Shareholders	:	Registered holders of Shares except that where the registered holder is CDP, the term Shareholders shall, in relation to such Shares and where the context admits, mean the Depositors whose securities accounts are credited with Shares
Shareholders' Approval	:	Has the meaning ascribed to it in Section 3.1 of this Circular
Shares	:	Ordinary shares in the capital of the Company
Special Majority	:	A simple majority of votes of the Shareholders which satisfies one of the following conditions: (a) at least a majority of the Shares held by all Shareholders who do not have a personal interest in such resolution, present and voting at such meeting (and without including any abstaining votes) or (b) the total number of Shares who do not have a personal interest in such resolution voting against the resolution does not exceed 2.0% of the aggregate voting rights in the Company
Sponsor	:	PrimePartners Corporate Finance Pte. Ltd.
Subscribers	:	The persons identified under Section 3.3 of this Circular
Subscription Price	:	S\$0.12 per Ordinary Share

DEFINITIONS

<i>Substantial Shareholder</i>	:	A person (including a corporation) who holds directly or indirectly 5% or more of the issued share capital of the Company
<i>Subscription Agreements</i>	:	The conditional subscription agreements dated 19 January 2022 entered into between the Company and the Subscribers in relation to the Proposed Subscription (as may be amended, modified and/or supplemented from time to time)
<i>Survival Period</i>	:	Has the meaning ascribed to it in Section 4.5(a) of this Circular
<i>US Subscribers</i>	:	FEA Innovations, Palm Tree and Avztim, collectively
<u><i>Currencies, units and others</i></u>		
<i>NIS</i>	:	Israeli New Shekel
<i>S\$</i>	:	Singapore dollars
<i>US\$ and cents</i>	:	United States dollars and cents, respectively
<i>%</i>	:	Per centum or percentage

The expression ***subsidiaries*** shall have the meaning ascribed to it in the Companies Law.

The terms Depositor, Depository, Depository Agent, Depository Register and Sub-Account Holder shall have the meanings ascribed to them, respectively, in Section 81SF of the SFA.

Words importing the singular shall, where applicable, include the plural and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the SFA or the Catalist Rules, or any statutory modification thereof and not otherwise defined in this Circular shall have the same meaning assigned to it under the SFA or the Catalist Rules, or any statutory modification thereof, as the case may be.

Any reference to a time of day in this Circular is made by reference to Singapore time unless otherwise stated.

Any discrepancies in the tables in this Circular between the listed amounts and the totals thereof are due to rounding.

Any reference in this Circular to we, our, us or their other grammatical variations is a reference to our Company, or our Group, or any member of our Group, as the context requires.

LETTER TO SHAREHOLDERS

THE TRENDLINES GROUP LTD.

(Incorporated in Israel)
(Company Registration Number: 513970947)

Directors:

David Todd Dollinger (Chairman, and Chief Executive Officer)
Stephen Louis Rhodes (Chairman, and Chief Executive Officer)
Zeev Bronfeld (Non-Independent Non-Executive Director)
Elka Nir (Lead Independent Director)
Stephen Philip Haslett (Independent Director)
Hang Chang Chieh (Independent Director)
Sin Boon Ann (Independent Director)

Registered Office:

17 T'chelet Street
Misgav Industrial Park
2017400
Israel

28 January 2022

To: The Shareholders of The Trendlines Group Ltd.

Dear Sir/Madam

1. INTRODUCTION

1.1 SGM

The Directors are proposing to convene the SGM to be held by electronic means on 4 March 2022 to seek Shareholders' approval in relation to the following matters:-

- (a) (Ordinary Resolution 1) The proposed re-election of Professor Hang as an External Director of the Company;
- (b) (Ordinary Resolution 2) The proposed re-election of Ms. Nir as External Director of the Company,

(collectively, the **Proposed Re-Election**);
- (c) the proposed Subscription of an aggregate of 168,918,912 new Shares at the Subscription Price of S\$0.12 per Share by the Subscribers in eight (8) equal tranches based on the Allocation, on the terms and subject to the conditions of the Subscription Agreements (**Proposed Subscription**), comprising:
 - (i) (Ordinary Resolution 3) 99,099,096 new Shares to LH; and
 - (ii) (Ordinary Resolution 4) 69,819,816 new Shares to the US Subscribers,

(collectively, the **Proposals**).

1.2 Circular

The purpose of this Circular is to provide Shareholders with information relating to the Proposals and to seek the approval of Shareholders in relation thereto at the forthcoming SGM. The Notice of SGM is set out on pages N-1 to N-6 of this Circular. This Circular has been prepared solely for the purpose set out herein and may not be relied upon by any persons (other than Shareholders) nor for any other purpose.

LETTER TO SHAREHOLDERS

1.3 Legal Adviser

Drew & Napier LLC is the legal adviser to the Company as to Singapore law in relation to the Proposed Subscription.

2. RE-ELECTION OF EXTERNAL DIRECTORS

2.1 Background

Under the Companies Law, the shareholders of public companies must elect, by a Disinterested Majority, at least two (2) members of the board of directors who qualify as "External Directors" under the Companies Law. Each External Director is appointed for a term of three (3) years, which may be extended for two (2) additional terms of three (3) years each, subject to the requirement of the Companies Law. In addition, under the Companies Law, all of the External Directors of a company must serve on its Audit Committee and Remuneration Committee, and at least one External Director must serve on each other committee of the Board of Directors.

Ms. Nir and Professor Hang are the Company's External Directors under the Companies Law. The current term of office of both Ms. Nir and Professor Hang will expire on 24 February 2022. The Board is pleased to inform the Shareholders that Ms. Nir and Professor Hang have been nominated to serve as the Company's External Directors in accordance with the Companies Law for an additional period of three (3) years, with effect from 24 February 2022. Under the Companies Law, a resolution to appoint External Directors must be adopted by a Disinterested Majority of the votes cast at a general meeting. It is to be noted that both Ms. Nir and Professor Hang will cease to be the directors of the Company with effect from 24 February 2022 and shall not participate as a Board member of the Company respectively until such re-election at the SGM is approved by the Shareholders. Notwithstanding that the current terms of Ms. Nir and Professor Hang expires on 24 February 2022, upon re-election at the SGM, both Ms Nir and Professor Hang shall continue to remain as External Directors with effect from 24 February 2022.

Under the Companies Law, at least one (1) of the External Directors must have "accounting and financial expertise" and the rest of the External Directors must have either "professional competence" or "accounting and financial expertise". The conditions and criteria for a director qualifying as having accounting and financial expertise or professional competence are set out in regulations adopted under the Companies Law. In this regard, the Board is charged with determining whether a director possesses accounting and financial expertise or professional qualifications. For further details regarding the requirements of the Companies Law in relation to appointment of an External Director, please refer to pages 297-300 of the Offer Document.

According to the Remuneration Regulations, External Directors are generally entitled to an annual fee, a participation fee for each meeting of the Board or any committee of the Board of Directors on which he or she serves as a member, and reimbursement of travel expenses for participation in a meeting which is held outside of the External Director's place of residence. The minimum, fixed and maximum amounts of the annual and participation fees are set forth in the Remuneration Regulations, based on the classification of a company according to the amount of its capital. A company may also compensate an External Director in shares or rights to purchase shares, other than convertible debentures which may be converted into shares, subject to certain limitations.

According to the Remuneration Regulations, the remuneration of External Directors will not be amended throughout the three-year period during which he or she is in office. The Board, at its meeting held on 8 November 2018, and Shareholders, at the general meeting held on 13 February 2019, resolved that during their second term of service as External Directors, the External Directors shall following their first term continue to receive remuneration in the form of the fixed amounts of the annual fees set forth in the Remuneration Regulations and the same participation fees per meeting paid to them up to the date of convening this SGM, based on the classification of the Company according to the size of its capital.

LETTER TO SHAREHOLDERS

As at the Latest Practicable Date, the remuneration of External Directors are as follows:

- (a) NIS 68,505 (approximately S\$28,772)¹ as an annual fee;
- (b) NIS 2,575 (approximately S\$1,082)¹ as in-person participation fee,
- (c) NIS 1,545 (approximately S\$649)¹ for conference call participation;
- (d) NIS 1,288 (approximately S\$541)¹ for written resolutions, and
- (e) reimbursement of travel expenses for participation in a meeting which is held outside of the External Director's place of residence.

The Directors are also entitled to indemnification and exculpation from the Company as detailed in pages 275-281 of the Offer Document. The Company's Remuneration Committee and Board, at their separate meetings held 21 December 2021, resolved that the External Directors shall continue to receive remuneration in the form of such fixed amounts. In addition, the Company intends to approve in a separate special general meeting the grant to each of the External Directors (and other non-executive directors) options exercisable to convert into ordinary shares of the Company, at a grant value of up to US\$35,000 (calculated based on the Black-Scholes model), in accordance with The Trendlines 2015 Share Option Plan.

Based on, *inter alia*, the business and working experience of each of the proposed External Directors as described below, the Board has determined that Ms. Nir has "accounting and financial expertise" and Professor Hang has "professional competence" as required under the Companies Law. If re-elected, Ms. Nir will remain as Lead Independent Director, Chairman of the Company's Audit Committee and Remuneration Committee and a member of the Company's Nominating Committee, and Professor Hang will remain as a member of the Company's Audit Committee, Remuneration Committee and Nominating Committee. Both Ms. Nir and Professor Hang will be considered independent for the purpose of Rule 704(7) of the Catalyst Rules. There are no relationships (including immediate family relationships) between Ms. Nir and the other Directors, or the Company, or its 10% Shareholders. Additionally, there are no relationships (including immediate family relationships) between Professor Hang and the other Directors, or the Company, or its 10% Shareholders. Ms. Nir and Professor Hang have abstained from voting on any board resolution in respect of their proposed re-appointment as an External Director of the Company.

The Company's Nominating Committee (with Ms. Nir and Professor Hang abstaining from all discussions and decisions concerning their respective appointments) has reviewed, at its meeting held on 21 December 2021, the experience, independence, and the past and contemplated contribution of each of Ms. Nir and Professor Hang and resolved that each of Ms. Nir and Professor Hang provide to the Company beneficial service and advice. Moreover, given the Company's nature of business and scope of activities, and the fact that the Company is a company incorporated under Israeli law, managed in Israel, and listed on the Catalist of SGX-ST, and considering the specific expertise and understanding expected from, and provided by each of Ms. Nir and Professor Hang, the Company's Nomination Committee is of the opinion that the Company and its Shareholders shall benefit from the service of each of Ms. Nir and Professor Hang as External Directors of the Company.

2.2 Information on Ms. Nir

Ms. Nir is the founder and CEO of E.LeadIN Ltd., a company that provides business, strategy, marketing, strategic alliances, and investment consultancy services. In addition, she is the CEO of Carmel Ltd. (the economic corporation of Haifa University, Israel), where she is responsible for, among other things, leading commercial and business activities and where she founded

¹ For illustrative purposes, based on an NIS/S\$ foreign exchange rate of 0.42 as of 25 January 2022.

LETTER TO SHAREHOLDERS

and serves as the CEO of Carmel Innovations Ltd., a micro fund that invests in projects from Haifa University, Israel. She holds directorships in Carmel Innovations Ltd.'s subsidiaries as well as in several other companies. She served as the VP marketing, sales, and customer support at a subsidiary of GE Medical before joining General Electric Medical, Israel, as their VP engineering and research. She was the COO and director of development and operations at Biosense Webster (Israel), Ltd., a subsidiary of Johnson & Johnson. She was the managing director and general partner of Giza Venture Capital Fund (**Giza VC Fund**), a venture capital fund that invests in innovative high-tech and life sciences companies and where she was a member of Giza VC Fund's investment committee and had strong connections to its global investors, specifically in Asia. Ms. Nir served as a board director and investment committee member at Van Leer Technology Ventures, a technological incubator that invests in innovative medical and information technology companies. She received her BSc in computer sciences from the Technion Israel Institute of Technology and her diploma (magna cum laude) in business administration from the University of Haifa, Israel.

2.3 Information on Professor Hang

Professor Hang is currently the executive director of the Institute for Engineering Leadership at NUS, a position he has served in since its founding in 2011. Professor Hang worked as a computer and systems technologist in the Shell Eastern Petroleum Company (Singapore) and the Shell International Petroleum Company (The Netherlands) from 1974 to 1977 before joining NUS. Professor Hang served in various positions in NUS, including as the Vice-Dean of Engineering, head of the Department of Electrical Engineering and Deputy Vice Chancellor (Research and Business Ventures). Professor Hang was seconded to the Agency for Science, Technology and Research (**A*STAR**) and acted as A*STAR's executive deputy chairman. Upon completion of the secondment to A*STAR, Professor Hang returned to NUS in January 2004 as the Founding Director of the Centre for Management of Science and Technology, Faculty of Engineering. He served as the founding head, Division of Engineering & Technology Management, Faculty of Engineering, NUS, from 2007 to 2016. Professor Hang has served as a board member of several public organizations, including his appointment as the founding deputy chairman of Singapore's National Science and Technology Board, founding chairman of the Intellectual Property Office of Singapore, founding chairman of the IP Academy of Singapore, and a member of the board of trustees of the Singapore Institute of Technology. Professor Hang received his PhD in control engineering from the University of Warwick and a BEng (Hons) from NUS.

Please refer to **Appendix A** of this Circular for further information on Ms. Nir and Professor Hang as required to be disclosed under Appendix 7F of the Catalist Rules.

3. THE PROPOSED SUBSCRIPTION

3.1 Background and Ordinary Shares

The Board refers to the announcement made by the Company on 19 January 2022 in relation to the Company's entry into the respective conditional Subscription Agreements with the Subscribers, pursuant to which the Subscribers have agreed to subscribe for an aggregate of 168,918,912 Ordinary Shares in eight (8) equal tranches based on the Allocation at the Subscription Price for an aggregate consideration of S\$20,270,269² (the **Consideration**), on the terms and subject to the conditions of the Subscription Agreements.

The Proposed Subscription will be completed in eight (8) equal tranches based on the Allocation (each, an **Installment** and collectively the **Installments**). As at the Latest Practicable Date, the Company has an issued and paid-up share capital of 791,191,382 Shares. Assuming all Ordinary Shares are issued, the Ordinary Shares will represent approximately 21.35% of the existing issued and paid-up share capital of the Company as at the Latest Practicable Date and

² Approximately US\$15,000,000 based on the exchange rate as of 19 January 2022 of 0.74 US\$/S\$.

LETTER TO SHAREHOLDERS

will represent approximately 17.59% of the enlarged issued and paid-up share capital of the Company of 960,110,294 Shares following Completion. The Company does not hold any shares in treasury and does not have any subsidiary holdings.

The Ordinary Shares in relation to the US Subscribers are to be issued to the Depositary for the purposes of issuing to the US Subscribers the ADS(s). The Ordinary Shares, when allotted and issued, are duly authorised, validly issued and credited as fully paid-up, free from any and all encumbrances, listed and tradable on the SGX-ST and rank *pari passu* with all other existing Shares at the time of the issue with all rights and benefits attaching thereto, other than restrictions on the US Subscribers to hold the Ordinary Shares until they are registered with the Securities and Exchange Commission of the United States of America and qualified by state authorities, or an exemption from such registration or qualification requirements is available. The Ordinary Shares will not rank for any dividends, rights, allotments, distributions or entitlements, the record date for which falls before the date of issue of the Ordinary Shares.

