



**BIOSENSORS INTERNATIONAL GROUP, LTD.**

(Incorporated in Bermuda with limited liability)

(Company Registration Number: EC 24983)

**ANNOUNCEMENT**

**PROPOSED ACQUISITION OF BUSINESS OF PT FONDACO MITRATAMA**

The Board of Directors of Biosensors International Group, Ltd. (the “Company”, and together with its subsidiaries, the “Group”) is pleased to announce that the Company and its wholly-owned subsidiary, Biosensors Indonesia Pte Ltd (“Biosensors Indonesia”), has on 22 October 2007 entered into a conditional sale and purchase agreement (the “Agreement”) with PT Fondaco Mitratama (“PT Fondaco”) whereby Biosensors Indonesia will be acquiring certain business from PT Fondaco (the “Proposed Acquisition”).

Biosensors Indonesia was recently incorporated by the Company for the purpose of the Proposed Acquisition.

As the consideration for the Proposed Acquisition will be satisfied by the issue of new ordinary shares with a par value of 1/150 US cent each in the capital of the Company (“Shares”), this announcement is made pursuant to Rule 1009 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the “SGX-ST”).

**Business to be Acquired**

PT Fondaco carries on the business of sale and distribution of interventional cardiology, critical care products and medical equipment in Indonesia. Pursuant to the Agreement, Biosensors Indonesia will acquire the sale and distribution business and customers of the interventional cardiology and critical care products (the “Sale Business”) and to hire certain employees of PT Fondaco upon completion.

**Purchase Consideration**

The purchase consideration for the Proposed Acquisition is payable to PT Fondaco in two phases:

- (i) the first phase of the purchase consideration shall be in the form of 5,000,000 new Shares (the “New Shares”) to be issued upon completion of the Agreement, which is expected to form 70% of the total consideration; and
- (ii) the remaining 30% (the “Final Payment”) shall be in the form of either cash or an issue of new Shares, as determined in the Company’s sole discretion. The amount and form of the Final Payment shall be determined by the Company 60 days after Biosensors Indonesia’s audited accounts for the financial year ended 31 March 2010 have been approved and issued and shall be based on certain performance benchmarks of Biosensors Indonesia for the financial year ending 31 March 2010,

(collectively, the “Purchase Consideration”).

The Purchase Consideration was arrived at on a willing-buyer willing-seller basis.

As at the date of this announcement, the Company has an issued and paid-up share capital of US\$69,792.05 comprising 1,046,753,433 ordinary shares with a par value of 1/150 US cent each ("Shares"). The New Shares will be issued and allotted pursuant to the general mandate to allot and issue Shares in the Company (whether by way of rights, bonus or otherwise) granted by the shareholders of the Company by way of an ordinary resolution passed at the Company's annual general meeting held on 23 July 2007. The New Shares represent approximately 0.55% of the existing issued Shares as at 23 July 2007 and 0.48% of the existing issued Shares as at the date of this announcement.

Under the Agreement, the Vendor agrees and undertakes not to, *inter alia*, transfer, dispose, pledge or deal in relation to the New Shares for a period of 12 months from the date of completion.

#### Conditional Agreement

Pursuant to the Agreement, completion under the Agreement is subject to certain conditions being fulfilled. Such conditions include, *inter alia*, the approval in-principle of the SGX-ST for the listing of the New Shares on the Official List of the SGX-ST.

In the event the Company chooses to issue Shares as the Final Payment for the Sale Business, such issue shall be subject to the approval in-principle having been obtained from the SGX-ST for the listing of such Shares in the capital of the Company.

#### Rationale for the Proposed Acquisition

The Proposed Acquisition is a strategic vertical integration process that will enable Biosensors to immediately establish a direct sales presence in Indonesia for the sale and distribution of interventional cardiology and critical care products.

