



THE TRENDLINES GROUP LTD.

(Incorporated in Israel)

(Company Registration No. 513970947)

**Unaudited Financial Statements and Dividend Announcement
For the three months ended 30 June 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 (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: sponsorship@ppcf.com.sg)

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 commercialisation.

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			Group		
	Three Months Ended		Change %	Six Months Ended		Change %
	30 June 2017 (Unaudited) US\$'000	30 June 2016 (Unaudited) US\$'000		30 June 2017 (Unaudited) US\$'000	30 June 2016 (Unaudited) US\$'000	
<u>Income:</u>						
Gain (loss) from change in fair value of investments in Portfolio Companies	3,776	(4,700)	N.M.	3,038	(5,692)	N.M.*
Income from services to Portfolio Companies	1,133	863	31.29	2,218	2,144	3.45
Group's share of losses of companies accounted for under the equity method	(94)	-	N.M.	(167)	-	N.M.
Income from contracted R&D services	197	308	(36.04)	328	638	(48.59)
Financial income	117	539	(78.29)	787	967	(18.61)
Other income	253	83	203.82	359	176	103.98
<u>Total income</u>	<u>5,382</u>	<u>(2,907)</u>	N.M.	<u>6,563</u>	<u>(1,767)</u>	N.M.
<u>Expenses</u>						
Operating, general and administrative expenses	1,767	2,330	(24.16)	3,970	4,388	(9.53)
Marketing expenses	121	72	68.06	202	160	26.25
R&D expenses, net	341	152	124.34	639	382	67.28
Financial expenses	28	7	314.29	28	264	(89.02)
<u>Total expenses</u>	<u>2,257</u>	<u>2,561</u>	(11.83)	<u>4,839</u>	<u>5,194</u>	(6.82)
Income (loss) before income taxes	3,125	(5,468)	N.M.	1,724	(6,961)	N.M.
Income tax (expense)/ benefit	(763)	858	N.M.	(989)	1,581	N.M.
<u>Net income (loss)</u>	<u>2,362</u>	<u>(4,610)</u>	N.M.	<u>735</u>	<u>(5,380)</u>	N.M.
Other comprehensive income	-	-		24	-	N.M.
<u>Total comprehensive income (loss)</u>	<u>2,362</u>	<u>(4,610)</u>	N.M.	<u>758</u>	<u>(5,380)</u>	N.M.
Net income (loss) attributable to:						
Equity holders of the Company	2,364	(4,610)	N.M.	661	(5,380)	N.M.
Non-Controlling Interests	(2)	-	N.M.	74	-	N.M.
	<u>2,362</u>	<u>(4,610)</u>	N.M.	<u>735</u>	<u>(5,380)</u>	N.M.
Net earnings (loss) per share attributable to equity holders of the Company (U.S. Dollars):						
Basic net earnings (loss)	0.00	(0.01)	N.M.	0.00	(0.01)	N.M.
Diluted net earnings (loss)	0.00	(0.01)	N.M.	0.00	(0.01)	N.M.

*N.M. – not meaningful

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

	Three Months Ended		Six Months Ended	
	30 June 2017 (Unaudited) US\$'000	30 June 2016 (Unaudited) US\$'000	30 June 2017 (Unaudited) US\$'000	30 June 2016 (Unaudited) US\$'000
Depreciation and amortization	32	25	65	52
Foreign currency exchange (gain)/loss	(169)	172	(346)	(259)
Adjustments for under or overprovision of tax in respect of prior years	-	102	-	102

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	
	30 June 2017 (Unaudited) US\$'000	31 December 2016 (Audited) US\$'000	30 June 2017 (Unaudited) US\$'000	31 December 2016 (Audited) US\$'000
Assets				
Current assets				
Cash and cash equivalents	5,186	6,977	4,048	5,306
Short-term investments	7,242	9,225	7,051	9,051
Accounts and other receivables	663	895	195	657
Short-term loans to Portfolio Companies	293	212	-	-
	13,384	17,309	11,294	15,014
Non-current assets				
Investment in Subsidiaries	-	-	67,877	63,121
Investments in Portfolio Companies	87,596	83,701	-	-
Investment in companies accounted for under the equity method	913	1,080	913	1,080
Property, plant and equipment, net	594	515	164	166
	89,103	85,296	68,954	64,367
Total assets	102,487	102,605	80,248	79,381