The Proposed Subscription will not result in a transfer of controlling interest of the Company and there are no share borrowing arrangements for the Proposed Subscription.

The Company will not be relying on the general share issue mandate granted by Shareholders at the annual general meeting of the Company held on 22 April 2021, as the Company is required to seek shareholders' approval for the issuance of Ordinary Shares to LH. The Company will be seeking specific shareholders' approval (**Shareholders' Approval**) for the allotment and issue of the Ordinary Shares at the SGM to be convened by electronic means via Live Webcast. For more details, please refer to Sections 11 and 12 of this Circular.

For the sake of caution only, since at the Latest Practicable Date, the shareholdings of LH and Avztim are collectively 25.31% of the voting rights in the Company and the Proposed Subscription with LH and the US Subscribers is under similar terms and executed almost at the same time, it may be argued that they have personal interest in the Proposed Subscription of each other and accordingly be regarded as a Controlling Shareholder under the Companies Law for this specific transaction. Accordingly, for the sake of caution only under the Companies Law, the Proposed Subscription shall require approval by a Special Majority.

3.2 Rationale for the Proposed Subscription

The purpose of the Proposed Subscription is to meet the Group's anticipated general working capital requirement and direct and indirect investments into new, prospective or existing portfolio companies, allowing potential expansion of its investment activities. Given the capital-intensive nature of the Group's business, and the unpredictability of its cash flows, the Company believes it is in its best interests to have more cash for operations and investment.

Notwithstanding that the Proposed Subscription shall be carried out in eight (8) equal Installments (as opposed to one lumpsum payment), the Board is of the view that the Proposed Subscription is a good fund-raising option and is in the best interests of the Company, given that:

- (a) the Ordinary Shares will be issued to the Subscribers at the Subscription Price, which is at a premium to the prevailing market price of the Company's Shares prior to the signing of the Subscription Agreements;
- (b) the Company is regularly exploring new investment opportunities, some of which may not be available immediately, but which may present themselves at periodic times in the future. Hence the regular and the certainty of the fixed proceeds from each Installment will allow the Company to explore such opportunities if and when they arise; and
- (c) the Company may still receive the full amount of the Consideration at any time prior to the eight (8) Installments, given that the Subscribers have an option to make Early Payment to the Company prior to the respective Completion Dates.

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3.3 Information on the Subscribers

- (a) The aggregate number of Ordinary Shares to be subscribed for by each Subscriber with the respective consideration to be paid by each Subscriber is set out below:

Name of Subscriber	Aggregate number of Ordinary Shares subscribed over eight (8) equal tranches (<i>Allocation</i>)	Aggregate Consideration (\$)	As a percentage of the existing share capital ⁽¹⁾	As a percentage of the enlarged share capital following Completion ⁽²⁾
LH	99,099,096	11,891,892	12.53%	10.32%
FEA Innovations	28,153,152	3,378,378	3.56%	2.93%
Palm Tree	28,153,152	3,378,378	3.56%	2.93%
Avztim	13,513,512	1,621,621	1.71%	1.41%
Total:	168,918,912	20,270,269⁽³⁾	21.35%	17.59%

Notes:

- (1) Based on the total number of 791,191,382 issued Shares as at the Latest Practicable Date.
- (2) Based on the enlarged issued share capital of the Company comprising 960,110,294 Shares immediately after Completion, assuming all eight (8) equal tranches of the Ordinary Shares have been fully subscribed and none of the Subscribers dispose of its Ordinary Shares prior to Completion.
- (3) Approximately US\$15,000,000 based on the exchange rate as of 19 January 2022 of 0.74 US\$/S\$.

(b) Details of the Subscribers

(i) **LH**

As at the Latest Practicable Date, LH holds 23.03% of shareholding interests in the Company and is a Controlling Shareholder. LH is owned by the Geneva Trust Company (GTC) SA as trustees of The Tchenguiz Three Trust, the sole discretionary beneficiary of which is Mr. Vincent Tchenguiz.

(ii) **FEA Innovations**

FEA Innovations is a limited liability company incorporated in Mississippi on 19 November 2018, with its principal office address at 400 Madison Avenue, Suite 11A, New York, NY 10017. FEA Innovations is in the principal business of investment holdings. The sole member of FEA Innovations is Andrew Intrater, a private investor.

(iii) **Palm Tree**

Palm Tree is a limited liability company incorporated under the law of the Commonwealth of Virginia on 1 April 2019, with its registered office at 3901 Centerview Drive, Ste L, Chantilly, 20151-0000, Virginia, United States. Palm Tree is in the principal business of investment holdings. The sole member of Palm Tree is Tracy Augustine, a private investor.

(iv) **Avztim**

Avztim is a limited liability company incorporated in the State of Nevada on 20 December 2002, with its registered office at 2533 North Carson Street, Carson City, Nevada 89706. Avztim is in the principal business of investment holdings. The sole member of Avztim is Elisha Gilboa, a private investor.

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The US Subscribers are corporate entities held by the respective private investors as mentioned above who have been acquainted with the Company through their previous investments in the Company's portfolio companies, as the sole member of each of the US Subscribers had co-invested in some of the Company's portfolio companies as minority investors. The Subscribers wish to participate in the Proposed Subscription as an investment opportunity upon considering the potential growth prospects of the Group and have agreed to subscribe for the Ordinary Shares on the terms of the Subscription Agreements.

- (c) The Subscribers have confirmed to the Company that they are subscribing for the Ordinary Shares for their own account for investment and will not hold any Ordinary Shares on behalf of, act as nominee for, or hold such Ordinary Shares on trust for, any person within the categories of persons set out in Rule 812(1) of the Catalist Rules.
- (d) As at the Latest Practical Date and save as disclosed, and save for LH, which is the Controlling Shareholder of the Company under the Catalist Rules, the Subscribers do not have any connection (including business relationships) with the Substantial Shareholders or the Directors, or their respective associates. The Subscribers (other than LH, whose current shareholding as at the Latest Practicable Date is 23.03%) do not currently intend to acquire additional Shares (other than pursuant to the Proposed Subscription) such that their respective shareholdings in the Company will reach 15% or more of the enlarged issued share capital of the Company. The Subscribers are also not related to one another.

3.4 Shareholding Interests of the Subscribers

The table below sets out the shareholdings of the Subscribers as at the Latest Practicable Date and assuming all eight (8) equal tranches of the Ordinary Shares have been fully subscribed by all the Subscribers:

	As at the Latest Practicable Date ⁽¹⁾				Assuming all eight (8) equal tranches have been fully subscribed by all the Subscribers ⁽²⁾			
Name of Subscriber	Direct Interest	%	Deemed Interest	%	Direct Interest	%	Deemed Interest	%
LH	182,236,191	23.03	-	-	281,335,287	29.30	-	-
FEA Innovations ⁽³⁾	-	-	-	-	-	-	28,153,152	2.93
Palm Tree ⁽³⁾	-	-	-	-	-	-	28,153,152	2.93
Avztim ⁽³⁾	-	-	18,000,000	2.28	-	-	31,513,512	3.28
The Bank of New York Mellon as the ADSs Depository Bank ⁽³⁾	59,571,121	7.53	-	-	129,390,937	13.48	-	-

Notes:

- (1) Based on the total number of 791,191,382 issued Shares.
- (2) Based on the enlarged issued share capital of 960,110,294 issued Shares immediately after Completion, assuming all eight (8) equal tranches of the Ordinary Shares have been fully subscribed and none of the Subscribers dispose of its Ordinary Shares prior to Completion.
- (3) As disclosed in this Circular, the Ordinary Shares to be subscribed by the US Subscribers will be issued to the Depository, for the purposes of issuing to the US Subscribers the ADS(s).

4. PRINCIPAL TERMS OF THE PROPOSED SUBSCRIPTION

4.1 Subscription Price

The Subscription Price of S\$0.12 per Share represents:

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- (a) a premium of approximately 15% to the weighted average price of S\$0.1040 per Share in the capital of the Company based on the trades done on the SGX-ST on 19 January 2022, being the full market day on which the Subscription Agreements were signed; and
- (b) a premium of approximately 12% to the prevailing market price of S\$0.107 per Share prior to the signing of the Subscription Agreements.

The Subscription Price was commercially agreed between the Company and the Subscribers on a willing-buyer, willing-seller basis after arm's length negotiations, after taking into account, *inter alia*, the terms of the Proposed Subscription, such as the Subscribers (i) being allowed to participate in the Proposed Subscription in eight (8) equal Installments; and (ii) having the option to make an Early Payment by the Subscribers. For more details, please refer to Section 4.3 of this Circular.

4.2 Conditions Precedent

The obligations of the Company and the Subscribers under the respective Subscription Agreements are conditional upon the performance by such parties of their obligations under the respective Subscription Agreements and also upon the following:

- (a) Shareholders' Approval being obtained and not having been revoked or amended;
- (b) SGX-ST or any other authority not having notified the Company of any reason why the Company should not allot and issue the Ordinary Shares, and the Listing Approval being obtained from the SGX-ST and not having been revoked or amended and, where such approval is subject to conditions, to the extent that any conditions for the listing and quotation of the Ordinary Shares on the SGX-ST are required to be fulfilled on or before Completion Date, they are so fulfilled;
- (c) the exemption under Section 272B of the SFA being applicable to the Proposed Subscription under the Subscription Agreements;
- (d) the offer, allotment, issue and subscription of the Ordinary Shares not being prohibited by any statute, order, rule, regulation or directive promulgated or issued after the date of the Subscription Agreements by any legislative, executive or regulatory body or authority of Israel, Singapore or any other jurisdiction, which is applicable to the Company or the Subscribers;
- (e) the delivery of certified true copies of such resolutions and/or documents on the first Installment Completion Date evidencing that the execution of the Subscription Agreements and any transactions contemplated under the Subscription Agreements by the parties have been validly authorised by such party, and that allotment and issuance of the Ordinary Shares to the Subscribers or their nominees (and in the case of the US Subscribers, the Depositary's custodian), and the issue of any share certificate in respect of the Ordinary Shares having been duly approved by the Company's board of directors;
- (f) there having been, as at the first Installment Completion Date, no occurrence of any event nor the discovery of any fact rendering untrue or incorrect in any material respect any of the warranties contained in the Subscription Agreements if they were repeated on and as at the first Installment Completion Date; and
- (g) with respect to LH, there being no circumstances which will result in LH having to make a mandatory general offer for all the Shares in the Company not already owned or controlled by LH.

Each party to the Subscription Agreement may, but shall not be obliged to, and upon such terms as it thinks fit, waive compliance of the other party to the Subscription Agreement with

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any of the conditions contained in Sections 4.2(e) and (f) of this Circular and any condition so waived shall be deemed to have been satisfied provided always that any such waiver as aforesaid shall be without prejudice to the right of the first mentioned party to elect to treat any further or other breach, failure or event as releasing and discharging the second mentioned party from its obligations under the Subscription Agreement and shall be without prejudice to any liability accruing to the second mentioned party prior to such waiver.

With respect to LH, notwithstanding any other provision of the Subscription Agreement with LH, if LH notifies the Company in writing at least three (3) Business Days prior to the completion of any Installment, that any issue of Ordinary Shares in relation to such Installment will result in LH being required to make a general offer for all the Shares under the Singapore Code on Take-overs and Mergers, then (i) (in the absence of manifest error), the Company shall be under no obligation to issue, and LH shall be under no obligation to subscribe and pay for, any of the Ordinary Shares for such Installment; and (ii) the Completion Date in relation to such Installment shall be deferred to such later date as the Company and LH may agree (such agreement not to be unreasonably withheld or delayed if Completion of the relevant Installment on the new proposed Completion Date will not result in LH holding 30% or more of the Company's total enlarged issued and paid up share capital) (the **Exception**).

4.3 Payment and Completion

Subject to the terms and conditions of the Subscription Agreements (and in particular, but without limitation, the satisfaction of the conditions set out in Section 4.2 of this Circular), in relation to each Installment, the expected date of issuance, and completion of the subscription of the Ordinary Shares for that Installment (each of such date, the **Completion Date**) is set out in the table below:

First Installment	The date falling five (5) Business Days after the date of Listing Approval or the date of the approval by the Shareholders of the Proposed Subscription at the SGM, whichever is later
Second Installment	1 April 2022
Third Installment	1 July 2022
Fourth Installment	1 October 2022
Fifth Installment	1 January 2023
Sixth Installment	1 April 2023
Seventh Installment	1 July 2023
Eighth Installment	1 October 2023

The Subscribers shall make payment of the Consideration in US\$ for the Ordinary Shares in eight (8) equal Installments. The Consideration for the Proposed Subscription will be entirely in cash. Upon the Company's receipt of cleared funds as full payment of the consideration for a particular Installment in relation to a particular Subscriber, the Company shall allot and issue the relevant portion of the Ordinary Shares to such Subscriber (and in the case of US Subscribers, the Depositary's custodian).

In relation to any Installment, the Subscribers shall have the option, but not the obligation, to accelerate and make an early payment of any amount not yet due (**Early Payment**). The Subscribers shall notify the Company at least five (5) Business Days prior to the date of such Early Payment set forth in such notice, and the Company shall issue and allot to the Subscribers such relevant number of Ordinary Shares against such Early Payment. The price per Ordinary Share of each Early Payment shall be the Subscription Price.

4.4 Additional Listing Request

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The Company undertakes, *inter alia*, to the Subscribers that, it shall, as soon as practicable after the date of the Subscription Agreements, and in any case, no later than seven (7) Business Days after the date thereof, submit the request to its Sponsor for the listing and quotation of the Ordinary Shares on the Catalist (without making any warranty or representation that such application shall be successful), and use its reasonable endeavours to pursue the grant of the Listing Approval by the SGX-ST. Please see Section 7 of this Circular for more details.

4.5 Indemnification and Limitation of Liability

The Company shall indemnify the Subscribers for all direct damages and expenses (including reasonable legal expenses) that will be incurred by the Subscribers as a result of a misrepresentation or breach of any warranties or a breach or improper performance of its obligations under the relevant Subscription Agreements (**Indemnifying Party**).

Notwithstanding anything to the contrary in the relevant Subscription Agreements:

- (a) other than in the event of fraudulent misrepresentation, gross negligence or willful misconduct by the Company, the representations and warranties contained under the relevant Subscription Agreements shall survive the execution and delivery of the Subscription Agreements and remain in full force and effect until the lapse of 36 months from the first Installment Completion Date other than with respect to the fundamental representations in the Subscription Agreements which shall remain in full force and effect until the expiration of the applicable statute of limitations (**Survival Period**), whereupon such representations and warranties of, and the liability of, the Company with respect thereto shall expire and be of no further force and effect;
- (b) the aggregate liability of the Company towards each Subscriber under the relevant Subscription Agreement and any law, whether in contracts, torts, restitution or otherwise, other than in the event of fraudulent misrepresentation, gross negligence or willful misconduct shall arise only for aggregate sums which exceed US\$75,000, provided, however, that if such aggregate sums exceeds US\$75,000, then such Subscribers shall be entitled to indemnification for all such losses, disregarding the US\$75,000 threshold, from the first dollar;
- (c) the aggregate liability of the Company towards each Subscriber under the relevant Subscription Agreement and any law, whether in contracts, torts, restitution or otherwise, other than in the event of fraudulent misrepresentation, gross negligence or willful misconduct, shall be limited to the actual aggregate investment amount actually paid by such Subscriber under the relevant Subscription Agreement to the Company; and
- (d) other than in the event of fraudulent misrepresentation, gross negligence or willful misconduct, the Indemnifying Party shall not be liable for any lost profits, indirect, incidental, consequential or punitive losses and damages.

