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

PROPOSED PLACEMENT OF UP TO 100,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF THE TRENDLINES GROUP LTD. ("THE COMPANY") AT A PLACEMENT PRICE OF S$0.1403 PER PLACEMENT SHARE

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1. INTRODUCTION

The board of directors (the "**Board**") of the Company (together with its subsidiaries, the "**Group**") wishes to announce that the Company has entered into a placement agreement with PrimePartners Corporate Finance Pte. Ltd. (the "**Placement Agent**") on 10 October 2017 (the "**Placement Agreement**") to undertake a placement (the "**Placement**") of up to 100,000,000 new ordinary shares in the capital of the Company (the "**Placement Shares**") pursuant to Section 272B of the Securities and Futures Act (Chapter 289) of Singapore (the "**SFA**"). Pursuant to the Placement Agreement, the Placement Agent has agreed to, on a best efforts basis, procure subscribers for the Placement Shares at the placement price of S$0.1403 (the "**Placement Price**") for each Placement Share on the terms and subject to the conditions of the Placement Agreement. The Placement is not underwritten.

2. DETAILS OF THE PLACEMENT

The Placement Shares, when issued and fully-paid, shall be issued free from all claims, pledges, mortgages, charges, liens and encumbrances and shall rank in all respects *pari passu* with the then existing issued ordinary shares in the capital of the Company ("**Shares**") at the time of the issue with all rights and benefits attaching thereto, except that the Placement Shares will not rank for any dividends, rights, allotments or other distributions the record date for which falls on or before the date of the issue of the Placement Shares.

The Placement Shares will be issued pursuant to the authority granted by shareholders of the Company by way of an ordinary resolution at the annual general meeting of the Company held on 26 April 2017 ("**2017 AGM**") for the issue of Shares not exceeding 50.0% of the issued Shares (excluding treasury shares) as at the date of the 2017 AGM, of which the aggregate number of shares to be issued other than on a pro-rata basis to shareholders of the Company shall not exceed 25.0% of the issued Shares (excluding treasury shares) (the "**Share Issue Mandate**").

The issued share capital of the Company as at the date of the Share Issue Mandate and the date of this announcement is 508,741,749. Therefore, the total number of Shares that may be issued pursuant to the Share Issue Mandate is 254,370,874, of which the maximum number of Shares to be issued other than on a pro-rata basis is 127,185,437 Shares. As such, the allotment and issuance of all the Placement Shares falls within the limits of the Share Issue Mandate.

Assuming the successful allotment and issue of all the Placement Shares, the Company's issued and paid-up share capital will increase from 508,741,749 Shares ("**Existing Share Capital**") to 608,741,749 Shares ("**Enlarged Share Capital**"). The aggregate Placement Shares represents 19.66% of the Existing Share Capital and 16.43% of the Enlarged Share Capital.

The Placement Price of S$0.1403 per Placement Share represents a discount of 9.95% to the volume weighted average price of S$0.1558 for each Share, based on trades done on the Shares on the Catalist of the SGX-ST for the full market day preceding the date on which the Placement Agreement was signed, up to the time of the Company's trading halt on 10 October 2017, and was arrived at following arm's length negotiations between the Company and the Placement Agent.

The Placement Shares will not be placed out to any person who is a director or a substantial shareholder of the Company, or any other person falling within the categories set out in Rule 812(1) of the SGX-ST's Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**"). In addition, the Placement Agent has confirmed that the issuance of the Placement Shares will not be made without the prior approval of the Company's shareholders in a general meeting if such issuance would bring about a transfer of controlling interest.

3. TERMS OF THE PLACEMENT

The Placement is conditional upon, *inter alia*, the following:

(a) the listing and quotation notice for the Placement Shares 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 Placement Shares on the SGX-ST are required to be fulfilled on or before the date of completion of the subscription of the Placement Shares (in accordance with the terms of the Placement Agreement), they are so fulfilled; and

(b) there not having occurred, in the opinion of the Placement Agent, any material adverse change, or any development involving a prospective material adverse change in the condition (financial or otherwise) of the Company and/or Group as a whole which, in the opinion of the Placement Agent, is or is reasonably likely to be materially adverse in the context of the Placement or is reasonably likely to prejudice materially the success of the Placement or dealings in the Placement Shares in the secondary market.