EQUITY AND LIABILITIES

Current liabilities

Trade and other payables	1,356	1,377	690	691
Deferred revenues	3,511	3,827	194	194
	<u>4,867</u>	<u>5,204</u>	<u>884</u>	<u>885</u>

Non-current liabilities

Deferred revenues	1,152	2,166	194	194
Loans from the Israeli Chief Scientist	3,992	4,392	-	-
Deferred taxes, net	13,196	12,498	-	-
Other long-term liabilities	161	144	159	135
	<u>18,501</u>	<u>19,200</u>	<u>353</u>	<u>329</u>

Total liabilities	<u>23,368</u>	<u>24,404</u>	<u>1,237</u>	<u>1,214</u>
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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	4,543	4,384	4,543	4,384
Retained earnings	17,837	17,176	17,837	17,176

Equity attributable to owners of the parent

	79,011	78,167	79,011	78,167
Non-controlling interests	108	34	-	-

Total equity	<u>79,119</u>	<u>78,201</u>	<u>79,011</u>	<u>78,167</u>
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Total equity and liabilities	<u>102,487</u>	<u>102,605</u>	<u>80,248</u>	<u>79,381</u>
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1(b)(ii) Aggregate amount of group's borrowings and debt securities**Amount repayable in one year or less, or on demand**

As at 30 June 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 30 June 2017 (Unaudited)		As at 31 December 2016 (Audited)	
Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
3,992	-	4,392	-

Details of any collateral

The Group has non-recourse debt to the Israeli Innovation Authority (formally known as the Office of the Chief Scientist) of the Israeli Ministry of Economy and industry ("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:

Name of Portfolio Company	Number of shares in each portfolio company pledged in favor of the OCS	
	As at 30 June 2017	As at 31 December 2016
	(Unaudited)	(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.	66,310*	66,310*
VivoText Ltd.	36,669	36,669

* Including bonus shares

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		Six Months Ended	
	30 June 2017	30 June 2016	30 June 2017	30 June 2016
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	US\$'000	US\$'000	US\$'000	US\$'000
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net income (loss)	2,362	(4,610)	735	(5,380)
<u>Adjustments to reconcile net income (loss) to net cash used in operating activities:</u>				
Adjustments to the profit or loss items:				
Depreciation	32	25	65	52
Income tax expense(benefit)	763	(858)	989	(1,581)
Loss (gain) from changes in fair value of investments in Portfolio Companies	(3,776)	4,700	(3,038)	5,692
Financial expense (income), net	195	(729)	(237)	(738)
Income from services to portfolio companies	(1,040)	(808)	(2,034)	(2,030)
Share-based payments	19	189	159	433
Group's share of losses of companies accounted for under the equity method, net	94	-	167	-
Changes in asset and liability items:				
Decrease (increase) in short-term loans to Portfolio Companies	201	62	(81)	57
Decrease (increase) in accounts and other receivables	(304)	207	208	(17)
Increase (decrease) in trade and other payables	16	74	(21)	167
Increase (decrease) in other long-term liabilities	(13)	7	17	(1)
	(3,813)	2,869	(3,806)	2,034
Proceeds from sale of investment in Portfolio Company	1,300	-	1,300	-
Investments in portfolio companies	(573)	(1,023)	(1,409)	(2,206)
	727	(1,023)	(109)	(2,206)
Tax paid	(384)	-	(384)	-
Interest (paid) received	(57)	73	(28)	73
	286	(950)	(521)	(2,133)
Net cash used in operating activities	(1,165)	(2,691)	(3,592)	(5,479)