4.6 No Placement Agent

The Proposed Subscription will be undertaken pursuant to Section 272B of the SFA. As such, no prospectus or offer information statement will be issued by the Company or lodged with the Monetary Authority of Singapore in connection with the Proposed Subscription.

No placement agent has been or will be appointed for the purposes of the Proposed Subscription and no introducer fee, commission, fee or other selling or promotional expense is payable or incurred by the Company in connection with the Proposed Subscription other than those incurred for administrative or professional service.

4.7 Additional Terms

- (a) No Adjustment

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The Subscription Agreements do not provide for any adjustment to the Subscription Price or the aggregate number of Ordinary Shares allocated to each of the Subscribers under any circumstances, including but not limited to a rights issue, bonus issue or subdivision or consolidation of Shares by the Company as there is no conversion right granted to the Subscribers.

(b) **Expiry of Installment**

An announcement on the expiry of the Completion Date of each Installment will be made and a notice will be sent to each of the Subscribers at least one month before the expiry of such Completion Date.

(c) **No Material Alteration**

Without prejudice to any provision of the Subscription Agreements, any material alteration to the terms and conditions of the Subscription Agreement to the advantage of the Subscribers and prejudicial to Shareholders shall be approved by Shareholders in general meeting, and if necessary, the SGX-ST, except where the alterations are made pursuant to the terms and conditions of the Subscription Agreements.

4.8 Shareholders' Approval under Chapter 8 and Chapter 9 of the Catalist Rules

(a) Application of the Catalist Rules

The issue and allotment of the Ordinary Shares to the Subscribers requires the approval of the Company's shareholders under Rule 805(1) of the Catalist Rules as the Ordinary Shares will not be issued under the Company's general share issue mandate pursuant to Rule 806 of Catalist Rules.

As at the Latest Practicable Date, LH is a Substantial Shareholder and holds approximately 23.03% of the existing issued share capital of the Company. Pursuant to Rule 812(1) of the Catalist Rules, an issue must not be placed to, *inter alia*, substantial shareholders of the issuer. Rule 812(2) provides that Rule 812(1) does not apply if specific shareholder approval is obtained, and the substantial shareholder and its associates must abstain from voting on the resolution in respect of such Subscription. Additionally, based on the Latest Audited NTA, the value of the Proposed Subscription by LH amounts to US\$8.8 million, representing approximately 9.14% of the Group's Latest Audited NTA. Accordingly, the value of the Proposed Subscription by LH is more than 5% of the Group's Latest Audited NTA.

As LH is (i) a person falling within the restrictions of Rule 812(1) of the Catalist Rules; and (ii) an interested person as defined under Chapter 9 of the Catalist Rules, specific shareholders' approval will be required to be obtained for the issue of the Ordinary Shares to LH in connection with the Proposed Subscription and the Company has decided to seek specific shareholders' approval for the subscription of the Ordinary Shares by all of the Subscribers in connection with the Proposed Subscription due to the similar terms of the Subscription Agreements between the Subscribers and the Company and the proximity of times at which the Subscription Agreements were signed.

As at the Latest Practicable Date and to the best of the Company's knowledge, save for LH, none of the Subscribers is (i) a person falling within the restrictions of Rule 812 of the Catalist Rules; and/or (ii) an interested person as defined under Chapter 9 of the Catalist Rules.

(b) Interested Person Transactions

The Company has not entered into any interested person transaction with LH and/or its associates (excluding transactions which are not subject to announcement) for the period from 1 January 2022 up to the Latest Practicable Date. The total aggregate

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value of all interested person transactions entered into between the Company and all interested persons for the period from 1 January 2022 up to the Latest Practicable Date amounted to US\$0.

(c) Independent Financial Adviser

The Company has appointed Xandar Capital Pte. Ltd. as the IFA to advise the Audit Committee (as at the Latest Practicable Date) on the Proposed Subscription by LH as an Interested Person Transaction. Having regard to the considerations set out in the IFA Letter as set out in **Appendix B** to this Circular and the information available to the IFA as at the Latest Practicable Date, the IFA is of the opinion that the Proposed Subscription by LH is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

(d) Audit Committee Statement

The Audit Committee (as at the Latest Practicable Date) has considered, amongst others, the terms, rationale and benefits of the Proposed Subscription by LH and the opinion of the IFA Letter as set out in **Appendix B** to this Circular, and is of the view that the Proposed Subscription by LH is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

(e) IFA's Consent

The IFA has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and all references thereto and the IFA Letter reproduced in **Appendix B**, in the form and context in which it appears in this Circular and to act in such capacity in relation to this Circular.

4.9 Rights of the Subscribers on the Liquidation of the Company

In the event of the liquidation of the Company on or before the date of the first Installment Completion Date, the Subscribers will not be obliged to perform their obligations under the respective Subscription Agreements. Save for the foregoing, the Subscribers do not have any rights under the respective Subscription Agreements on the liquidation of the Company.

5. PUBLIC FLOAT

The Catalist Rules requires a listed company to ensure that at least 10% of the total number of issued shares (excluding preference shares, convertible equity securities and treasury shares) in a class that is listed is at all times held by the public (excluding Ayztim, which is one of the Subscribers). The percentage of the existing issued share capital of the Company held in the hands of the public is approximately 48.16% of the total issued share capital of the Company as at the Latest Practicable Date. Upon issuance and allotment of the Ordinary Shares, assuming all eight (8) equal tranches of the Ordinary Shares have been issued, the percentage of the enlarged issued share capital of the Company held in the hands of the public will be approximately 39.68%.

6. USE OF PROCEEDS

Assuming all eight (8) equal tranches of the Ordinary Shares are issued, the estimated net proceeds from the Proposed Subscription, after deducting estimated fees and expenses in relation to the Proposed Subscription (including listing and application fees, professional fees and other miscellaneous expenses of approximately S\$170,000), is approximately S\$20.1 million (**Net Proceeds**).

The Company intends to apply the Net Proceeds in the following estimated proportions:

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Use of Proceeds	Amount (S\$'000)	Percentage Allocation
Direct and indirect investments into new, prospective or existing portfolio companies of the Group	14,070	70%
General working capital	6,030	30%
Total	20,100	100%

The Directors are of the opinion that, as of the Latest Practicable Date, after taking into consideration:

- (a) the Group's present bank facilities, the working capital available to the Group is sufficient to meet its present requirements, and the Proposed Subscription is being undertaken for purposes set out in Section 3.2 of this Circular; and
- (b) the Group's present bank facilities and the Net Proceeds, the working capital available to the Group is sufficient to meet its present requirements.

Pending the deployment of the Net Proceeds, such Net Proceeds may be deposited with banks and/or financial institutions or invested in money market instruments and/or securities, or used for any other purpose on a short-term basis, as the Directors may in their absolute discretion deem fit.

As at the date of Latest Practicable Date, the Net Proceeds for general working capital have not been specifically allocated, however the Group's intention is to utilise such Net Proceeds allocated for general working capital towards its corporate expenses, professional fees, administrative and employee related expenses. The Company will make periodic announcements on the utilisation of the Net Proceeds as and when the funds are materially disbursed and whether such use is in accordance with the stated use and the stated percentage allocated. The Company will also provide a status report on the use of the Net Proceeds in the Company's interim and full-year financial statements issued under Rule 705 of the Catalist Rules and the Company's annual report. Where the Net Proceeds have been used for working capital purposes, the Company will provide a breakdown with specific details on how such proceeds have been applied in its announcements and the annual report. Where there is any material deviation from the stated use of Net Proceeds, the Company will make the necessary announcement on the reasons for such deviation.

7. ADDITIONAL LISTING APPLICATION

The Company had, through its Sponsor, on 25 January 2022, made an application to the SGX-ST for the dealing in, listing of and quotation of the Ordinary Shares on the Catalist. An announcement will be made in due course to notify Shareholders when the Listing Approval is obtained.

8. FINANCIAL EFFECTS OF THE PROPOSED SUBSCRIPTION

The financial effects of the Proposed Subscription on the Company's Share capital, NTA per Share and EPS of the Group have been prepared based on the Group's audited financial statements for FY2020 (being the end of the most recently completed financial year for which financial statements are publicly available as at the Latest Practicable Date). The financial effects below have assumed that all eight (8) equal tranches of the Ordinary Shares have been fully subscribed for, are purely for illustrative purposes and are not indicative of the actual financial position and results of the Group after Completion.

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8.1 Share Capital

	Number of Shares (excluding treasury shares)
Before the Proposed Subscription ⁽¹⁾	791,191,382
After Completion ⁽²⁾	960,110,294

Notes:

- (1) Based on the existing issued share capital of 791,191,382 Shares. The Company has no treasury shares or subsidiary holdings.
- (2) 168,918,912 Ordinary Shares will be issued upon Completion and assuming all eight (8) equal tranches of the Ordinary Shares have been fully subscribed for.

8.2 NTA

Assuming that the Proposed Subscription had been effected on 31 December 2020, the effects on the NTA per share of the Group would be as follows:

	Before the Proposed Subscription	After the Proposed Subscription ⁽¹⁾
NTA (US\$)	96,316,061	111,316,061
Number of Shares	791,191,382	960,110,294
NTA per Share (cents)	0.12	0.12

8.3 EPS

Assuming that the Proposed Subscription had been effected on 1 January 2020, the effects of the Proposed Subscription on the EPS of the Group would be as follows:

	Before the Proposed Subscription	After the Proposed Subscription ⁽¹⁾
Earnings attributable to shareholders (US\$ 000)	(3,734)	(3,734)
Weighted average no. of Shares – Basic ('thousands)	791,191	960,110
EPS (cents)	(0.47)	(0.39)

9. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save for their respective interests arising by way of their directorships and/or shareholdings in the Company or as disclosed in this Circular, none of the Directors or Controlling Shareholders of the Company and their respective associates has any interest, direct or indirect, in the Proposals.

10. DIRECTORS' RECOMMENDATION

10.1 The Proposed Re-Election

- (a) **Professor Hang**

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The Board (save for Professor Hang, who has abstained from voting on any board resolution in respect of his proposed re-appointment as an External Director of the Company), having reviewed and considered, the benefits of the Proposed Re-Election of Professor Hang, is of the view that the Proposed Re-Election of Professor Hang is in the interests of the Company and its Shareholders as a whole. Accordingly, the Board (save for Professor Hang) recommends that Shareholders vote in favour of the Ordinary Resolution 1 relating to the Proposed Re-Election of Professor Hang as an External Director at the SGM.

(b) **Ms. Nir**

The Board (save for Ms. Nir, who has abstained from voting on any board resolution in respect of her proposed re-appointment as an External Director of the Company), having reviewed and considered, the benefits of the Proposed Re-Election of Ms. Nir, is of the view that the Proposed Re-Election of Ms. Nir is in the interests of the Company and its Shareholders as a whole. Accordingly, the Board (save for Ms. Nir) recommends that Shareholders vote in favour of the Ordinary Resolution 2 relating to the Proposed Re-Election of Ms. Nir as an External Director at the SGM.

10.2 The Proposed Subscription

The Board, having reviewed and considered, the benefits of the Proposed Subscription, having reviewed and considered, *inter alia*, the terms, rationale and financial effects of the Proposed Subscription, is of the view that the Proposed Subscription is in the interests of the Company and its Shareholders as a whole. Accordingly, the Board recommends that Shareholders vote in favour of Ordinary Resolution 3 and Ordinary Resolution 4 relating to the Proposed Subscription at the SGM.

11. SPECIAL GENERAL MEETING

The SGM, the notice of which is set out on pages N-1 to N-6 of this Circular, will be held by way of electronic means (via Live Webcast) on Friday, 4 March 2022 at 3:00 p.m. (Singapore time) for the purpose of considering and, if thought fit, passing the ordinary resolutions set out in the Notice of SGM.

In line with the provisions of the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, no printed copies of this Circular (including the Notice of SGM and the Proxy Form) will be despatched to Shareholders. A copy of this Circular (including the Notice of SGM and the Proxy Form) have been uploaded on SGXNet at <https://www.sgx.com/securities/company-announcements> and may also be accessed at the Company's website at <https://www.trendlines.com/investors/investors-news/>.

12. ACTION TO BE TAKEN BY SHAREHOLDERS

12.1 No Physical Attendance at the SGM

Due to the current COVID-19 restriction orders in Singapore, Shareholders will not be able to physically attend the SGM.

12.2 Alternative Arrangements

Alternative arrangements have been put in place to allow Shareholders to participate at the SGM by:

- (a) observing and/or listening to the SGM proceedings by Live Webcast;
- (b) submitting questions in advance of the SGM;

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- (c) submitting text-based questions via the Live Webcast by clicking the "Ask a Question" feature and then clicking "Type Your Question" to input their queries in the questions text box; and
- (d) live voting or appointing proxy(ies) or the Chairman of the SGM as proxy to attend and vote on their behalf at the SGM.

For more information, please refer to the Notice of SGM set out on pages N-1 to N-6 of this Circular.

12.3 Abstention from Voting

Indication of personal interest

Each Shareholder voting on Ordinary Resolutions 1 and 2 in relation to the Proposed Re-Election of Professor Hang and the Proposed Re-Election of Ms. Nir respectively, to be proposed at the SGM is required to indicate whether or not he is a Controlling Shareholder (as defined in the Companies Law) or has a personal interest in such Proposals.

Each Shareholder voting on Ordinary Resolutions 3 and 4 in relation to the Proposed Subscriptions, to be proposed at the SGM is required to indicate whether or not he has a personal interest in such Proposals.

Under the Companies Law, in general, a person will be deemed to be a Controlling Shareholder if that person has the power to direct the activities of the Company, otherwise than by reason of being a director or other office holder of the Company, and a person is deemed to have a personal interest if any member of the Shareholder's immediate family, or the immediate family of a Shareholder's spouse, has a personal interest in the adoption of the proposal.

In addition, you are deemed to have a personal interest if a company that is affiliated with you, other than the Company, has a personal interest in the adoption of the proposal. Such company is a company in which you or a member of your immediate family serves as a director or chief executive officer, has the right to appoint a director or the chief executive officer, or owns 5% or more of the outstanding shares. However, you are not deemed to have a personal interest in the adoption of the proposal if your interest in such proposal arises solely from your ownership of our Shares, or from a matter that is not related to a relationship with a Controlling Shareholder (as defined under the Companies Law).

As LH is (i) a person falling within the restrictions of Rule 812(1) of the Catalist Rules; and (ii) an interested person as defined under Chapter 9 of the Catalist Rules, LH and its associates shall abstain from voting on Resolution 3 in relation to the Proposed Subscription by LH. Furthermore, please note that as of the Latest Practicable Date, while LH is a Controlling Shareholder as defined under the Catalist Rules, to the best of the knowledge of the Company, it is not deemed to be a Controlling Shareholder as defined under the Companies Law. However, for the purposes of Ordinary Resolutions 3 and 4, LH and Avztim shall be regarded as Controlling Shareholders as explained under Section 3.1 of this Circular for the sake of caution only. Consequently, LH, Avztim and their respective associates shall abstain from exercising any voting rights on Ordinary Resolutions 3 and 4 in relation to the Proposed Subscription by LH and the US Subscribers, as set out in the Notice of SGM and shall not accept appointments as proxies unless specific instructions as to voting are given. The Company will disregard any votes cast by LH, Avztim and their respective associates on Ordinary Resolutions 3 and 4 in relation to the Proposed Subscription by LH and the US Subscribers, as set out in the Notice of SGM.

