THE TRENDLINES GROUP LTD.
(Incorporated in Israel)
(Company Registration No. 513970947)

Unaudited Financial Statements and Dividend Announcement
For the three months ended 31 March 2017

*The Trendlines Group Ltd. (the "**Company**") was listed on Catalist of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 26 November 2015. The initial public offering of the Company (the "**IPO**") was sponsored by PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**" or "**PPCF**").*

This announcement has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the SGX-ST Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Ms Gillian Goh, Director, Head of Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318.

Background

The Company was incorporated on 1 May 2007 as a private company limited by shares under the Israeli Companies Law, under the name of "T.I.F. Ventures Ltd.", and was subsequently renamed "The Trendlines Group Ltd." on 16 July 2008.

The Group is focused on developing technology-based companies in the medical and agricultural fields. The Group creates and develops companies in accordance with the mission to improve the human condition. To this end, the Group discovers, invests in, incubates and provides services to companies in the fields of medical and agricultural technologies with a view toward a successful exit in the marketplace. Exits may include sales such as merger and acquisition transactions, listing on public stock exchanges and other dispositions of the Company's holdings.

The Company and together with its subsidiaries and associated companies (the "**Group**") also has its own internal innovation centre, Trendlines Labs (established as a business unit of the Company in 2011), where it engages in research and development activities to create new technologies, either as principal or in collaboration with global and local companies and partners, to address unmet market needs.

Further, Trendlines Labs' technologies can be used for sale or licensing to others or for transfer to the incubators for further development and commercialization.

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3) AND FULL YEAR RESULTS

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group		
	Three Months Ended		
	31 March 2017 (Unaudited) US$'000	31 March 2016 (Unaudited) US$'000	Change %
Income:			
Loss from change in fair value of investments in Portfolio Companies	(738)	(992)	(25.60)
Income from services to Portfolio Companies	1,085	1,281	(15.30)
Group's share of losses of companies accounted for under the equity method	(73)	-	N.M.
Income from contracted R&D services	131	330	(60.30)
Financial income	670	428	56.54
Other income	106	93	13.98
Total income	1,181	1,140	3.60
Expenses			
Operating, general and administrative expenses	2,203	2,058	7.05
Marketing expenses	81	88	7.95
R&D expenses, net	298	230	29.57
Financial expenses	-	257	N.M.
Total expenses	2,582	2,633	(1.94)
Loss before income taxes	(1,401)	(1,493)	(6.16)
Income tax (expense)/benefit	(226)	723	N.M.
Net loss	(1,627)	(770)	111.30
Other comprehensive income	24	-	N.M.
Total comprehensive loss	(1,603)	(770)	108.18
Net loss and total comprehensive loss attributable to:			
Equity holders of the Company	(1,703)	(770)	121.17
Non-Controlling Interests	76	-	N.M.
	(1,627)	(770)	111.30
Net loss per share attributable to equity holders of the Company (U.S. Dollars):			
Basic and diluted net loss per share	(0.00)	(0.00)	

N.M. – not meaningful

1(a)(ii) Notes to Consolidated Statement of Comprehensive Income

	Three Months Ended	
	31 March 2017 (Unaudited) US$'000	31 March 2016 (Unaudited) US$'000
Depreciation and amortization	33	27
Foreign currency exchange gain	177	431

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	Group		Company	
	31 March 2017 (Unaudited) US$'000	31 December 2016 (Audited) US$'000	31 March 2017 (Unaudited) US$'000	31 December 2016 (Audited) US$'000
Assets				
Current assets				
Cash and cash equivalents	4,444	6,977	4,084	5,306
Short-term investments	9,242	9,225	9,058	9,051
Accounts and other receivables	407	895	174	657
Short-term loans to Portfolio Companies	508	212	-	-
	14,601	17,309	13,316	15,014
Non-current assets				
Investment in Subsidiaries	-	-	63,405	63,121
Investments in Portfolio Companies	83,782	83,701	-	-
Investment in companies accounted for under the equity method	1,007	1,080	1,007	1,080
Property, plant and equipment, net	535	515	163	166
	85,324	85,296	64,575	63,367
Total assets	99,925	102,605	77,891	79,381
EQUITY AND LIABILITIES				
Current liabilities				
Trade and other payables	1,340	1,377	723	691
Deferred revenues	3,545	3,827	194	194
	4,885	5,204	917	885
Non-current liabilities				
Deferred revenues	1,454	2,166	194	194
Loans from the Israeli Chief Scientist	3,950	4,392	-	-
Deferred taxes, net	12,724	12,498	-	-
Other long-term liabilities	174	144	152	135
	18,302	19,200	346	329
Total liabilities	23,187	24,404	1,263	1,214