	Three Months Ended		Six Months Ended	
	30 June 2017 (Unaudited) US\$'000	30 June 2016 (Unaudited) US\$'000	30 June 2017 (Unaudited) US\$'000	30 June 2016 (Unaudited) US\$'000
CASH FLOWS FROM INVESTMENT ACTIVITIES:				
Purchase of property, plant and equipment	(91)	(17)	(144)	(43)
Proceeds from sale of short-term investments	1,999	12,043	2,011	16,053
Redemption of bank deposits and restricted deposits, net	-	65	-	65
Net cash provided by investing activities	1,908	12,091	1,867	16,075
CASH FLOWS FROM FINANCING ACTIVITIES:				
Loans from the Israeli Chief Scientist	(1)	122	(66)	176
Net cash provided/(used in) by financing activities	(1)	122	(66)	176
Increase/ (decrease) in cash and cash equivalents	742	9,522	(1,791)	10,772
Cash and cash equivalents at the beginning of the period	4,444	8,248	6,977	6,998
Cash and cash equivalents at the end of the period	5,186	17,770	5,186	17,770

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 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
Balance as at 1 April 2017	1,315	55,316	4,524	15,473	76,628	110	76,738
Net loss and total comprehensive loss	-	-	-	2,364	2,364	(2)	2,362
Cost of share-based payments	-	-	19	-	19	-	19
Balance as at 30 June 2017	1,315	55,316	4,543	17,837	79,011	108	79,119
(Unaudited)							
Balance as at 1 April 2016	1,315	54,853	4,436	22,984	83,598	34	83,632
Net loss and total comprehensive loss	-	-	-	(4,610)	(4,610)	-	(4,610)
Cost of share-based payments	-	-	189	-	189	-	189
Balance as at 30 June 2016	1,315	54,863	4,625	18,374	79,177	34	79,211

**Statement of Changes in Equity
Company**

(Unaudited)	Share Capital	Share premium	Reserve from share- based payment transactions	Retained earnings	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance as at 1 April 2017	1,315	55,316	4,524	15,473	76,628
Net loss and total comprehensive loss	-	-	-	2,364	2,364
Cost of share-based payments	-	-	19	-	19
Balance as at 30 June 2017	1,315	55,316	4,543	17,837	79,011
(Unaudited)					
Balance as at 1 April 2016	1,315	54,853	4,436	22,984	83,598
Net loss and total comprehensive loss	-	-	-	(4,610)	(4,610)
Cost of share-based payments	-	-	189	-	189
Balance as at 30 June 2016	1,315	54,863	4,625	18,374	79,177

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 also 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.

Share Capital – Ordinary Shares

There were no changes in the issued share capital of the Company (“Shares”) since 31 March 2017 to 30 June 2017.

As at 30 June 2017, there are 56,833,386 outstanding options which can be converted into 56,833,386 Shares (30 June 2016: 53,445,664 outstanding options which can be converted into 53,445,664 Shares).

Save as disclosed above, the Company did not have any treasury shares or convertibles as at 30 June 2017 and 30 June 2016. There were also no subsidiary holdings as at 30 June 2017 and 30 June 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 30 June 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 30 June 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

Earnings (loss) per share ("EPS" or "LPS")	Group		Group	
	Three Months Ended 30 June 2017 (Unaudited)	30 June 2016 (Unaudited)	Six Months Ended 30 June 2017 (Unaudited)	30 June 2016 (Unaudited)
Profit (loss) attributable to owners of the parent for the computation of basic net earnings (US\$'000)	2,362	(4,610)	735	(5,380)
Weighted average number of ordinary shares in issue (in thousands)	508,742	508,742	508,742	508,742
Basic EPS (LPS) (US\$)	0.00	(0.01)	0.00	(0.01)
Profit (loss) attributable to owners of the parent for the computation of diluted net earnings (US\$'000)	2,362	(4,610)	735	(5,380)
Weighted average number of ordinary shares in issue on fully diluted basis (in thousands)	508,742	508,742	508,742	508,742
Fully diluted EPS (LPS) (US\$)	0.00 ⁽¹⁾	(0.01) ⁽¹⁾	0.00 ⁽¹⁾	(0.01) ⁽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

Net asset value ("NAV")	Group		Company	
	30 June 2017 (Unaudited)	31 December 2016 (Audited)	30 June 2017 (Unaudited)	31 December 2016 (Audited)
NAV (US\$)	79,010,879	78,166,993	79,010,879	78,166,993
Number of ordinary shares in issue (in thousands)	508,742	508,742	508,742	508,742
NAV per ordinary share (US\$)	0.16	0.15	0.16	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 30 June 2017 ("2Q2017") as compared to the three months ended 30 June 2016 ("2Q2016").