According to an Israeli court ruling, a Shareholder must positively inform the Company whether or not such Shareholder has a personal interest in a proposal which is subject to approval by a Disinterested Majority or Special Majority, as in the case of the proposed ordinary resolutions. Your failure to check the box on the proxy form indicating that you have no personal interest or that you are not a Controlling Shareholder (as defined under the Companies Law) will require the Company to assume that you have a personal interest in the proposed ordinary resolutions.

LETTER TO SHAREHOLDERS

The Company cannot assume that a Shareholder who signs and returns a Proxy Form without a specific indication as to the lack of personal interest of such Shareholder has no personal interest with respect to the proposed ordinary resolutions. If you believe that you, or a related party of yours, is a Controlling Shareholder or possesses a personal interest with respect to the proposed ordinary resolutions and you wish to participate in the vote on the proposed ordinary resolutions, you should not indicate in the appropriate box that there exists no personal interest on the enclosed Proxy Form. If you hold your Shares through a bank, broker or controlling shareholder or other nominee and believe that you possess a personal interest and you wish to participate in the vote on the proposed ordinary resolutions, you should not indicate in the appropriate box that there exists no personal interest on the enclosed Proxy Form.

If you hold your Shares through a bank, broker or other nominee and believe that you possess a personal interest in the approval of the proposed ordinary resolutions, you may also contact the representative managing your account, who could then contact us on your behalf.

12.4 When a Depositor is not regarded as a Shareholder

A Depositor shall not be regarded as a Shareholder of the Company entitled to attend the SGM unless his name appears on the Depository Register as at **3:00 p.m. on 28 February 2022**, being the record date for determining those Shareholders eligible to vote at the SGM.

13. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposals, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in the Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Circular in its proper form and context.

14. INSPECTION OF DOCUMENTS

In line with the provisions under the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, no printed copies of this Circular, the Notice of SGM and Proxy Form will be despatched to Shareholders.

As such:

- (a) copies of this Circular, the Notice of SGM and Proxy Form have been uploaded on SGXNet and are also available on the Company's website at the URL <https://www.trendlines.com/investors/investors-news/>; and
- (b) copies of the Subscription Agreements, the IFA Letter as set out in **Appendix B** of this Circular, and the letter of consent referred to in Section 4.8(e) of this Circular, are available for inspection during normal business hours at the registered office of the Company at The Trendlines Building, Misgav Industrial Park, 17 T'chelet Street, M.P. Misgav 2017400, Israel, for a period of three (3) months commencing from the date of this Circular.

Yours faithfully

LETTER TO SHAREHOLDERS

For and on behalf of
the Board of Directors of
The Trendlines Group Ltd.

David Todd Dollinger and Stephen Louis Rhodes
Chairs and Chief Executive Officers

28 January 2022

APPENDIX A
APPENDIX 7F OF THE CATALIST RULES

Details required under Appendix 7F of the Catalist Rules	Ms. Elka Nir	Professor Hang Chang Chieh
Date of Initial Appointment	15 October 2015	15 October 2015
Date of last re-appointment (if applicable)	24 February 2019	24 February 2019
Age	60	73
Country of principal residence	Israel	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board is of the view that Ms. Elka Nir has the requisite qualification and expertise for the role of Lead Independent Director and Chairperson of the Remuneration Committee and Audit Committee of The Trendlines Group Ltd.	The Board is of the view that Professor Hang Chang Chieh has the requisite qualification and expertise for the role of External Director of The Trendlines Group Ltd
Whether appointment is executive, and if so, the area of responsibility	Non-executive and independent	Non-executive and independent
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Lead Independent Director / Chairman of the Remuneration Committee and Audit Committee and Member of the Nominating Committee of the Company	External and Independent Director Member of the Audit Committee, the Remuneration Committee and the Nominating Committee of the Company.
Professional qualifications	<ul style="list-style-type: none"> - Bachelor of Science (B.Sc.) in Computer Sciences - Diploma in Business Administration (Magna Cum Laude) 	<ul style="list-style-type: none"> - PhD in Control Engineering - Beng (Hons) in Electrical Engineering
Working experience and occupation(s) during the past 10 years	<u>Jul 2013 to date</u> <ul style="list-style-type: none"> • CEO - Carmel Ltd. • Director and CEO - Carmel Innovations Ltd. • Director and CEO - CA Innovations 2 <u>Jan 2012 to date</u> Founder, CEO and Director - E.LeadIN Ltd. <u>Jan 2012 to Jan 2015</u> Director - Van Leer Technology Ventures Jerusalem. Chairperson of several of Van Leer Technology Ventures' portfolio companies	<u>2011 to date</u> Executive Director – Institute for Engineering leadership, National University of Singapore (NUS) <u>2007- 2016</u> Founding Head, Division of Engineering and Technology Management, Faculty of Engineering – NUS

APPENDIX A
APPENDIX 7F OF THE CATALIST RULES

Details required under Appendix 7F of the Catalyst Rules	Ms. Elka Nir	Professor Hang Chang Chieh
	<u>Dec 2006 to Dec 2011</u> Managing Director and General Partner - Giza Venture Capital Fund	
Shareholding interest in the listed issuer and its subsidiaries	No	No
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No	No
Conflict of interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments* Including Directorships# * "Principal Commitments" has the same meaning as defined in the Code. # These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(8)		
Past (for the last 5 years)	<u>Past commitments</u> <ul style="list-style-type: none"> Non-Executive Director - IceCure Medical Ltd. Non-Executive Independent external director - Hadasit Bio-Holdings Ltd. 	<u>Past commitments</u> <ul style="list-style-type: none"> Founding Head, Division of Engineering & Technology Management, Faculty of Engineering - National University of Singapore Non-Executive Director - Temasek Foundation Nurtures CLG Ltd
Present	<u>Present commitments</u> <ul style="list-style-type: none"> CEO - Carmel Ltd. CEO and Director - Carmel Innovations 	<u>Present commitments</u> <ul style="list-style-type: none"> Executive Director – Institute for Engineering leadership, National University of Singapore (NUS)

APPENDIX A
APPENDIX 7F OF THE CATALIST RULES

Details required under Appendix 7F of the Catalyst Rules	Ms. Elka Nir	Professor Hang Chang Chieh
	<ul style="list-style-type: none"> • CEO and Director- CA Innovations 2 • Founder, CEO and Executive Director- E.LeadIN Ltd. • Non-Executive Director - Chakratec Ltd. • Non-Executive Director - Carevature Ltd. • Non-Executive Director - CanCuRx Ltd. • Non-Executive Director – SeaErra • Board member- Israel Advanced Technology Industries (non-profit corporation) 	
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.		
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or,	No	No

APPENDIX A
APPENDIX 7F OF THE CATALIST RULES

Details required under Appendix 7F of the Catalist Rules	Ms. Elka Nir	Professor Hang Chang Chieh
where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?		
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No

APPENDIX A
APPENDIX 7F OF THE CATALIST RULES

Details required under Appendix 7F of the Catalyst Rules	Ms. Elka Nir	Professor Hang Chang Chieh
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-		
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No

APPENDIX A
APPENDIX 7F OF THE CATALIST RULES

Details required under Appendix 7F of the Catalyst Rules	Ms. Elka Nir	Professor Hang Chang Chieh
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,	No	No
in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?		
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No
Disclosure applicable to the appointment of Director only.		
Any prior experience as a director of an issuer listed on the Exchange?	Not applicable, as this is a re-election of a director.	Not applicable, as this is a re-election of a director.
If yes, please provide details of prior experience.	N.A.	N.A.
If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.	N.A.	N.A.
Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	N.A.	N.A.

APPENDIX B
THE IFA LETTER

28 January 2022

THE TRENDLINES GROUP LTD.

17 T'chelet Street
Misgav Industrial Park
2017400
Israel

Attention: The Board of Directors

Dear Directors

LETTER FROM XANDAR CAPITAL PTE. LTD. TO THE BOARD OF DIRECTORS OF THE TRENDLINES GROUP LTD. (THE "COMPANY") IN RESPECT OF THE PROPOSED SUBSCRIPTION OF NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY BY LIBRAE HOLDINGS LIMITED AS AN INTERESTED PERSON TRANSACTION (THE "PROPOSED IPT SUBSCRIPTION") UNDER CHAPTER 9 OF THE LISTING MANUAL (SECTION B: RULES OF CATALIST) OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (THE "CATALIST RULES")

Unless otherwise defined or the context otherwise requires, all capitalised terms used in this letter which are not defined shall have the same meaning ascribed to them in the circular to shareholders of the Company dated 28 January 2022 (the "Circular").

1. INTRODUCTION

On 19 January 2022 (the "**Announcement Date**"), the Company announced that the Company has on 19 January 2022 entered into a conditional subscription agreement (each a "**Subscription Agreement**" and collectively, the "**Subscription Agreements**") with each of (a) FEA Innovations LLC ("**FEA Innovations**"); (b) **Palm Tree IV, LLC ("Palm Tree")**; (c) Avztim LLC ("**Avztim**") (collectively, the "**US Subscribers**") and (d) the Company's controlling shareholder, Librae Holdings Limited ("**LH**" and together with the US Subscribers, collectively referred to hereinafter as the "**Subscribers**" and each a "**Subscriber**") for the subscription of an aggregate of 168,918,912 new ordinary shares in the capital of the Company (the "**Ordinary Shares**"), in eight (8) equal tranches at a subscription price of S\$0.12 for each Ordinary Share (the "**Subscription Price**"), on the terms and subject to the conditions of the respective Subscription Agreements (the "**Proposed Subscription**").

Librae Holdings Limited ("**LH**") is a controlling shareholder of the Company, holding 182,236,191 ordinary shares in the capital of the Company ("**Shares**") representing 23.03% shareholding interest in the capital of the Company as at 25 January 2022, being the Latest Practicable Date. Accordingly, LH is an 'interested person' as defined under Chapter 9 of the Catalist Rules, and the Proposed IPT Subscription (which is the subscription of 99,099,096 Ordinary Shares by LH) constitutes an 'interested person transaction' under Chapter 9 of the Catalist Rules.

The aggregate value of the Proposed IPT Subscription is S\$11,891,892 (equivalent to US\$8,800,000 based on the exchange rate of S\$1 to US\$0.74, the “**Exchange Rate**”) and represents approximately 9.13% of the Group’s latest audited net tangible assets of US\$96,335,000 as at 31 December 2020. Accordingly, the Proposed IPT Subscription is an ‘interested person transaction’ which is subject to the approval of the shareholders of the Company (the “**Shareholders**”) other than LH and its associates.

The Company is convening the special general meeting to seek its Shareholders’ approvals for the Proposed IPT Subscription as well as Proposed Subscription by the US Subscribers.

As the Proposed IPT Subscription will be carried out in eight (8) equal tranches over two (2) years, pursuant to Rule 921(4)(a) of the Catalist Rule, the Company is required to obtain an opinion from an independent financial adviser (“**IFA**”) on whether the Proposed IPT Subscription (and all other transactions which are the subject of aggregation pursuant to Rule 906 of the Catalist Rules) is on normal commercial terms, and whether the terms of the Proposed IPT Subscription (and all other transactions which are the subject of aggregation pursuant to Rule 906 of the Catalist Rules) is prejudicial to the interests of the Company and its minority Shareholders.

Xandar Capital Pte. Ltd. (“**Xandar Capital**”) has been appointed by the Company to act as the IFA to advise the directors of the Company all of whom are deemed independent for the purposes of the Proposed IPT Subscription as to (i) whether the Proposed IPT Subscription (and all other transactions which are the subject of aggregation pursuant to Rule 906 of the Catalist Rules) is on normal commercial terms; and (ii) whether the terms of the Proposed IPT Subscription (and all other transactions which are the subject of aggregation pursuant to Rule 906 of the Catalist Rules) is prejudicial to the interests of the Company and its minority Shareholders.

This letter, which is prepared pursuant to Rule 921(4)(a) of the Catalist Rules, sets out our evaluation of, and our opinion to, the Proposed IPT Subscription (this “**IFA Letter**”), and forms part of the Circular issued by the Company in connection with the Proposed Subscription.

2. TERMS OF REFERENCE

Xandar Capital has been appointed as the IFA to opine on (i) whether the Proposed IPT Subscription is normal commercial terms; and (ii) whether the terms of the Proposed IPT Subscription is prejudicial to the interests of the Company and its minority Shareholders.

We are not and were not involved in any aspect of the negotiations pertaining to the Proposed Subscription (including the Proposed IPT Subscription), nor were we involved in the deliberations leading up to the decisions on the part of the Directors to undertake the Proposed Subscription (including the Proposed IPT Subscription). Accordingly, we do not, by this IFA Letter, warrant the merits of the Proposed Subscription.

Our terms of reference do not require us to express, evaluate or comment on the rationale for, strategic or commercial merits and/or risks of the Proposed Subscription, or the future performance or prospects of the Group. We are, therefore, not expressing any opinion herein as to the future financial or other performance (including share price performance) of the Company or the Group, whether with or without the Proposed Subscription.

As with other business transactions of the Company, the merit and/or associated risk, whether commercial, financial or otherwise, of the Proposed Subscription, are solely the responsibility of the Directors. We are also not addressing the relative merits of the Proposed Subscription, as compared to any alternative transaction of the Group or that otherwise may become available to the Group in the future. Such evaluations or comments remain the responsibility of the Directors and the management of the Group.

In the course of our evaluation and for the purpose of providing our opinion in respect of the Proposed Subscription, we have held discussions with certain Directors and the management of the Group and have examined information provided by the Directors and the management of the Group and other publicly available information collated by us, upon which our view is based. We have not independently verified such information, whether written or verbal, and accordingly cannot and do not make any representation or warranty in respect of, and do not accept any responsibility for, the accuracy, completeness or adequacy of such information. We have made reasonable enquiries and exercised our judgment on the reasonable use of such information and found no reason to doubt the accuracy or reliability of the information.

We have not made any independent evaluation and appraisal on the assets and liabilities of the Company and/or the Group, and we have not been furnished with any such evaluation and appraisal.

We have relied upon the assurance of the Directors that the Directors collectively and individually accept full responsibility for the accuracy of the information given in the Circular and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, the Circular constitutes full and true disclosure of all material facts about the Proposed Subscription, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in the Circular misleading. Where information in the Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Circular in its proper form and context. In relation to this IFA Letter, the Directors have confirmed that the facts stated, with respect to the Group and the Proposed Subscription, are to the best of their knowledge and belief, fair and accurate in all material aspects.

Our opinion is based upon prevailing market, economic, industry, monetary and other conditions (where applicable) and the information made available to us contained in the Circular as of the Latest Practicable Date. We assume no responsibility to update, revise or reaffirm our view in light of any subsequent development after the Latest Practicable Date that may affect our opinion contained herein. Shareholders should take note of any announcements relevant to their consideration of the Proposed Subscription (and the Proposed IPT Subscription), which may be released by the Company after the Latest Practicable Date.