Equity				
Equity Attributable to Equity Holders of the Company:				
Share capital	1,315	1,315	1,315	1,315
Share premium	55,316	55,316	55,316	55,316
Reserve from hedge	-	(24)		(24)
Reserve from share-based payment transactions	4,524	4,384	4,524	4,384
Retained earnings	15,473	17,176	15,473	17,176
Equity attributable to owners of the parent	76,628	78,167	76,628	78,167
Non-controlling interests	110	34	-	-
Total equity	76,738	78,201	76,628	78,167
Total equity and liabilities	99,925	102,605	77,891	79,381

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 31 March 2017 (Unaudited)		As at 31 December 2016 (Audited)	
Secured US$'000	Unsecured US$'000	Secured US$'000	Unsecured US$'000
-	-	-	-

Amount repayable after one year

As at 31 March 2017 (Unaudited)		As at 31 December 2016 (Audited)	
Secured US$'000	Unsecured US$'000	Secured US$'000	Unsecured US$'000
3,950	-	4,392	-

Details of any collateral

The Group has non-recourse debt to the Israel Innovation Authority (formally known as the "Office of the Chief Scientist of the Israeli Ministry of Economy) ("OCS"). These loans were extended from the OCS for the purpose of funding Portfolio Companies, and these loans were secured by liens on shares of the following Portfolio Companies for which the loans were granted:

	Number of shares in each portfolio company pledged in favor of the OCS	
Name of Portfolio Company	As at 31 March 2017 (Unaudited)	As at 31 December 2016 (Unaudited)
Advanced Memtech Ltd.	77,668	77,668
Breezy Industries Ltd.	37,892	37,892
IonMed Ltd.	37,800	37,800
Leviticus Cardio Ltd.	49,250	49,250
Liola Technologies Ltd.	36,500	36,500
Magdent Ltd.	40,750	40,750
Mantissa Ltd.	40,744	40,744
MediValve Ltd.	159,600	159,600
Nephera Ltd.	67,830	67,830
NeuroQuest Ltd.	71,820	71,820
ProArc Medical Ltd.	34,860	34,860
Sol Chip Ltd.	6,631	6,631
VivoText Ltd.	36,669	36,669

For more information, please refer to the Company's offer document dated 16 November 2015.

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

Consolidated Statement of Cash Flows

	Three Months Ended	
	31 March 2017 (Unaudited) US$´000	**31 March 2016 (Unaudited) US$´000**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	(1,627)	(770)
Adjustments to reconcile net loss to net cash used in operating activities:		
Adjustments to the profit or loss items:		
Depreciation	33	27
Income tax expense/(benefit)	226	(723)
Loss from changes in fair value of investments in Portfolio Companies	738	992
Investments in Portfolio Companies	(836)	(1,183)
Financial income, net	(432)	(9)
Income from services to Portfolio Companies	(994)	(1,222)
Share-based payments	140	244
Group's share of losses of companies accounted for under the equity method, net	73	-
Changes in asset and liability items:		
Increase in short-term loans to Portfolio Companies	(282)	(5)
Decrease (increase) in accounts and other receivables	512	(224)
(Decrease) increase in trade and other payables	(37)	93
Increase (decrease) in other long term liabilities	30	(8)
	(829)	(2,018)
Cash received during the period for:		
Interest received	29	-
Net cash used in operating activities	**(2,427)**	**(2,788)**

	Three Months Ended	
	31 March 2017 (Unaudited) US$´000	31 March 2016 (Unaudited) US$´000
CASH FLOWS FROM INVESTMENT ACTIVITIES:		
Purchase of property, plant and equipment	(53)	(26)
Proceeds from sale of short-term investments	12	4,010
Net cash (used in) provided by investing activities	(41)	3,984
CASH FLOWS FROM FINANCING ACTIVITIES:		
Loans (to) from the Israeli Chief Scientist	(65)	54
Net cash (used in) provided by financing activities	(65)	54
(Decrease) increase in cash and cash equivalents	(2,533)	1,250
Cash and cash equivalents at the beginning of the period	6,977	6,998
Cash and cash equivalents at the end of the period	4,444	8,248