Gain (loss) from change in fair value of investments in portfolio companies

The gain in fair value of investments in portfolio companies was US\$3.8 million in 2Q2017 as compared to a loss of US\$4.7 million in 2Q2016 mainly due to:

- (i) An net increase of US\$0.7 million in the fair market value of various portfolio companies mainly a result of the completion of fund raising exercises at favorable terms to the Company, and general commercial or technological progress demonstrated in some portfolio companies in 2Q2017; and
- (ii) An increase of US\$3.2 million in the fair value of the Most Valuable Portfolio Company (as defined in the Company's offer document dated 16 November 2015) due to commercial progress.

Income from services to portfolio companies

Income from services to portfolio companies comprised US\$0.2 million received as overhead reimbursement from portfolio companies and US\$0.9 million of non-cash benefits received from the OCS in Israel. Income from services to portfolio companies increased by US\$0.3 million or 31.2% mainly due to higher number of portfolio companies during the incubator period 2Q2017 compared to 2Q2016.

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

In 2Q2017, the Company recorded loss of US\$0.1 million as compared to the absence of gains or losses in 2Q2016, as a result of losses incurred by the Singapore incubator, 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\$0.1 million or 36.0% due to a lower level of activity in relation to R&D services provided by Trendlines Labs to a third party.

Financial income

Financial income decreased by approximately US\$0.4 million in 2Q2017 or 78.3% due to lower fair market value of loans from the OCS as compared to 2Q2016.

Expenses

Operating, general and administrative expenses

Operating, general and administrative expenses decreased by US\$0.6 million or 24.2%, mainly attributable to (i) a decrease in employment cost from 2Q2016 which included an IPO bonus; and (ii) lower cost of share-based payments in 2Q2017 as compared to 2Q2016.

Consolidated Statement of Financial Position

Comparative performance for both assets and liabilities are based on the Group's financial statements as at 30 June 2017 and 31 December 2016.

Non-current assets

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

The investments in Portfolio Companies of US\$87.6 million as at 30 June 2017 comprised of 43 Portfolio Companies presented at fair value, an increase of US\$3.8 million or 4.5% as compared to 31 December 2016.

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

- A net increase of approximately US\$1.4 million in the aggregate fair value 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 2Q2017.
- The increase in fair value of our Most Valuable Portfolio Company by approximately US\$3.1 million as a result of a higher valuation ascribed to the royalties on future net sales expected to be received under the 2014 Asset Purchase Agreement.
- Investments in one new Portfolio Company which contributed US\$0.7 million to the aggregate fair value of our Portfolio Companies as at 30 June 2017.
- The above mentioned increase was partially offset by the writeoff of 3 portfolio companies, in an aggregate fair value of US\$1.5 million.

Current assets

Short-term investments

Our short-term investments represented 54.1% of our total current assets. Short-term investments as at 30 June 2017 decreased by US\$2.0 million mainly due to the utilization of cash in operating activities during 2017.

Accounts and other receivables

The decrease of US\$0.2 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

The increase of US\$0.1 million was mainly due to short terms loans granted by the Company to some Portfolio Companies.

Non-current liabilities

Long-term deferred revenue

A decrease of US\$1.0 million in deferred revenue was mainly due to fewer companies being added to the portfolio during the 12 months ended 30 June 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 US\$0.4 million or 9.1%, from US\$4.4 million as at 31 December 2016 to US\$4.0 million as at 30 June 2017 mainly due to the decrease in fair market value of Portfolio Companies.