#### Financial Effects of the Proposed Acquisition

The financial effects of the Proposed Acquisition on the Company and the Group are set forth below and were prepared based on the audited consolidated financial statements for the Group for the financial year ended 31 March 2007 ("FY2007") subject to the following main assumptions:

- (a) For the purpose of computing the loss per share of the Group after the Proposed Acquisition, it is assumed that the Proposed Acquisition was effected on 1 April 2006.
- (b) For the purpose of calculating the net tangible assets ("NTA") per share after the Proposed Acquisition, it is assumed that the Proposed Acquisition was completed on 31 March 2007.
- (c) For the purpose of calculating the financial effects of the Proposed Acquisition, the Company has assumed that the net profits of PT Fondaco attributable to the Sale Business for the financial year ended 31 December 2006 remains constant and has used the net profits of PT Fondaco attributable to the Sale Business for the financial year ended 31 December 2006 as the basis for calculating the Final Payment to be made to PT Fondaco in cash.

It should be noted that such financial effects are for illustration purposes only and may not correspond to the actual financial situation of the Group after completion of the Proposed Acquisition.

#### (i) **Loss Per Share**

	<b>Before the Proposed Acquisition</b>	<b>After completion of the Proposed Acquisition</b>
<b>Loss attributable to shareholders – (US\$'000)</b>	(36,292)	(35,609)
<b>Loss Per Share<sup>(1)</sup> – (US cent)</b>	(3.99)	(3.89)

**Notes:**

<sup>(1)</sup> The loss per share was calculated based on the weighted average number of Shares in issue during the respective periods.

**(ii) NTA**

	<b>Before the Proposed Acquisition</b>	<b>After completion of the Proposed Acquisition</b>
<b>NTA – (US\$'000)</b>	53,510	52,690
<b>NTA per share<sup>(1)</sup> – (US cent)</b>	5.85	5.73

**Notes:**

<sup>(1)</sup> The NTA per Share was calculated based on the number of Shares in issue as at 31 March 2007.

Relative Figures

The relative figures that were computed on the bases set out in Rule 1006 of the Listing Manual of the SGX-ST, based on the unaudited consolidated financial statements of the Group as at 30 June 2007 are as set out below:

Rule 1006 (a)	N.A.
Rule 1006 (b)	The net profit after tax attributable to the Proposed Acquisition is approximately US\$146,000, which is approximately 1.84% of the Group's net profit of US\$7,951,000.
Rule 1006 (c)	Assuming the 5,000,000 New Shares being issued pursuant to the Proposed Acquisition has a value of approximately S\$0.70 each based on the weighted-average price of the Shares traded on the SGX-ST on 19 October 2007, being the market day immediately preceding the date of the Agreement, the total Purchase Consideration would be US\$3,198,000 <sup>(1)(2)</sup> . The total Purchase Consideration is 0.64% of the Company's market capitalisation of US\$498 million <sup>(1)</sup> as at the close of trading on 19 October 2007.
Rule 1006 (d)	The 5,000,000 New Shares issued by the Company as part of the Purchase Consideration constitutes 0.48% of the equity securities of the Company in issue as at 19 October 2007. <sup>(2)</sup>

**Notes:**

<sup>(1)</sup> This calculation is based on the exchange rate of US\$1 = S\$1.4628 as at 19 October 2007.

<sup>(2)</sup> The Company has assumed that the net profits of PT Fondaco attributable to the Sale Business for the financial year ended 31 December 2006 remains constant and has used the net profits of PT Fondaco attributable to the Sale Business for the financial year ended 31 December 2006 as the basis for calculating the Final Payment to be made to PT Fondaco in cash.

**Document for Inspection**

The Agreement is available for inspection at the office of the Company's subsidiary, Biosensors International Pte. Ltd. at 21 Kallang Avenue, #04-175, Singapore 339412 during normal business hours for three months from the date of this announcement.

**Directors' and Controlling Shareholders' Interests**

As far as the Directors are aware, none of the Directors or Controlling Shareholders (as defined in the Listing Manual of the SGX-ST) of the Company has any interest, direct or indirect, in the Proposed Acquisition.

***By Order of the Board***

Yoh-Chie Lu  
Chairman and Chief Executive Officer

*22 October 2007*