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

Statement of Changes in Equity
Group

(Unaudited)	Share Capital	Share premium	Reserve from hedge	Reserve from share-based payment transactions	Retained earnings	Total	Non-controlling interests	Total equity
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Balance as at 1 January 2017	1,315	55,316	(24)	4,384	17,176	78,167	34	78,201
Net loss and total comprehensive loss	-	-	24	-	(1,703)	(1,679)	76	(1,603)
Cost of share-based payments	-	-	-	140	-	140	-	140
Balance as at 31 March 2017	**1,315**	**55,316**	**-**	**4,524**	**15,473**	**76,628**	**110**	**76,738**
(Unaudited)								
Balance as at 1 January 2016	1,315	54,852	-	4,203	23,754	84,124	34	84,158
Net loss and total comprehensive loss	-	-	-	-	(770)	(770)	-	(770)
Cost of share-based payments	-	-	-	244	-	244	-	244
Exercise of options	-	11	-	(11)	-	-	-	-
Balance as at 31 March 2016	**1,315**	**54,863**	**-**	**4,436**	**22,984**	**83,598**	**34**	**83,632**

Statement of Changes in Equity
Company

(Unaudited)	Share Capital	Share premium	Reserve from hedge	Reserve from share-based payment transactions	Retained earnings	Total equity
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Balance as at 1 January 2017	1,315	55,316	(24)	4,384	17,176	78,167
Net loss and total comprehensive loss	-	-	24	-	(1,703)	(1,679)
Cost of share-based payments	-	-	-	140	-	140
Balance as at 31 March 2017	**1,315**	**55,316**	**-**	**4,524**	**15,473**	**76,628**
(Unaudited)						
Balance as at 1 January 2016	1,315	54,852	-	4,203	23,754	84,124
Net loss and total comprehensive loss	-	-	-	-	(770)	(770)
Cost of share-based payments	-	-	-	244	-	244
Exercise of options	-	11	-	(11)	-	-
Balance as at 31 March 2016	**1,315**	**54,863**	**-**	**4,436**	**22,984**	**83,598**

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Shares Capital – Ordinary Shares

There were no changes in the issued share capital of the Company ("**Shares**") from 31 December 2016 to 31 March 2017.

As at 31 March 2017, there are 55,229,448 outstanding options which can be converted into 55,229,448 shares (31 March 2016 there are 53,445,664 outstanding options which can be converted into 53,554,664 shares).

Save as disclosed above, the Company did not have any treasury shares, subsidiary holdings or other convertibles as at 31 March 2017 and 31 March 2016.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year

	As at 31 March 2017	As at 31 December 2016
Total number of issued shares	508,741,749	508,741,749

The Company did not have any treasury shares as at 31 March 2017 and 31 December 2016.

1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable. The Company did not have any treasury shares during and as at the end of the current financial period reported on.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable. The Company did not have any subsidiary holdings during and as at the end of the current financial period reported on.

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

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

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

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

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

Except as disclosed in paragraph 5 below, the accounting policies and methods of computation adopted in the financial statements for the current reporting period are consistent with those disclosed in the most recently audited consolidated financial statements for the financial year ended 31 December 2016.

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

The Group has adopted all the applicable new and revised International Financial Reporting Standards ("IFRS") and Interpretations of Financial Reporting Standards ("IFRIC") that are mandatory for the accounting periods beginning on or after 1 January 2017. The adoption of these new and revised IFRS and IFRIC did not result in any substantial change to the Group's and the Company's accounting policies and has no significant impact on the financial statements for the current financial reporting period.

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

	Group	
	Three Months Ended	
Loss per share ("LPS")	**31 March 2017 (Unaudited)**	**31 March 2016 (Unaudited)**
Loss attributable to owners of the parent (US$'000)	(1,703)	(770)
Weighted average number of ordinary shares in issue (in thousands)	508,742	508,742
LPS (US$)	(0.00)	(0.00)
Weighted average number of ordinary shares in issue on fully diluted basis (in thousands)	508,742	508,742
Fully diluted LPS (US$)	(0.00) [(1)]	(0.00) [(1)]

Note:

(1) Fully diluted LPS of the Group is the same as the basic LPS because the potential ordinary shares to be converted under any convertible securities are anti-dilutive.