Deferred taxes, net

Net deferred taxes increased by US\$0.7 million or 5.6%, mainly due to an increase in fair market value of some Portfolio Companies held by a subsidiary.

Current liabilities

Short-term deferred revenues

Deferred revenue decreased by US\$0.3 million or 8.3% mainly due to lower number of companies being added to the portfolio during the 12 months ended 30 June 2016, as compared to the number added in the 12 months ended 31 December 2015.

Consolidated Statement of Cash Flow

Net cash used in operating activities of US\$1.2 million in 2Q2017 was mainly due to a net income of US\$2.4 million and adjustments for non-cash items such as (i) gain from changes in fair value of investments in Portfolio Companies of approximately US\$3.8 million; (ii) investments in Portfolio Companies of approximately US\$0.7 million; (iii) income from services to Portfolio Companies of approximately US\$1.0 million, offset partially by proceeds from sale of investment in Portfolio Company of US\$1.3 million.

Net cash provided by investing activities of US\$1.9 million in 2Q2017 was mainly due to sale of short term investments.

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 second quarter, the Company's partnership with Bayer Crop Science LLC, the Bayer Trendlines Ag Innovation Fund, made its first investment in new company called IBI-Ag Ltd., which will be conducting specific research in the crop protection field. The Bayer Trendlines Ag Innovation Fund was established in April 2016 as a collaborative partnership between The Trendlines Group and Bayer to invest in agricultural technologies. The partnership agreement includes a US\$10 million investment commitment from Bayer, which is to be managed by Trendlines.

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 16 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, including some that could occur in the next six to twelve months and that such events could have an impact on the Company's financial results. The Company recently issued a report entitled "10 Companies to Watch" that described ten portfolio companies characterized by having made significant technological progress, with five of them already having begun sales of their products in global markets.

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.

The Company is currently exploring potential exits of some of its portfolio companies. Additionally, the Company is periodically approached by various parties interested in investing in the Company.

The Company will review such opportunities and determine amongst others, if such proposals would strengthen the Company and increase its ability to support its portfolio companies and corporate activities. The Company will make further announcement(s) via SGXNET as and when there are any material developments on the aforementioned matters.

The Trendlines Group 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.

The estimation or belief of the above constitutes a forward-looking statement which involves risks and uncertainties. Such forward-looking statement is not a guarantee of future results, performance or achievements. Actual results, performance or achievements of the Company and its portfolio companies may differ from those expressed in the forward-looking statements as a result of various factors, such as known and unknown risks and uncertainties, and assumptions. In light of these risks and uncertainties, actual events, results and developments could differ materially from those expressed or implied by the forward-looking statement

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 2Q2017.

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 interested person transactions. There were no interested person transactions which were more than S\$100,000 entered into during 2Q2017.

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:

<u>Use of IPO Net Proceeds</u>	<u>Amount allocated (S\$'000)</u>	<u>Amount utilized (S\$'000)</u>	<u>Balance (S\$'000)</u>
Follow-on investments in portfolio companies	10,000	6,484	3,516
Expansion of our operations into new markets	5,000	2,074	2,926
Expansion of our business units, Trendlines Labs	2,875	2,356	519
Operational expenses to support portfolio companies	1,400	-	1,400
Total	19,275	10,914	8,361

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 and 6 months ended 30 June 2017 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

David Todd Dollinger
Chairman and Chief Executive Officer
7 August 2017

Issuer/Manager	THE TRENDLINES GROUP LTD.
Securities	THE TRENDLINES GROUP LTD. – IL0011328858 – 42T
Stapled Security	No

Announcement Title	General Announcement
Date & Time of Broadcast	07-Aug-2017 17:52:40
Status	New
Announcement Sub Title	Second Quarter and/ or Half Yearly Results
Announcement Reference	SG170807OTHRT6ZV
Submitted By (Co./Ind. Name)	Yosef Ron
Designation	Joint Company Secretary

Description

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 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 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, telephone (65) 6229 8088.

For Financial Period Ended	30/06/2017
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