In arriving at our opinion, we did not consider the specific investment objectives, financial situation, tax consequences, risk profile or unique needs and constraints of any Shareholder or any specific group of Shareholders. We recommend that any individual Shareholder or group of Shareholders who may require specific advice in

relation to his or their investment objectives or portfolios should consult his or their legal, financial, tax or other professional advisors immediately.

Our opinion is for the use and benefit of the Directors in their deliberation of the Proposed IPT Subscription, and the recommendation made by the Directors shall remain the responsibility of the Directors.

The Company has been separately advised by its own advisors in the preparation of the Circular (other than this IFA Letter). We have no role or involvement and have not provided any advice, financial or otherwise, whatsoever in the preparation, review and verification of the Circular (other than this IFA Letter). Accordingly, we take no responsibility for and express no views, express or implied, on the contents of the Circular (other than this IFA Letter).

Our opinion, in relation to the Proposed IPT Subscription, should be considered in the context of the entirety of this IFA Letter and the Circular.

Whilst a copy of this IFA Letter may be reproduced in the Circular, neither the Company, the Directors nor the Shareholders may reproduce, disseminate or quote this IFA Letter (or any part thereof) for any other purposes other than the Proposed IPT Subscription at any time and in any manner without our prior written consent.

We recommend that the Directors advise the Shareholders to read these pages carefully.

3. ABOUT THE PROPOSED SUBSCRIPTION

3.1 THE PROPOSED SUBSCRIPTION

As set out in Section 3.3(a) of the Circular, pursuant to the Subscription Agreements, the Subscribers have agreed to subscribe for an aggregate of 168,918,912 Ordinary Shares as follows:

Name of Subscriber	Aggregate consideration (S\$)	Aggregate number of Ordinary Shares subscribed over eight (8) equal tranches
LH	11,891,892	99,099,096
FEA Innovations	3,378,378	28,153,152
Palm Tree	3,378,378	28,153,152
Avztim	1,621,621	13,513,512
Total	20,270,269	168,918,912

As set out in Section 4.3 of the Circular, the Proposed Subscription shall be carried out over eight (8) equal tranches with the first tranche targeted to be completed on the date falling five (5) business days after the date of the listing approval from the SGX-ST or the date of

Shareholders' approval for the Proposed Subscription, whichever is later, and subsequent tranches to be carried out in quarterly intervals commencing from 1 April 2022. We calculate the Ordinary Shares to be subscribed by the Subscribers in each single tranche to be as follows:

Name of Subscriber	Average consideration per tranche (S\$)	Average number of Ordinary Shares to be subscribed in one (1) tranche
LH	1,486,487	12,387,387
FEA Innovations	422,297	3,519,144
Palm Tree	422,297	3,519,144
Avztim	202,703	1,689,189
Total	2,533,784	21,114,864

As set out in Section 3.2 of the Circular in relation to the rationale for the Proposed Subscription, the purpose of the Proposed Subscription is to meet the Group's anticipated general working capital requirement and direct and indirect investments into new, prospective or existing portfolio companies, allowing potential expansion of its investment activities. Given the capital-intensive nature of the Group's business, and the unpredictability of its cash flows, the Company believes it is in its best interests to have more cash for operations and investment.

3.2 THE SUBSCRIPTION PRICE

The Subscription Price is S\$0.12 for each Ordinary Share.

The Subscription Price of S\$0.12 represents:

- (a) a premium of 15.38% to the volume weighted average price ("VWAP") of S\$0.104 per Share based on the trades done on the SGX-ST on 19 January 2022, being the Announcement Date; and
- (b) a premium of 12.15% to the closing market price of S\$0.107 per Share on the Announcement Date.

3.3 THE ORDINARY SHARES

As set out in Section 3.1 of the Circular, the Ordinary Shares, when allotted and issued, are duly authorised, validly issued and credited as fully paid-up, free from any and all encumbrances, listed and tradable on the SGX-ST and rank *pari passu* with all other existing Shares at the time of the issue with all rights and benefits attaching thereto, other than restrictions on the US Subscribers to hold the Ordinary Shares until they are registered with the Securities and Exchange Commission of the United States of America and qualified by state authorities, or an exemption from such registration or qualification requirements is available. The Ordinary Shares will not rank for any dividends, rights, allotments, distributions or entitlements, the record date for which falls before the date of issue of the Ordinary Shares.

3.4 THE SUBSCRIBERS

Details of the Subscribers are set out in Section 3.3(b) of the Circular. We note that Subscribers wish to participate in the Proposed Subscription as an investment opportunity upon considering the potential growth prospects of the Group and have agreed to subscribe for the Ordinary Shares on the terms of the Subscription Agreements.

We set out the shareholding interests of the Subscribers before and after the completion of the Proposed Subscription (“**Completion**”) as follows:

Name of Subscriber	As at the Latest Practicable Date		Upon Completion ⁽¹⁾	
	Shares (direct and deemed)	As a percentage of the existing share capital ⁽²⁾	Shares (direct and deemed)	As a percentage of the enlarged share capital ⁽²⁾
LH	182,236,191	23.03	281,335,287	29.30
FEA Innovations	-	-	28,153,152	2.93
Palm Tree	-	-	28,153,152	2.93
Avztim	18,000,000	2.28	31,513,512	3.28
Total	200,236,191	25.31	369,155,103	38.44

Notes:

- (1) Assuming none of the Ordinary Shares were sold by the Subscribers.
- (2) Based on the 791,191,382 Shares in issue as at the Latest Practicable Date and the 960,110,294 Shares after the allotment and issue of the 168,918,912 Ordinary Shares.

As set out in Section 3.3(d) of the Circular, save for LH, which is the controlling shareholder of the Company, the Subscribers do not have any connection (including business relationships) with the substantial shareholders of the Company or the Directors, or their respective associates, and the Subscribers are also not related to one another.

3.5 OTHER SALIENT TERMS OF THE SUBSCRIPTION AGREEMENTS

The other salient terms of the Proposed Subscription can be found in Section 4 of the Circular and we highlight the following:

Conditions to the Proposed Subscription	The completion of the Proposed Subscription is conditional upon, among others, the receipt of Shareholders' approval for the Proposed Subscription and that if any issue of Ordinary Shares in relation to any tranche will result in LH being required to make a general offer for all the Shares under the Singapore Code on Take-overs and Mergers, the Company shall be under no obligation to issue, and LH shall be under no obligation to subscribe and pay for, any of the Ordinary Shares for such tranche or the completion date in relation to such tranche shall be deferred to such later date as the Company and LH may agree (such agreement not to be unreasonably withheld or delayed) such that the subscription of that particular tranche will not result in LH holding 30% or more of the Company's total enlarged issued and paid up share capital (the " Exception "). Further details of the conditions precedent to the Proposed Subscription can be found in Section 4.2 of the Circular.
Payment and completion	The Consideration for the Proposed Subscription will be entirely in cash. Upon the Company's receipt of cleared funds as full payment of the Consideration for a particular tranche in relation to a particular Subscriber, the Company shall allot and issue the relevant portion of the Ordinary Shares to such Subscriber (and in the case of the US Subscribers, the Depositary's custodian).
Early payment	In relation to any tranche, the Subscribers shall have the option, but not the obligation, to accelerate and make an early payment of any amount not yet due (the " Early Payment "). The Subscribers shall notify the Company at least five (5) business days prior to the date of such Early Payment set forth in such notice, and the Company shall issue and allot to the Subscribers such relevant number of Ordinary Shares against such Early Payment. The price per Ordinary Share of each Early Payment shall be the Subscription Price.
No adjustment and no material alteration	<p>The Subscription Agreements do not provide for any adjustment to the Subscription Price or the aggregate number of Ordinary Shares allocated to each of the Subscribers under any circumstances, including but not limited to a rights issue, bonus issue or subdivision or consolidation of Shares by the Company as there is no conversion right granted to the Subscribers.</p> <p>Without prejudice to any provision of the Subscription Agreements, any material alteration to the terms and conditions of the Subscription Agreement to the advantage of the Subscribers and prejudicial to Shareholders shall be approved by Shareholders in general meeting, and if necessary, the SGX-ST, except where the alterations are made pursuant to the terms and conditions of the Subscription Agreements.</p>

4. THE AGGREGATE VALUE OF INTERESTED PERSON TRANSACTIONS

Pursuant to Rule 921(4)(a) of the Catalist Rules, the IFA needs to opine on whether the Proposed IPT Subscription and all other transactions which are the subject of aggregation pursuant to Rule 906 of the Catalist Rules are on normal commercial terms, and whether the Proposed IPT Subscription and all other transactions which are the subject of aggregation pursuant to Rule 906 of the Catalist Rules is prejudicial to the interest of the Company and its minority Shareholders.

As disclosed in Section 4.8(b) of the Circular, the Company has not entered into any interested person transaction with LH and/or its associates (excluding transactions which are not subject to announcement) for the period from 1 January 2022 up to the Latest Practicable Date. Accordingly, the Group did not have any interested person transaction which are subject of aggregation with the Proposed IPT Subscription pursuant to Rule 906 of the Catalist Rules.

5. EVALUATION OF THE PROPOSED IPT SUBSCRIPTION

The following are factors which we consider to be pertinent and to have a significant bearing on our evaluation of the Proposed IPT Subscription:

- (a) the Subscription Price as compared to the historical market prices of the Shares and the net asset value (“NAV”) per Share;
- (b) the historical price to NAV (“P/NAV”) ratio of the Shares;
- (c) the P/NAV ratio implied by the Subscription Price as compared to listed companies comparable to the Group;
- (d) the terms of the Proposed IPT Subscription as compared to recent similar transactions undertaken by other companies listed on the SGX-ST;
- (e) the pro forma financial effects of the Proposed IPT Subscription; and
- (f) other considerations.

These factors are discussed in greater detail in the ensuing paragraphs.

5.1 THE SUBSCRIPTION PRICE AS COMPARED TO THE HISTORICAL MARKET PRICES OF THE SHARES AND THE NAV PER SHARE

5.1.1 Historical closing price of the Shares

We set out a chart comparing the Subscription Price with the daily closing prices of the Shares for the period commencing from 20 January 2020 (being two-year period prior to the Announcement Date) up to 25 January 2022 (being the Latest Practicable Date) as follows:



As set out in the chart above, the Subscription Price is above the closing prices of the Shares for the period between 21 May 2020 and the Latest Practicable Date, both dates inclusive.

5.1.2 Trading statistics of the Shares

We tabulate below selected statistical information on the share price and trading liquidity of the Shares for the last two years prior to the Announcement Date up to the Latest Practicable Date:

	VWAP ⁽¹⁾ (S\$)	Premium of Subscription Price to VWAP (%)	Highest closing price (S\$)	Lowest closing price (S\$)	Average daily traded volume	Average daily traded volume as percentage of free float ⁽²⁾ (%)
<u>Periods up to and including the Announcement Date</u>						
Last 24 months	0.1107	8.40	0.131	0.057	3,883,222	1.02

	VWAP ⁽¹⁾ (S\$)	Premium of Subscription Price to VWAP (%)	Highest closing price (S\$)	Lowest closing price (S\$)	Average daily traded volume	Average daily traded volume as percentage of free float ⁽²⁾ (%)
Last 12 months	0.1096	9.49	0.116	0.085	1,705,482	0.45
Last 6 months	0.1049	14.39	0.110	0.098	372,517	0.10
Last 3 months	0.1075	11.63	0.109	0.101	394,790	0.10
Last 1 month	0.1052	14.07	0.107	0.104	171,655	0.05
The Announcement Date	0.1040	15.38	0.107	0.107	130,200	0.03
<u>Periods after the Announcement Date</u>						
Between 20 January 2022 and the Latest Practicable Date, both dates inclusive	0.1079	11.21	0.108	0.106	777,175	0.20
The Latest Practicable Date	0.1050	13.53	0.106	0.106	314,000	0.08

Source: Bloomberg L.P.

Notes:

- (1) Rounded to four (4) decimal places.
- (2) "Free float" which refers to the Shares held by public shareholders is calculated based on the difference between (i) the Company's issued share capital of 791,191,382 Shares; and (ii) the 410,188,928 Shares held by the Directors, chief executive officers and substantial shareholders of the Company and the associates of the Directors, chief executive officers and substantial shareholders of the Company.

We note the following with regard to the trading prices of the Shares:

- (a) the Subscription Price represents premia to the VWAPs of the Shares for the periods prior to the Announcement Date as set out in the table above;
- (b) the Subscription Price is also higher than the highest closing price of the Shares for the 12-month, 6-month, 3-month and 1-month periods prior to the Announcement Date;
- (c) the Subscription Price represents a premium of 3.45% to the highest closing price of S\$0.116 per Share and a premium of 41.18% to the lowest closing price of S\$0.085 per Share for the 12-month period prior to the Announcement Date; and
- (d) the Subscription Price continues to represent a premium, albeit slightly lower at 11.21% to the VWAPs of the Shares for the period after the Announcement Date up to the Latest Practicable Date, as compared to the premia to the VWAPs of the

Shares for the 6-month, 3-month and 1-month periods prior to the Announcement Date.

We note the following with regard to the trading liquidity of the Shares:

- (i) the average daily traded volumes of the Shares (which was calculated based on the total Shares traded and the market days where the Shares were traded during the period) for the periods prior to the Announcement Date as set out in the table above and on the Announcement Date represent less than 1% of the free float;
- (ii) the average daily traded volume of the Shares decreased from 3.9 million Shares for the 24-month period prior to the Announcement Date to less than 200,000 Shares for the 1-month period prior to the Announcement Date; and
- (iii) the average daily traded volume of the Shares for the period after the Announcement Date up to the Latest Practicable Date improved to 777,175 Shares and represents 0.20% of the free float.

While the average daily traded volumes of the Shares have been decreasing and represents less than 1% of the free float, we note that the Shares were traded almost on a daily basis. We calculate that the Shares were traded on more than 90% of the market days where the SGX-ST was open for trading during the aforesaid periods. Accordingly, the Shares can be considered fairly actively traded on a daily basis which provide an indication of the perceived value of the Shares between willing buyers and willing sellers.

5.1.3 Previous issues of new Shares by the Company

We set out the previous issues of new Shares by the Company since its admission to the Catalist board of the SGX-ST as follows:

Date of allotment and issue	Details	Basis of issue price
25 October 2017	Placement of 100,000,000 new ordinary shares at the issue price of S\$0.1403 for each new ordinary share	A discount of 9.95% to the volume weighted average price of S\$0.1558 for each Share for the full market day preceding the date on which the placement agreement was signed.
6 August 2019	Placement of 103,619,048 new ordinary shares to LH at S\$0.105 for each new ordinary share	A premium of 34.6% to the volume weighted average price of S\$0.0780 for each Share, based on trades done on the Shares on the Catalist of the SGX-ST for the full market day on 19 July 2019 (being the last full market day on which there were trades done on the Shares prior to the date of the subscription agreement).
16 December 2019	Rights issue of 78,830,585 new ordinary shares at S\$0.105 for each new ordinary share	Same as the above.

The 15.34% premium over VWAP represented by the Subscription Price is within the range represented by the discount of 9.95% and premium 34.6% to the VWAPs of the previous issues of new ordinary shares by the Company.