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

(a) Current period reported on; and

(b) Immediately preceding financial year

	Group		Company	
Net asset value ("NAV")	**31 March 2017 (Unaudited)**	**31 December 2016 (Audited)**	**31 March 2017 (Unaudited)**	**31 December 2016 (Audited)**
NAV (US$'000)	76,628,049	78,166,993	76,628,049	78,166,993
Number of ordinary shares in issue (in thousands)	508,742	508,742	508,742	508,742
NAV per ordinary share (US$)	0.15	0.15	0.15	0.15

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss:

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

Consolidated Statement of Comprehensive Income

Review for the performance of the Group for the three months ended 31 March 2017 ("1Q2017") as compared to the three months ended 31 March 2016 ("1Q2016").

Income

Total income increased by approximately US$41,000 or 3.6% from US$1.1 million in 1Q2016 to US$1.2 million in 1Q2017.

Loss from change in fair value of investments in Portfolio Companies

The loss from change in fair value of investments in Portfolio Companies was approximately US$0.7 million as compared to a loss of approximately US$1.0 million in 1Q2016 mainly due to:

(i) A decrease of approximately US$1.4 million in the fair market value of various Portfolio Companies mainly as a result of the completion of fund raising exercises at less favorable terms to the Company, and general commercial or technological difficulties demonstrated in some Portfolio Companies in 1Q2017; and

(ii) The write-off of three Portfolio Companies in the amount of approximately US$1.5 million, a result of development challenges and/or the lack of funding in those companies.

The losses were partially offset by :

An aggregate gain in fair value of approximately US$2.1 million for some Portfolio Companies as a result of the completion of fund raising exercises at higher valuation and general commercial and technological progress demonstrated in some Portfolio Companies in 1Q2017.

Income from services to Portfolio Companies

Income from services to Portfolio Companies comprised approximately US$0.1 million received as overhead reimbursement from our Portfolio Companies and approximately US$1.0 million of non-cash benefits received from the OCS in Israel. Income from services to Portfolio Companies decreased by approximately US$0.2 million or 15.3% due to a one-time income that was booked in 1Q2016 as a result of write off of company that did not mature it's two years in the incubator.

Group's share of losses of companies accounted for under the equity method, net

In 1Q2017, the Company recorded loss of approximately US$0.1 million from companies accounted for under equity method. In 1Q2016, the Company did not record any gain or losses from companies accounted for under equity method. The holding represents the loss incurred by the incubator in Singapore, Trendlines Medical Singapore Pte Ltd which was incorporated in the second half of 2016.

Income from contracted research and development ("R&D") services

Income from contracted R&D services decreased by approximately US$0.2 million or 60.3% due to a lower level of activity in relation to R&D services provided by Trendlines Labs to a third party.

Finance income

Financial income increased by approximately US$0.2 million in 1Q2017 or 56.5% due to a reduction in fair market value of loans from the OCS as compared to an increase in the value of loans in 1Q2016.

Other income

Other income remained relatively unchanged in 1Q2017 as compared to 1Q2016.

Expenses

Operating, general and administrative expenses

Operating, general and administrative expenses increased by approximately US$0.1 million or 7.0%. The increase was mainly attributable to the increase of employment cost mainly due to higher headcount as part of the Company expansion and salary increment as compared to 1Q2016.

Marketing expenses

Marketing expenses remain relatively unchanged in 1Q2017 as compared to 1Q2016.

R&D expenses, net

Net R&D expenses increased by approximately US$0.1 million or 29.6% which was mainly attributable to the increase of employment cost.

Financial expenses

The absence of financial expenses in 1Q2017 as compared to approximately US$0.3 million of financial expenses in 1Q2016 was due mainly to decrease in the fair value of the OCS loans, which resulted in financial income in 1Q2017.

Loss before income taxes

In view of the above, loss before income tax in 1Q2017 was approximately US$1.4 million as compared to approximately US$1.5 million in 1Q2016.

Income tax benefit /expense

Income taxes in 1Q2017 amounted to approximately US$0.2 million compared to tax benefit of approximately US$0.8 million in 1Q2016. The income tax in 1Q2017 was mainly due to a gain in one of the subsidiaries which has no carry forward tax losses.