In conjunction with the Placement, the Company intends to, shall as soon as practicable, undertake a strategic review in respect of its operations within a reasonable period of time. The scope of the review the Company intends to consider includes the portfolio held by the Company and the operation of its business with a view to reduce costs, increase efficiency and the enhancement of shareholder value, including the possible implementation of a dividend policy. The review will be carried out in compliance with all applicable laws, rules and regulations, including the Catalist Rules, and further announcement(s) in relation to the strategic review will be made if required by the Catalist Rules.

4. **PURPOSE AND USE OF PROCEEDS**

Assuming that all of the Placement Shares are successfully issued and allotted, the estimated net proceeds from the Placement (the "**Net Proceeds**") will be approximately S$13.34 million (after deducting the commission and other estimated fees and expenses (including professional fees and expenses) incurred in connection with the Placement amounting to approximately S$0.69 million.

The Company intends to use the Net Proceeds in the following manner:

(a) General working capital - 30%; and

(b) Direct and indirect investments into new, prospective or existing portfolio companies - 70%;

The purpose of the Placement is to meet the Group's anticipated general working capital and direct and indirect investments into new, prospective or existing portfolio companies, allowing potential further expansion of its investment activities.

As at 30 September 2017, the Company has utilised and committed to utilise approximately S$11.7 million of the net proceeds from the initial public offering (**"IPO**"), in accordance with the use of proceeds described in the offer document dated 16 November 2015 (the "**Offer Document**"). A detailed breakdown of the usage of the net proceeds of the IPO will be provided in the next quarterly financial results announcement.

Pending the deployment of the Net Proceeds for the purposes mentioned above, the Net Proceeds may, subject to relevant laws and regulations, be deposited with banks and/or financial institutions or for any other purpose on a short-term basis as the directors may in their absolute discretion deem appropriate in the interests of the Group.

The Company will make periodic announcements on the utilisation of the Net Proceeds as and when they are materially disbursed and provide a status report on the use of the Net Proceeds in the Company's quarterly and full-year financial statements issued under Rule 705 of the Catalist Rules and the Company's annual report and whether such a use is in accordance with the stated use and in accordance with the stated percentage allocated.

5. **FINANCIAL EFFECTS**

Based on the Group's unaudited consolidated financial statements for the period ended 30 June 2017 as announced by the Company on 7 August 2017 and the issued and paid-up share capital (excluding treasury shares) as at 30 June 2017 of 508,741,749 Shares and assuming that all of the Placement Shares are successfully issued and allotted, the Placement will (i) decrease the Group's earnings per Share from US$0.144 cents to US$0.121 cents; and (ii) decrease the Group's net tangible asset per Share from US$0.16 to US$0.15.

6. **NO PROSPECTUS OR OFFER INFORMATION STATEMENT**

The Placement will be undertaken pursuant to Section 272B of the SFA. As such, no prospectus or offer information statement will be issued by the Company in connection therewith.

7. ADDITIONAL LISTING APPLICATION

The sponsor of the Company, PrimePartners Corporate Finance Pte. Ltd., will be making an application on behalf of the Company to the SGX-ST for the dealing in, listing of and quotation for the Placement Shares on Catalist of the SGX-ST.

The Company will make the necessary announcement upon receipt of the listing and quotation notice from the SGX-ST for the listing and quotation for the Placement Shares on Catalist of the SGX-ST.

8. CONFIRMATION BY THE DIRECTORS

The directors are of the opinion that after taking into consideration the Group's present bank facilities, the working capital available to the Group is sufficient to meet its present requirements. Notwithstanding the above, the purpose of the Placement is to meet its anticipated general working capital and investments and acquisitions requirements as described in paragraph 4 of this announcement.

9. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the directors or substantial shareholders of the Company has any interest, direct or indirect, in the Placement (other than through their shareholdings in the Company).

10. CAUTIONARY STATEMENT

Shareholders of the Company ("**Shareholders**") and potential investors should exercise caution when trading in the shares of the Company in relation to this announcement as there is no certainty that the Placement will be completed as it is subject to the fulfillment of terms and conditions as set out in the Placement Agreement. When in doubt as to the action they should take, Shareholders and potential investors should consult their financial, tax or other advisors.

BY ORDER OF THE BOARD OF
The Trendlines Group Ltd.

Todd Dollinger
Chairman and Chief Executive Officer

10 October 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").

This announcement has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the relevant rules of the SGX-ST. The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Ms. Gillian Goh, Director, Head of Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: sponsorship@ppcf.com.sg).