We wish to highlight that the financial performance and position of the Company at the aforesaid previous issues of Shares and the market sentiments prevailing at that time may not be comparable. As such, any comparisons merely serve an illustrative purpose only.

5.1.4 As compared to the NAV per Share

Based on the latest announced unaudited NAV of the Group of US\$100.51 million as at 30 June 2021 and the Exchange Rate, the price-to-NAV ("**P/NAV**") ratio per Share implied by the Subscription Price is 0.70 times, or a discount of 30.10% to the latest unaudited NAV of the Group.

In our evaluation of the NAV of the Group, we also have considered whether there are any assets which should be valued at an amount that is materially different from that which was recorded in the financial position of the Group and whether there are any factors in recent announcements made by the Company that are likely to impact the NAV per Share.

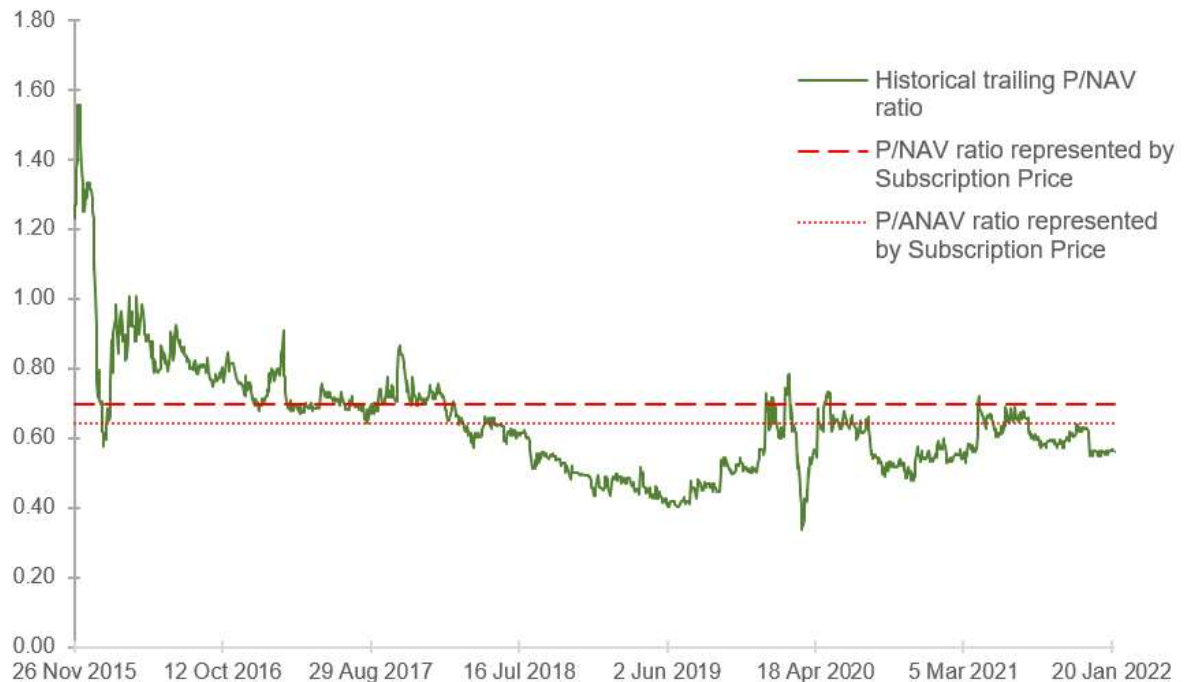
We note that the Company announced on 4 November 2021 that the Group expects to report a US\$9.2 million gain from the sale of a portfolio company and announced the completion of the sale on 1 December 2021.

After adding US\$9.2 million to the Group's unaudited NAV of US\$100.51 million as at 30 June 2021, the Group will have adjusted NAV ("**ANAV**") of US\$109.71 million. Based on the Exchange Rate, the price-to-ANAV ("**P/ANAV**") ratio per Share implied by the Subscription Price is 0.64 times, or a discount of 35.96% to the ANAV of the Group.

The above ANAV is calculated for illustration purposes and is not a projection or estimation of the actual financial performance or financial position of the Group for the most recently completed financial year ended 31 December 2021.

5.2 THE HISTORICAL PRICE-TO-NAV (“P/NAV”) RATIO OF THE SHARES

For comparison, we compare the P/NAV ratio and P/ANAV ratio implied by the Subscription Price with the historical trailing P/NAV ratio of the Shares since its listing on the Catalyst board of the SGX-ST on 26 November 2015 to the Latest Practicable Date as follows:



As set out above, the Shares have been trading below its NAV (that is, at a P/NAV ratio of less than 1.0 time) on and after 11 April 2016. The Shares have also been trading below the P/NAV ratio implied by the Subscription Price most of the time for the period between 26 February 2018 and the Latest Practicable Date and the P/ANAV ratio implied by the Subscription Price most of the time for the period between 31 July 2018 and the Latest Practicable Date.

For better clarity, we tabulate the historical average P/NAV ratio of the Shares since the listing of the Company up to the Latest Practicable Date as follows:

Periods	Average P/NAV ratio for the period
<u>Up to and including the Announcement Date</u>	
Since the listing of the Shares	0.65
Last 24 months	0.59
Last 12 months	0.60
Last 6 months	0.59
Last 3 months	0.59
Last 1 month	0.56

Periods	Average P/NAV ratio for the period
<u>After the Announcement Date</u>	
Between 20 January 2022 and the Latest Practicable Date	0.56

As set out above, the historical average P/NAV ratios of the Shares for the periods prior to the Announcement Date were below the P/NAV ratio of 0.7 times implied by the Subscription Price and the historical average P/NAV ratios of the Shares for the periods in the 24 months prior to the Announcement Date were also below the P/NAV ratio of 0.64 times implied by the Subscription Price. The P/NAV ratio and P/NAV ratio implied by the Subscription Price continued to be higher than the average P/NAV ratio of the Shares for the period after the Announcement Date up to the Latest Practicable Date.

5.3 THE P/NAV RATIO IMPLIED BY THE SUBSCRIPTION PRICE AS COMPARED TO LISTED COMPANIES COMPARABLE TO THE GROUP

In assessing the Proposed IPT Subscription, we have also compared the P/NAV ratio implied by the Subscription Price against the P/NAV ratios of companies with businesses **broadly** comparable to the Group (the “Comparable Companies”).

We set out in the table below the list of Comparable Companies, together with brief information on these companies.

Comparable Companies	Listing location	Description	Market capitalisation as at the Latest Practicable Date (\$'million)
Allied Minds PLC	London	Allied Minds PLC operates as a private equity firm. The company invests in technology and life science sectors. It serves investors worldwide.	81.4
Hotung Investment Holdings Ltd	Singapore	Hotung Investment Holdings Limited is an investment holding company. The group invests in listed and unlisted companies in various industries including optoelectronics, electronic, communication, semiconductors, information, and others. It also has businesses in funds management, securities trading, and corporate finance advisory services.	203.0

Comparable Companies	Listing location	Description	Market capitalisation as at the Latest Practicable Date (\$'million)
IP Group PLC	London	IP Group PLC, through partnerships with research institutions, shares in revenue from the commercialization of research results. The company provides seed capital and resources in return for equity in companies spun off as a result of research. It has partnerships with the University of Oxford's Chemistry Department, the University of Southampton, and King's College London.	1,798.6
Malin Corporation PLC	Dublin	Malin Corporation PLC is a global life sciences company, focusing on the therapeutics, devices, and diagnostics space. The company selects private life science companies to acquire and help reach success. It operates in Ireland.	254.7
Mercia Asset Management PLC	London	Mercia Asset Management PLC operates as an investment company. The company focuses on venture capital and private equity investments in entertainment, manufacturing, engineering, life sciences, and technology sectors. It serves customers in the United Kingdom.	280.9
PureTech Health PLC	London	PureTech Health PLC operates as a bio therapeutics company. The company focuses on developing medicines for diseases based on insights into the biology and connectivity of the brain, immune, and gut systems. It established the underlying programs and platforms that resulted in its broad pipeline of products and product candidates designed to treat diseases with unmet needs.	1,375.7
Sun Hung Kai & Co Ltd	Hong Kong	Sun Hung Kai & Co. Limited operates as an alternative Investment company headquartered in Hong Kong. The company invests across public markets, alternatives and real assets, and has an established track record of generating long-term risk adjusted returns for its shareholders. It extends strategy to incubate, accelerate and support emerging asset managers in Asia.	1,403.6

We wish to highlight that we have focused on P/NAV ratio in our analysis as the Group's earnings are principally generated from net realised and/or unrealised appreciation in the value of its investment in its portfolio companies, which is dependent on many factors beyond the control of the Group. As a result, the Group's profit (or loss) varied significantly from period to period. For illustration, we set out below the Group's profit/(loss) attributable to its equity holders for the past financial years:

	US\$'000
Financial year ended 31 December ("FY") 2012	5,827
FY2013	15,955
FY2014	(2,814)
FY2015	(3,299)
FY2016	(6,602)
FY2017	3,863
FY2018	(6,121)
FY2019	(474)
FY2020	(3,734)
Six (6) months ended 30 June 2021	4,731

We note that as the Comparable Companies also reported irregular profit/(loss) based on their investment portfolios, earnings ratio such as the price-to-earnings ("P/E") ratios will not be meaningful and are set out in the comparison table for reference only.

We also wish to highlight that there is no listed company that is directly comparable to the Company, in particular, the Comparable Companies have investments in companies in different industries with different horizon and different sizes. Accordingly, any comparison merely serves as an illustrative purpose.

The financial ratios of the Comparable Companies based on their market capitalisation and latest announced results as at the Latest Practicable Date.

Comparable Companies	Net Profit ⁽¹⁾ (S\$'million)	P/E (times)	P/NAV (times)
Allied Minds PLC	(50.5)	-	1.0
Hotung Investment Holdings Ltd	36.0	5.5	0.7
IP Group PLC	519.1	3.5	0.7

Comparable Companies	Net Profit ⁽¹⁾ (S\$'million)	P/E (times)	P/NAV (times)
Malin Corporation PLC	138.6	1.8	0.6
Mercia Asset Management PLC	68.6	4.2	0.8
PureTech Health PLC	(260.0)	-	1.8
Sun Hung Kai & Co Ltd	787.7	1.8	0.3
Maximum		5.5	1.8
Minimum		1.8	0.3
Mean		3.4	0.8
Median		3.5	0.7
The Company	6.4	14.9	0.7

Note:

- (1) Based on the profit/(loss) attributable to the equity holders for the last 12 months financial periods as reported by the respective companies.

As set out in the table above, the P/NAV ratio of the Company as implied by the Subscription Price is within the range, slightly lower than the mean P/NAV ratios but same as the median P/NAV ratios of the Comparable Companies.

5.4 THE TERMS OF THE PROPOSED IPT SUBSCRIPTION AS COMPARED TO RECENT SIMILAR TRANSACTIONS UNDERTAKEN BY OTHER COMPANIES LISTED ON THE SGX-ST

In assessing the Subscription Price, we have also considered similar recent transactions undertaken by other companies listed on the SGX-ST (the “**Precedent Comparable Transactions**”) whereby the listed companies granted options or warrants which allow the option or warrant holders to subscribe for new ordinary shares in the capital of the listed companies over future periods.

We wish to highlight that the Precedent Comparable Transactions are not exhaustive. Further, Shareholders should note that circumstances leading to the Precedent Comparable Transactions as well as various factors such as the financial performance and position of the listed companies, the volatility and trading liquidity of the shares of the listed companies, and the market sentiments prevailing at the time of such Precedent Comparable Transactions are unlikely to be identical to the Company's. As such, any comparisons made with respect to the Precedent Comparable Transactions merely serve an illustrative purpose only.

The information presented herein relating to the Precedent Comparable Transactions has been compiled from publicly available information. We make no representations or warranties, expressed or implied, as to the accuracy or completeness of such information.

We set out the key information of the Precedent Comparable Transactions as follows:

Name of listed company	Date of announcement	Securities issued	Basis of issue price
Sitra Holdings (International) Limited	27 February 2019	Options which may be exercised at any time and from time to time in respect of any or all of the option shares within a period of 24 months from the completion subject to a minimum size of 50,000,000 option shares	A premium of approximately 21.9% over the VWAP for trades done on the shares on the SGX-ST on 26 February 2019
OEL (Holdings) Limited	12 February 2020	Up to 142,999,000 free, detachable, non-listed and non-transferable warrants which can be exercise from the period commencing on the date of issue of the warrants and until 5.00 p.m. on the earlier of (a) the date immediately preceding thirty-six (36) months from the date of issue of the warrants; or (b) the date ending 30 days upon the announcement by the company of any agreement (including a conditional agreement) that constitutes a very substantial acquisition or reverse takeover under Rule 1015 of the Catalyst Rules	A premium of 1.12% to the VWAP for trades done on the shares on the SGX-ST on 10 February 2020, being the full market day immediately preceding the date on which the placement agreement is signed
Oxley Holdings Limited	17 September 2020	Unlisted warrants which can only be exercised in no more than seven (7) tranches during the period commencing on and including the date of issue of the warrants and expiring at 5:00 p.m. (Singapore time) on the market day immediately preceding 21 October 2022	80% of the VWAP per share for the last 20 market days immediately preceding the date of issue of the warrants subject to a floor of S\$0.20
Shen Yao Holdings Limited	9 March 2021	Options to subscribe for shares in the company, of which 50% is exercisable immediately from the date of the grant of options and the remainder exercisable over the first and second anniversary from the date of grant of options, until the 5th anniversary of the date of issue of the options	A discount of 9.68% to the VWAP of the shares for trades done on the SGX-ST on 9 March 2021, being the full market day on which the option agreements were signed
Wilton Resources Corporation Limited	31 March 2021	Unlisted warrants which can be exercise from their issuance and the date falling thirty-six (36) months after their respective issue date	The higher of (i) S\$0.015; or (ii) 90% of the VWAP for trades done preceding the day on which the warrants are issued

Name of listed company	Date of announcement	Securities issued	Basis of issue price
The Company	19 January 2022	Rights to subscribe for Ordinary Shares exercisable in eight (8) equal tranches over two (2) years	15.34% premium to the VWAP of the Shares done on the Announcement Date

Source: The announcements and circulars published by the companies.

Based on the above, we observe that:

- (a) the two (2) years subscription period of the Ordinary Shares is in line within majority of the exercise periods of the Precedent Comparable Transactions;
- (b) most of the Precedent Comparable Transactions allows the option or warrant holders to exercise their options or warrants at any time in any amount during the exercise period while the Proposed Subscription can be carrying in maximum eight (8) tranches over two (2) years; and
- (c) the basis of determining the Subscription Price is within the lowest discount of 20% and the highest premium of 21.9% of the Precedent Comparable Transactions.

5.5 THE FINANCIAL EFFECTS OF THE PROPOSED SUBSCRIPTION

The financial effects of the Proposed Subscription on the Group can be found in Section 8 of the Circular.

We note that there is no material impact to the NTA per Share while the loss per Share of the Group for FY2020 will decrease from 0.47 US cents to 0.39 US cents with the enlarged share capital of the Company.