Consolidated Statement of Financial Position

The comparative performance for both the assets and liabilities are based on the Group's financial statements as at 31 March 2017 and 31 December 2016.

Total assets

Total assets decreased by approximately 2.6% from US$102.6 million as at 31 December 2016 to US$99.9 million as at 31 March 2017. This was mainly due to approximately US$2.7 million reduction in cash and short-term investments.

Non-current assets

Investments in Portfolio Companies and companies accounted for under the equity method

The investments in Portfolio Companies of approximately US$83.8 million as at 31 March 2017 were made up of 43 Portfolio Companies presented at their fair value.

The value of our investments in Portfolio Companies as at 31 March 2017 remains relatively unchanged as compared to 31 December 2016.

The changes in the value of our investments in Portfolio Companies were mainly due to:

- An aggregate increase of approximately US$2.1 million in the fair value of some of our Portfolio Companies mainly due to the completion of fund raising exercises at favorable terms to the Company, and general commercial or technological progress demonstrated in some Portfolio Companies in 1Q2017.
- The investments in few of our Portfolio Companies which contributed approximately US$0.8 million to the fair value of our Portfolio Companies as at 31 March 2017;

The increase in investments in Portfolio Companies was offset by:

- The write-off of three (3) Portfolio Companies amounting to approximately US$1.5 million mainly due to business failure or lack of funding A decrease of approximately US$1.4 million in the aggregate fair value of some of our Portfolio Companies mainly due to general commercial and technological difficulties demonstrated during 1Q2017 and as a result of the completion of fund raising exercises at less favorable terms to the Company.

Current assets

As at 31 March 2017, current assets amounted to approximately US$14.6 million and comprised of cash and cash equivalents, short-term investments, accounts and other receivables, and short-term loans to Portfolio Companies.

Cash and cash equivalents

Cash and cash equivalents decreased by approximately US$2.5 million mainly due to the utilization of cash in operating activities during 1Q2017.

Short-term investments

Our short-term investments represented 63.3% of our total current assets. Short-term investments as at 31 March 2017 remain relatively unchanged as compared to 31 December 2016.

Accounts and other receivables

Accounts and other receivables amounted to approximately US$0.4 million as at 31 March 2017, mainly comprised of other receivables of approximately US$0.3 million and trade receivables of approximately US$0.1 million which were non-interest bearing and were generally with credit terms of 90 days. The decrease of US$0.5 million in accounts and other receivables was mainly due to the reduction of R&D services provided by Trendlines Labs to a third party.

Short-term loans to Portfolio Companies

Short-term loans to Portfolio Companies amounted to approximately US$0.5 million as at 31 March 2017, an increase of US$0.3 million from US$0.2 million as at 31 December 2016. The increase was mainly due to short terms loans granted by the Company to some Portfolio Companies.

Total liabilities

Total liabilities stood at approximately US$23.2 million as at 31 March 2017. Our non-current liabilities represented approximately 78.9% of our total liabilities.

Non-current liabilities

Long-term deferred revenue

A decrease of US$0.7 million in deferred revenue was mainly due to fewer companies being added to the portfolio during the 12 months ended 31 March 2017, as compared to the number of companies added in the 12 months ended 31 December 2016.

Loans from the OCS

The loans from the OCS decreased by approximately US$0.4 million, or 10.1%, from approximately US$4.4 million as at 31 December 2016 to approximately US$4.0 million as at 31 March 2017 mainly due to the decrease in the fair market value of the Portfolio Companies.

Deferred taxes, net

Net deferred taxes increased by approximately US$0.2 million, or 1.8%, mainly due to an increase in fair market value of one Portfolio Company held by a subsidiary with no carry forward losses.

Other long-term liabilities

Other long-term liabilities comprising the liability for employee severance benefits remain relatively unchanged at 31 March 2017 as compared to 31 December 2016.

Current liabilities

Our current liabilities decreased by approximately US$0.3 million, or 6.1%, from approximately US$5.2 million as at 31 December 2016 to approximately US$4.9 million as at 31 March 2017 mainly due to the decrease in the short-term deferred revenue.

Trade and other payables

Trade and other payables remain relatively unchanged as at 31 March 2017 as compared to 31 December 2016.

