



## ASX Release

### UPDATE ON LITIGATION AGAINST PRIME AND RECEIPT OF STATUTORY DEMAND FOR DEBT REPAYMENT FROM PRIME

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*Sydney, Friday 11 November 2016*

Memphasys Limited (ASX: MEM) wishes to provide an update on its litigation against PrIME and to announce that it has received a statutory demand for the repayment of the third party debt that PrIME has paid as guarantor of that debt.

In 2014 Memphasys spun out its Singapore-based subsidiary, PrIME Biologics ("PrIME"), and agreed to take principal responsibility for payment to a third party, A-Bio, as part of the agreement to receive B class non-voting shares in PrIME. A-Bio had used the manufacturing facility in Singapore for cGMP manufacturing and PrIME had taken over the site from A-Bio.

The debt has now been fully repaid by PrIME as guarantor of the loan repayment. According to PrIME's records, Memphasys now owns 43% of PrIME. Other shareholders of PrIME include JP Asia PrIME Capital Pte Ltd and Pulau Manukan Ventures Labuan Ltd, ("Manukan"), which is part of Xeraya Capital which forms part of the portfolio of the Malaysian Sovereign Wealth Fund, Khazanah National.

As has been previously announced, Memphasys is in litigation against PrIME and its major investor, "Manukan". Litigation involves two separate actions in the Singapore High Court.

- The means of payment by Memphasys against the debt payout made by PrIME
- The ownership of a machine, the "GF100", a key part of PrIME's cGMP plasma processing facility and for which PrIME had paid rent to Memphasys

Memphasys has taken positive steps to defend these actions but simultaneously is making efforts to resolve the conflict to preserve shareholder value.

Within the process of determining an outcome and to counter the legal actions bought by Memphasys against Prime, Prime as part of its strategy, has served on Memphasys a statutory demand for the payment of \$4,895,598 which comprises the debt that PrIME has repaid, interest accrued and legal costs, which Memphasys will vigorously defend. Memphasys remains confident that the value of its B class shares in PrIME will exceed the payout.

Negotiations between the parties are focused on the description and use of the GF100 machine and the quantum net payment to be received by Memphasys from the sale of its B class shares and transfer of the GF100 machine to PrIME. We remain hopeful a negotiated settlement will be reached in the near future but we will simultaneously defend against this latest action by PrIME.

**For further information please contact:**

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**About Memphasys**

Memphasys Limited (**ASX: MEM**) specialises in biological separations for high value commercial applications. The Company's patented membrane processes in combination with electrophoresis, the application of an electrical potential difference across a fluid, enable the separation of high value substances or contaminants from the fluid in which they are contained.

The main application of the technology is the separation of the most viable sperm cells for artificial reproduction, most particularly for human IVF.