5.6 OTHER CONSIDERATIONS

In determining whether the Proposed IPT Subscription is on normal commercial terms and is not prejudicial to the interests of the Company and its Shareholders, we have also considered the following:

5.6.1 Rationale for the Proposed Subscription

The rationale for the Proposed Subscription and the use of proceeds from the Proposed Subscription are set out in Sections 3.2 and 6 of the Circular. We highlight as follows:

The purpose of the Proposed Subscription is to meet the Group's anticipated general working capital requirement and direct and indirect investments into new, prospective or existing portfolio companies, allowing potential expansion of its investment activities. Given the capital-intensive nature of the Group's business, and the unpredictability of its cash flows, the Company believes it is in its best interests to have more cash for operations and investment.

Based on the Company's publicly available information, we note that the Group registered negative operating cash flows for the past financial years and latest interim financial period as follows:

	US\$'000
FY2012	(5,313)
FY2013	(4,044)
FY2014	(7,005)
FY2015	(6,032)
FY2016	(8,821)
FY2017	(7,318)
FY2018	(8,393)
FY2019	(5,916)
FY2020	(2,923)
Six (6) months ended 30 June 2021	(6,731)

As mentioned in paragraph 5.1.3 of this IFA Letter, the Company had undertaken three (3) fund raising exercises after its listing on the Catalist board of the SGX-ST. We calculate the aggregate net proceeds from these fund raising exercises in 2017 and 2019 amounted to S\$32.29 million. Based on publicly available information, the Group had fully utilised these proceeds for its intended purposes, including principally for direct and indirect investments into new, prospective or existing portfolio companies of the Group.

We note that the Company has allocated S\$14.07 million, representing 70% of the net proceeds of S\$20.10 million from the Proposed Subscription, for direct and indirect investments into new, prospective or existing portfolio companies of the Group.

5.6.2 Same terms offered to the US Subscribers

Save for the Exception and that the Company agreed to bear up to US\$25,000 in cost for LH, the terms of the Proposed Subscription are the same for all Subscribers.

We note that the Exception is not an uncommon clause for subscription which may result in a general offer under the Singapore Code on Take-overs and Mergers due to subscribers holding 30% or more interest in a listed company from the subscription of new shares in a listed company. A condition precedent of the warrants issue undertaken by OEL (Holdings) Limited listed as one of the Precedent Comparable Transactions in paragraph 5.3 of this IFA Letter is that the issue will not result in an obligation to undertake a general offer under the Singapore Code on Take-overs and Mergers. In the option issue undertaken by Shen Yao Holdings Limited (another Precedent Comparable Transaction in paragraph 5.3 of this IFA

Letter), some option holders have provided undertakings that he or she will not exercise his or her options to hold more than 30% of the shares and that he or she will scale down the exercise of his or her options to avoid placing himself or herself and parties acting in concert with him or her in the position of incurring a mandatory general offer obligation under the Singapore Code on Take-overs and Mergers.

In respect of the legal cost of up to US\$25,000 of LH to be borne by the Company, we note that:

- (a) US\$25,000 represents only 0.28% of the total proceeds from the Proposed IPT Subscription; and
- (b) LH is the largest subscriber, accounting for 58.67% of the Proposed Subscription.

5.6.3 Early payment

As mentioned in Section 4.3 of the Circular, the Subscribers shall have the option, but not the obligation, to accelerate and make an Early Payment.

Such Early Payment will allow the Company to receive the proceeds earlier and avoid any cost in relation to the fair value of the outstanding subscription rights during the financial reporting period.

5.6.4 No adjustment and no material alteration

As disclosed in Section 4.7 of the Circular, the Subscription Agreements do not provide for any adjustment to the Subscription Price or the aggregate number of Ordinary Shares allocated to each of the Subscribers under any circumstances, including but not limited to a rights issue, bonus issue or subdivision or consolidation of Shares by the Company as there is no conversion right granted to the Subscribers.

Save for a share consolidation event, such no adjustment and no material alteration clause is beneficial to the Company as the Subscription Price will not be adjusted downwards and the number of Ordinary Shares will not increase in event of rights issue, bonus issue or subdivision of Shares.

5.6.5 Dilution to existing public Shareholders

Existing public Shareholders (excluding Avztim, one of the US Subscribers), who hold in aggregate 381,002,454 Shares representing 48.16% interest in the capital of the Company as at the Latest Practicable Date, will be gradually diluted to hold 39.68% interest in the capital of the Company upon Completion.

5.6.6 Abstention from voting and special majority required to pass the resolutions relating to the Proposed IPT Subscription and Proposed Subscription by the US Subscribers

As set out in Section 12.3 of the Circular, LH shall abstain from exercising its voting rights in respect of all Shares held by LH and shall procure that its associates shall abstain from exercising their voting rights in respect of all Shares held by them on Ordinary Resolution 3 in relation to the Proposed IPT Subscription and Ordinary Resolution 4 in relation to the Proposed Subscription by the US Subscribers. LH and its associates shall also not accept

appointments as proxies unless specific instructions as to voting are given in respect of the abovementioned resolutions.

Avztim, which is an existing shareholder of the Company and which may be argued to have personal interest in the Proposed Subscription with LH as the Subscription Agreements have similar terms and are executed almost at the same time, shall also abstain from exercising its voting rights in respect of all Shares held by Avztim and shall procure that its associates shall abstain from exercising their voting rights in respect of all Shares held by them on Ordinary Resolution 3 in relation to the Proposed IPT Subscription and Ordinary Resolution 4 in relation to the Proposed Subscription by the US Subscribers. Avztim and its associates shall also not accept appointments as proxies unless specific instructions as to voting are given in respect of the abovementioned resolutions.

We also note that both Ordinary Resolution 3 in relation to the Proposed IPT Subscription and Ordinary Resolution 4 in relation to the Proposed Subscription by the US Subscribers require approval by a 'Special Majority', which is defined as *"A simple majority of votes of the Shareholders which satisfies one of the following conditions: (a) at least a majority of the Shares held by all Shareholders who do not have a personal interest in such resolution, present and voting at such meeting (and without including any abstaining votes) or (b) the total number of Shares who do not have a personal interest in such resolution voting against the resolution does not exceed 2.0% of the aggregate voting rights in the Company"*.

6. OUR OPINION

Having regard to our terms of reference, in arriving at our opinion, we have taken into account a range of factors which we consider to be pertinent and have a significant bearing on our assessment of the Proposed IPT Subscription. We have carefully considered as many factors as we deem essential and balanced them before reaching our opinion. Accordingly, it is important that our IFA Letter, in particular, all the considerations and information we have taken into account, be read in its entirety.

We set out below a summary of the key factors we have taken into our consideration:

- (a) the Subscription Price is above the closing prices of the Shares for the period between 21 May 2020 and the Latest Practicable Date, both dates inclusive;
- (b) the Subscription Price represents premia to the VWAPs of the Shares for the periods prior to the Announcement Date continues to represent a premium, albeit slightly lower at 11.21% to the VWAPs of the Shares for the period after the Announcement Date up to the Latest Practicable Date as set out in the table in paragraph 5.1.2 of this IFA Letter;
- (c) the 15.34% premium over VWAP represented by the Subscription Price is within the range represented by the discount of 9.95% and premium 34.6% to the VWAPs of the previous issues of new ordinary shares by the Company;
- (d) the historical average P/NAV ratios of the Shares for the periods prior to the Announcement Date were below the P/NAV ratio of 0.7 times implied by the Subscription Price and the historical average P/NAV ratios of the Shares for the

periods in the 24 months prior to the Announcement Date were also below the P/ANAV ratio of 0.64 times implied by the Subscription Price;

- (e) the subscription period and basis of the Subscription Price are generally within the range of the Precedent Comparable Transactions; and
- (f) the other consideration as set out in paragraph 5.6 of this IFA Letter.

Accordingly, after taking into account the above factors and the information made available to us as at the Latest Practicable Date, we are of the opinion that, the Proposed IPT Subscription is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

This IFA Letter, which is prepared pursuant to Rule 921(4)(a) of the Catalist Rules, is addressed to the Directors for their benefit, in connection with and for the purpose of their consideration of the Proposed IPT Subscription, and the recommendation made by them to the Shareholders shall remain the responsibility of the Directors. Neither the Company, the Directors nor the Shareholders may reproduce, disseminate or quote this IFA Letter (or any part thereof) for any other purpose, except for the Proposed IPT Subscription, at any time and in any manner without the prior written consent of Xandar Capital in each specific case.

This opinion is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours truly
For and on behalf of
XANDAR CAPITAL PTE. LTD.

LOO CHIN KEONG
EXECUTIVE DIRECTOR

PAULINE SIM POI LIN
HEAD OF CORPORATE FINANCE

NOTICE OF SPECIAL GENERAL MEETING

THE TRENDLINES GROUP LTD.
(Incorporated in Israel)
(Company Registration Number: 513970947)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the special general meeting (**SGM**) of The Trendlines Group Ltd. (**Company**) will be convened and held in a virtual-only meeting format via a live audio-visual webcast and live audio-only stream on **Friday, 4 March 2022 at 3:00 p.m. (Singapore time)**, for the purpose of considering and, if thought fit, approving the following matters:

Unless otherwise defined or the context otherwise requires, all capitalized terms herein shall bear the same meaning used in the circular dated 28 January 2022 issued by the Company.

ORDINARY RESOLUTION 1

THE PROPOSED RE-ELECTION OF PROFESSOR HANG CHANG CHIEH AS AN EXTERNAL DIRECTOR OF THE COMPANY

That:

1. approval be and is hereby given for the re-election of Professor Hang Chang Chieh as an external director of the Company with effect from 24 February 2022, details of which are set out in the Circular. Professor Hang Chang Chieh will, upon re-election as a Director of the Company, remain as a member of the Audit Committee, the Nominating Committee and the Remuneration Committee;
2. the Directors and any of them (other than Professor Hang Chang Chieh) be and are hereby authorised to do all acts and things (including without limitation, entry into, executing and delivery of all such documents, and approving any amendments, alterations or modifications to any such documents as may be required in connection with the Proposed Re-Election of Professor Hang Chang Chieh as they or each of them deems necessary, desirable, expedient or in the interests of the Company to give effect to this Ordinary Resolution 1 and/or the Proposed Re-Election of Professor Hang Chang Chieh as they or each of them may in their or each of their absolute discretion deem fit in the interests of the Group; and
3. any and all actions of the Company, the Directors of the Company and/or such other persons as may be nominated by any of them taken in connection with the matters contemplated in this Ordinary Resolution 1 and/or the Proposed Re-Election of Professor Hang Chang Chieh prior to the execution hereof, be and are hereby approved, confirmed and ratified in all respects.

ORDINARY RESOLUTION 2

THE PROPOSED RE-ELECTION OF MS. ELKA NIR AS AN EXTERNAL DIRECTOR OF THE COMPANY

That:

1. approval be and is hereby given for the re-election of Ms. Elka Nir as an external director of the Company with effect from 24 February 2022, details of which are set out in the Circular. Ms. Elka Nir will, upon re-election as a Director of the Company, remain as the chairperson of the Audit Committee and the Remuneration Committee and a member of the Nominating Committee;
2. the Directors and any of them (other than Ms. Elka Nir) be and are hereby authorised to do all acts and things (including without limitation, entry into, executing and delivery of all such documents, and approving any amendments, alterations or modifications to any such

NOTICE OF SPECIAL GENERAL MEETING

documents as may be required in connection with the Proposed Re-Election of Ms. Elka Nir as they or each of them deems necessary, desirable, expedient or in the interests of the Company to give effect to this Ordinary Resolution 2 and/or the Proposed Re-Election of Ms. Elka Nir as they or each of them may in their or each of their absolute discretion deem fit in the interests of the Group; and

3. any and all actions of the Company, the Directors of the Company and/or such other persons as may be nominated by any of them taken in connection with the matters contemplated in this Ordinary Resolution 2 and/or the Proposed Re-Election of Ms. Elka Nir prior to the execution hereof, be and are hereby approved, confirmed and ratified in all respects.

ORDINARY RESOLUTION 3

THE PROPOSED SUBSCRIPTION OF 99,099,096 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AT THE SUBSCRIPTION PRICE OF S\$0.12 PER SHARE BY LH IN EIGHT (8) EQUAL TRANCHES BASED ON THE ALLOCATION

That:

1. approval be and is hereby given for the allotment and issuance by the Company of 99,099,096 new ordinary Shares to LH as an interested person transaction in accordance with Rule 906 of the Catalist Rules and pursuant to Rules 805 and 812 of the Catalist Rules, at a Subscription Price of S\$0.12 per Share, on and subject to the terms of the Subscription Agreement entered into between the Company and LH, details of which are set out in the Circular;
2. the Directors and any of them be and are hereby authorised to do all acts and things (including without limitation, entry into, executing and delivery of all such documents, including the Subscription Agreement between the Company and LH, and approving any amendments, alterations or modifications to any such documents as may be required in connection with the Proposed Subscription by LH) as they or each of them deems necessary, desirable, expedient or in the interests of the Company to give effect to this Ordinary Resolution 3 and/or the Proposed Subscription by LH as they or each of them may in their or each of their absolute discretion deem fit in the interests of the Group; and
3. any and all actions of the Company, the Directors of the Company and/or such other persons as may be nominated by any of them taken in connection with the matters contemplated in this Ordinary Resolution 3 and/or the Proposed Subscription by LH prior to the execution hereof, be and are hereby approved, confirmed and ratified in all respects.

ORDINARY RESOLUTION 4

THE PROPOSED SUBSCRIPTION OF 69,819,816 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AT THE SUBSCRIPTION PRICE OF S\$0.12 PER SHARE BY THE US SUBSCRIBERS IN EIGHT (8) EQUAL TRANCHES BASED ON THE ALLOCATION

That:

1. approval be and is hereby given for the allotment and issuance by the Company of 69,819,816 new ordinary Shares to the US Subscribers pursuant to Rule 805 of the Catalist Rules, at a Subscription Price of S\$0.12 per Share, on and subject to the terms of the Subscription Agreements entered into between the Company and each of the US Subscribers, details of which are set out in the Circular;
2. the Directors and any of them be and are hereby authorised to do all acts and things (including without limitation, entry into, executing and delivery of all such documents, including the Subscription Agreements between the Company and each of the US Subscribers, and approving any amendments, alterations or modifications to any such documents as may be required in connection with the Proposed Subscription by the US Subscribers as they or each of them deems necessary, desirable, expedient or in the interests of the Company to give effect to this Ordinary Resolution 4 and/or the Proposed Subscription by the US Subscribers as they

NOTICE OF SPECIAL GENERAL MEETING

or each of them may in their or each of their absolute discretion deem fit in the interests of the Group; and

3. any and all actions of the Company, the Directors of the Company and/or such other persons as may be nominated by any of them taken in connection with the matters contemplated in this Ordinary Resolution 4 and/or the Proposed Subscription by the US Subscribers prior to the execution hereof, be and are hereby approved, confirmed and ratified in all respects.

BY ORDER OF
THE BOARD OF
THE TRENDLINES GROUP LTD.

Haim Brosh
Leong Chang Hong
Joint Company Secretaries

28 January 2022

NOTICE OF SPECIAL GENERAL MEETING

Notes:

1. The SGM is being convened, and will be held by way of electronic means pursuant to the COVID-19 (Temporary Measures) Act 2020 released on 7 April 2020 and the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Shareholders will **not** be able to attend the SGM in person.