Short-term deferred revenues

Deferred revenue decreased by approximately US$0.3 million or 7.4% mainly due to lower number of companies being added to the portfolio during the 12 months ended at 31 March 2016, as compared to the number added in the 12 months ended at 31 December 2015.

Equity

As at 31 March 2017, equity attributable to equity holders of the Company amounted to approximately US$76.6 million, which represented a decrease of approximately US$1.5 million from US$78.2 million as at 31 December 2016. The decrease was mainly due to the net loss for 1Q2017 amounting to US$1.6 million.

Consolidated Statement of Cash Flow

Net cash used in operating activities of US$2.4 million in 1Q2017 was mainly due to a net loss of US$1.6 million and adjustments for non-cash items such as (i) loss from changes in fair value of investments in Portfolio Companies of approximately US$0.7 million; (ii) investments in Portfolio Companies of approximately US$0.8 million; and (iii) income from services to Portfolio Companies of approximately US$1.0 million; and (iv) net working capital inflows of approximately US$0.2 million which was mainly due to a decrease in account receivables of approximately US$0.5 million, offset by an increase in short-term loans to Portfolio Companies of approximately US$0.3 million.

Net cash used in investing activities of US$41,000 in 1Q2017 was mainly due to the purchase of equipment.

Net cash used in financing activities of US$0.1 million in 1Q2017 was mainly due to repayment of loan to the OCS.

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

Not applicable. No forecast or prospect statement has been previously disclosed to shareholders.

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

During the first quarter, the Company's subsidiary, Trendlines Medical Singapore, begin full operations. Trendlines medical Singapore is expected to begin investing in new Singapore-based medical technology companies in the coming months, increasing the number of portfolio companies that the Company establishes.

As previously announced, the Company signed a term sheet with Shoushan Wealth Holdings Co. Ltd. of Shanghai, China, for the establishment of a venture fund and a joint venture company in China. Fund raising for the new venture fund has commenced and it is hoped that the new fund will begin investing during the third quarter of 2017.

The Company's investment portfolio includes 14 companies that are more than five years old and that have achieved numerous value-building milestones. The Company believes that some of these

companies are candidates for liquidity events in the coming years and that such events could have a significant impact on the Company's financial results.

The Company remains committed to its stated plans in the medical and agricultural technologies fields and believes that the continued need for new and improved products in these fields represents both investment and liquidity opportunities for the Company.

11. Dividend

If a decision regarding dividend has been made:

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

No dividend has been declared or recommended for the current reporting period.

(b)(i) Amount per share (cents)
(Optional) Rate (%)
Not applicable.

(b)(ii) Previous corresponding period (cents)
(Optional) Rate (%)
Not applicable.

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

Not applicable. No dividend has been declared or recommended for the previous corresponding period.

(d) The date the dividend is payable.

Not applicable.

(e) The date on which Registrable Transfers receive by the Company (up to 5.00pm) will be registered before entitlements to the dividend are determined.

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect

No dividend has been declared or recommended for 1Q2017.

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

The Company does not have a general mandate for recurrent interest person transactions. There were no interested person transactions which were more than S$100,000 entered into during 1Q2017.

14. Use of IPO proceeds

The Company refers to the net proceeds ("**IPO Net Proceeds**") amounting to S$19.3 million raised from the IPO on the Catalist Board of SGX-ST on 26 November 2015.

As at the date of this announcement, the status on the use of the IPO Net Proceeds is as follows:

Use of IPO Net Proceeds	Amount allocated (S$'000)	Amount utilised (S$'000)	Balance (S$'000)
Follow-on investments in Portfolio Companies	10,000	5,354	4,646
Expansion of our operations into new markets	5,000	1,882	3,118
Expansion of our business units, Trendlines Labs	2,875	1,643	1,232
Operational expenses to support Portfolio Companies	1,400	-	1,400
Total	19,275	8,879	10,395

The above utilizations are in accordance with the intended use of IPO Net Proceeds, as stated in the Company's Offer Document dated 16 November 2015.

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

The Company confirms that it has procured undertakings from all of its directors and executive officers in the required format.

16. Negative Confirmation by the Board Pursuant to Rule 705(5) of the Catalist Listing Manual

The Board of Directors of the Company confirms that, to the best of their knowledge, nothing has come to their attention which may render the unaudited financial results for the 3 months ended 31 March 2017 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

David Todd Dollinger
Chairman and CEO
9 May 2017