Printed copies of this Notice of SGM will not be sent to shareholders, instead, this Notice of SGM will be sent to shareholders by way of electronic means via publication on the SGXNet at <https://www.sgx.com/securities/company-announcements> and the Company's website at <https://www.trendlines.com/investors/investors-news>.

Alternative arrangements have been put in place to allow shareholders to participate at the SGM by:

- (a) observing and/or listening to the SGM proceedings via the live audio-visual webcast and live audio-only stream (**Live Webcast**);
- (b) submitting questions in advance of the SGM;
- (c) submitting text-based questions via the Live Webcast by clicking the "Ask a Question" feature and then clicking "Type Your Question" to input their queries in the questions text box; and
- (d) live voting or appointing proxy(ies) or the Chairman of the SGM as proxy to attend and vote on their behalf at the SGM.

2. Pre-registration for the SGM

Shareholders, proxyholders, Central Provident Fund (**CPF**) and Supplementary Retirement Scheme (**SRS**) investors attending the SGM will be able to observe and/or listen to the SGM proceedings through the Live Webcast via their mobile phones, tablets or computers.

All shareholders, proxyholders, CPF and SRS investors who wish to attend the SGM must pre-register via the pre-registration website at https://conveneagm.sg/Trendlines_SGM2022 for verification purposes **by 3:00 p.m. on 2 March 2022**, being 48 hours before the time fixed for the SGM. Shareholders should make a declaration if they are a Controlling Shareholder or have a personal interest in a proposed resolution during such pre-registration.

Shareholders who are appointing proxyholder(s) to attend the SGM should inform his/her proxyholder(s) to pre-register via the pre-registration website at https://conveneagm.sg/Trendlines_SGM2022 **by 3:00 p.m. on 2 March 2022**, being 48 hours before the time fixed for the SGM, failing which the appointment shall be invalid.

Authenticated shareholders, proxyholders and CPF and SRS investors will be provided with a confirmation email for the SGM containing details as well as instructions on attending the SGM (the "**Confirmation Email**"), via the e-mail address provided during pre-registration.

Shareholders, proxyholders, CPF and SRS investors who have pre-registered by **3:00 p.m. on 2 March 2022** deadline but have not received the Confirmation Email by **3:00 p.m. on 3 March 2022** should immediately contact support@conveneagm.com.

3. Question and answer

Shareholders, proxyholders, CPF and SRS investors will be able to ask questions at the SGM by submitting text-based questions via the Live Webcast by clicking the "Ask a Question" feature and then clicking "Type Your Question" to input their queries in the questions text box.

Shareholders, proxyholders and CPF and SRS investors are also encouraged to submit questions related to the resolutions to be tabled for approval at the SGM to the Chairman of the SGM, in advance of the SGM by submitting questions by e-mail to Mr. Haim Brosh, Joint Company Secretary, at haim@trendlines.com or in hard copy by post to the Company's Singapore Share Registrar and Share Transfer Office, Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632 no later than seven (7) working days in advance of the SGM (i.e. **by 3:00 p.m. on 23 February 2022**). The Company will endeavour to address the substantial and relevant questions on SGXNet and its website at <https://www.trendlines.com/> no later than three (3) days prior to

NOTICE OF SPECIAL GENERAL MEETING

the SGM. The responses to other questions, together with the minutes of the SGM, will be posted on the SGXNet and the Company's website within one (1) month after the date of the SGM.

In view of the evolving COVID-19 situation, the Company reserves the right to take such further precautionary measures as may be appropriate up to the date of the SGM, including any precautionary measures required or recommended by the government or any regulatory bodies, in order to curb the spread of COVID-19. Shareholders should continually check for announcements by the Company for updates on the SGM.

4. The form of an instrument appointing a proxy (**Proxy Form**), which may be used to vote at the SGM can be found at the end of this document.

5. Voting

Live voting will be conducted during the SGM for shareholders and proxyholders attending the SGM via the Live Webcast. It is important for shareholders and proxyholders to have their own web-browser enabled devices ready for voting during the SGM.

Shareholders and proxyholders will be required to log-in via the login credentials created during pre-registration to attend and participate in the Live Webcast of the SGM.

- (a) **Live voting:** Shareholders and proxyholders attending the SGM may cast their votes in real time for each resolution to be tabled via the Live Webcast. Shareholders and proxyholders will have the opportunity to cast their votes via the live voting feature. Shareholders and proxyholders must have a web-browser enabled device in order to cast their vote.
- (b) **Voting via appointing proxy(ies) or the Chairman of the SGM as proxy:** As an alternative to the above, shareholders may also vote at the SGM by appointing proxy(ies) or the Chairman of the SGM as proxy to vote on their behalf. Please refer to paragraph 6 below for the manner of submission.

A shareholder, who has submitted a Proxy Form, but wishes to attend and participate in the Live voting during the SGM instead, must inform the Company's Singapore Share Registrar and Share Transfer Office, Boardroom Corporate & Advisory Services Pte. Ltd., at +65 6536 5335 (during office hours) or at srs.teamb@boardroomlimited.com **by 3:00 p.m. on 3 March 2022**. Alternatively, kindly log-in prior to the commencement of the SGM as proxy revocation is not allowed after the SGM has started.

6. Appointment of Proxies

Shareholders who wish to vote at the SGM via a proxy(ies) must submit the Proxy Form attached to this Circular to appoint the proxy(ies) or the Chairman of the SGM as their proxy to cast votes on their behalf. Shareholders are requested to complete, sign and return the Proxy Form in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the registered office of the Company at T'chelet Street 17, Misgav Industrial Park, 2017400 Israel, or the Company's Singapore Share Registrar and Share Transfer Office, Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632, or by e-mail to Mr. Haim Brosh, Joint Company Secretary, at CompanySecretary@trendlines.com, not less than forty eight (48) hours before the time appointed for the SGM (i.e. **by 3:00 p.m. on 2 March 2022**). Notwithstanding the above, the Chairman of the SGM shall have the right to waive the time requirement provided above with respect to all instruments of proxies and to accept any and all instruments of proxy until the beginning of the SGM.

A shareholder who wishes to submit an instrument of proxy must first download, complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and submitting it by email to the email address provided above.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for shareholders to submit the completed Proxy Forms by post, shareholders are strongly encouraged to submit completed proxy forms electronically via email.

7. Relevant Intermediaries

Persons who hold shares of the Company through relevant intermediaries (as defined in Section 181 of the Companies Act 1967 of Singapore), including CPF or SRS investors who wish to participate in the SGM by (a) observing and/or listening to the SGM proceedings through the Live Webcast; (b) submitting questions in advance of the SGM; (c) submitting questions during the SGM and/or (d) voting at the SGM,

NOTICE OF SPECIAL GENERAL MEETING

should contact the relevant intermediary through which they hold such shares as soon as possible in order to make the necessary arrangements for them to participate in the SGM.

In addition, CPF and SRS investors:

- (a) may vote live via electronic means at the SGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or
- (b) may appoint the Chairman of the SGM as proxy to vote on their behalf at the SGM, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven (7) working days before the SGM (i.e. **by 3:00 p.m. on 23 February 2022**) in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint the Chairman of the SGM to vote on their behalf by the cut-off date.

Personal Data Privacy

By submitting an instrument appointing proxy(ies) or the Chairman of the SGM as proxy to attend and vote at the SGM and/or any adjournment thereof, a shareholder of the Company or a Depositor, as the case may be, (i) consents to the collection, use and disclosure of the shareholder or Depositor's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of the appointment of proxy(ies) or the Chairman of the SGM as proxy for the SGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the SGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the **Purposes**), (ii) warrants that where the shareholder or a Depositor discloses the personal data of the shareholder or Depositor's proxy(ies) to the Company (or its agents), the shareholder or Depositor has obtained the prior consent of such proxy(ies) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) for the Purposes, and (iii) agrees that the shareholder or Depositor will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder or Depositor's breach of warranty.

PROXY FORM

THE TRENDLINES GROUP LTD.
(Incorporated in Israel)
(Company Registration Number: 513970947)

PROXY FORM

I/We _____ (NRIC / Passport No./ Company Registration No.) _____
of _____ (Address)

being a shareholder/shareholders of The Trendlines Group Ltd (**Company**), hereby appoint:

Name	Address	NRIC/Passport Number	Email Address***	Proportion of Shareholdings (%)	
				No. of Shares	%

and/or****

Name	Address	NRIC/Passport Number	Email Address***	Proportion of Shareholdings (%)	
				No. of Shares	%

the Chairman of the Special General Meeting**** (**SGM**) as my/our proxy to attend and to vote for me/us on my/our behalf at the SGM of the Company to be held in a virtual-only meeting format via live audio-visual webcast and live audio-only stream on **Friday, 4 March 2022 at 3:00 p.m. (Singapore time)**.

I/We direct my/our proxy to vote for or against or abstain from the ordinary resolutions to be proposed at the SGM as indicated hereunder. If no specific direction as to voting for a particular resolution is given:

- (a) (in the case of the appointment of the Chairman of the SGM as my/our proxy), such appointment of the Chairman as my/our proxy for that resolution will be treated as invalid; and
- (b) (in the case of the appointment of anyone other than the Chairman of the SGM as my/our proxy), the proxy(ies) will vote or abstain from voting at his/her/their discretion.

No.	Resolution	For*	Against*	Abstain*	I am a Controlling Shareholder or have a personal interest in the proposed resolution	
					Yes**	No**
1.	To approve the Proposed Re-Election of Professor Hang Chang Chieh to serve as the External Director of the Company					
2.	To approve the Proposed Re-Election of Ms. Elka Nir to serve as the External Director of the Company					
	Resolution	For*	Against*	Abstain*	I have a personal interest in the proposed resolution	

PROXY FORM

					Yes**	No**
3.	To approve the Proposed Subscription by LH					
4.	To approve the Proposed Subscription by the US Subscribers					

* If you wish to exercise all your votes "For" or "Against" or "Abstain", please tick "✓" within the box provided. Alternatively, please indicate the number of votes as appropriate.

** If a "✓" is not marked in either column or a "✓" is marked in both columns, the vote shall be disqualified.

*** Compulsory for registration purposes. All shareholders and proxyholders who wish to attend and participate in the Live Webcast of the SGM must pre-register via the pre-registration website. Authenticated shareholders and proxy(ies) will be provided with a confirmation email for the SGM containing details, as well as instructions on attending the SGM (the "Confirmation Email"), via the email address provided during pre-registration.

**** Delete as appropriate.

Dated this _____ day of _____ 2022.

Signature(s) of shareholder(s)/Common Seal of corporate shareholder

Total No. of Shares Held

IMPORTANT

PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS PROXY FORM

PROXY FORM

Notes:

1. Due to the current COVID-19 restriction orders in Singapore, shareholders will not be able to attend the SGM in person. A shareholder (whether individual or corporate) may vote live at the SGM by electronic means or submit this Proxy Form to appoint proxy(ies) or the Chairman of the SGM as his/her/its proxy to attend and vote on his/her/its behalf at the SGM, if such shareholder wishes to exercise his/her/its rights at the SGM.
2. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register, you should insert that number. If you have Shares registered in your name in the Shareholders Register of the Company, you should insert that number. If you have Shares entered against your name in the Depository Register and shares registered in your name in the Shareholders Register, you should insert the aggregate number. If no number is inserted, this form of proxy will be deemed to relate to all the Shares held by you. Where you appoint more than one proxy, the appointments shall be invalid unless you specify the shareholding (expressed as a percentage of the whole) to be represented by each proxy.
3. This proxy form may be accessed at the SGXNet. Where a shareholder (whether individual or corporate) appoints the Chairman of the SGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which, the appointment of the Chairman of the SGM as proxy for that resolution will be treated as invalid.
4. A shareholder who wishes to submit an instrument of proxy must first download, complete, sign the proxy form and return it in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the registered office of the Company at 17 T'chelet Street, Misgav Industrial Park, 2017400 Israel or the Company's Singapore Share Registrar and Share Transfer Office, Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632, or by e-mail to Mr. Haim Brosh, Joint Company Secretary, at CompanySecretary@trendlines.com not less than forty eight (48) hours before the time appointed for the SGM (i.e. by **3:00 p.m. on 2 March 2022**). Notwithstanding the above, the Chairman of the SGM shall have the right to waive the time requirement provided above with respect to all instruments of proxies and to accept any and all instruments of proxy until the beginning of the SGM.

In view of the current Covid-19 situation and the related safe distancing measures which may make it difficult for shareholders to submit the completed proxy forms by post, shareholders are strongly encouraged to submit completed proxy forms electronically via email.

5. Persons who hold Shares of the Company through relevant intermediaries (as defined in Section 181 of the Companies Act 1967 of Singapore), including CPF or SRS investors:
 - (a) may vote live via electronic means at the SGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or
 - (b) may appoint the Chairman of the SGM as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven (7) working days before the SGM (i.e. by **3:00 p.m. on 23 February 2022**) in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint the Chairman of the SGM to vote on their behalf by the cut-off date.
6. A proxy need not be a shareholder of the Company.
7. The instrument of proxy shall be duly signed by the appointer or his duly authorised attorney or, if such appointer is a company or other corporate body, under its common seal or stamp or the hand of its duly authorised signatory(ies), agent(s) or attorney(s). The Board may demand that the Company be provided with written confirmation, to its satisfaction, that the signatory(ies), agent(s) or attorney(s) have the authority to bind the corporate body of the appointing Shareholder.
8. The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointer are not ascertainable from the instructions of the appointer specified on the instrument of proxy. In addition, in the case of Shares entered in the Depository Register, the Company may reject an instrument of proxy if the Shareholder, being the appointer, is not shown to have Shares entered against his/her name in the Depository Register as at **3:00 p.m. on 28 February 2022, the record date for determining those shareholders eligible to vote at the SGM**, as certified by the CDP.
9. Completion and return of the Proxy Form shall not preclude a shareholder from attending and voting at the SGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a shareholder attends the SGM, and in such event, the Share Registrar reserves the right to refuse to admit any person or persons appointed under the Proxy Form, to the SGM.
10. The Companies Law requires that each Shareholder voting on: (a) the proposed ordinary resolutions 1 and 2 to indicate whether or not he/she is a controlling shareholder or has a personal interest in such proposed resolution; and (b) the proposed ordinary resolutions 3 and 4 to indicate whether or not he/she has a personal interest in such proposed resolution. For a complete discussion regarding control and personal interest, and how to indicate whether you are a controlling shareholder or have personal interest in these proposed resolutions, please refer to Section 12.3 of the Circular, entitled "Indication of personal interest".

PROXY FORM

Personal Data Privacy

By submitting an instrument appointing proxy(ies) or the Chairman of the SGM as proxy to attend and vote at the SGM and/or any adjournment thereof, a shareholder of the Company or a Depositor, as the case may be (i) consents to the collection, use and disclosure of the shareholder or Depositor's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of the appointment of proxy(ies) and/or the Chairman of the SGM as proxy for the SGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the SGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the **Purposes**), (ii) warrants that where the shareholder or a Depositor discloses the personal data of the shareholder or Depositor's proxy(ies) to the Company (or its agents), the shareholder or Depositor has obtained the prior consent of such proxy(ies) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) for the Purposes, and (iii) agrees that the shareholder or Depositor will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder or Depositor's breach of warranty.