

IX BIOPHARMA LTD.
(Company Registration No. 200405621W)
(Incorporated in the Republic of Singapore)

**PROPOSED PLACEMENT OF 14,358,000 NEW ORDINARY SHARES
IN THE CAPITAL OF IX BIOPHARMA LTD.**

1. INTRODUCTION

- 1.1. The board of directors (the "**Directors**") of iX Biopharma Ltd. (the "**Company**") is pleased to announce that the Company has on 14 April 2016 entered into a placement agreement (the "**Placement Agreement**") with CIMB Securities (Singapore) Pte. Ltd. as the placement agent (the "**Placement Agent**"). Pursuant to the Placement Agreement, the Company has agreed to offer, by way of placement, and the Placement Agent has agreed, on a best efforts basis, to procure subscriptions for, an aggregate of 14,358,000 new ordinary shares in the capital of the Company (the "**Placement Shares**") at an issue price of S\$0.35 per Placement Share (the "**Placement Price**"), amounting to an aggregate consideration of approximately S\$5.03 million (the "**Placement**").
- 1.2. The Placement Shares shall be issued as fully paid and shall be free from all claims, charges, liens and other encumbrances whatsoever and will rank *pari passu* and without preference in all respects with the existing ordinary shares of the Company (the "**Shares**") provided that, subject to completion of the Placement, the Placement Shares shall rank for, including without limitation, any entitlements, distributions, dividends or rights, the record date of which falls on or after the date (the "**Completion Date**") of completion of the Placement ("**Completion**").
- 1.3. Assuming that the Placement Shares are fully subscribed, the Placement Shares represent approximately 2.39% of the existing issued and paid-up share capital of the Company of 599,794,220 Shares as at the date of this announcement. Immediately after the Completion and assuming that no further Shares are issued prior thereto, the Placement will increase the issued and paid-up share capital of the Company to 614,152,220 Shares. The Placement Shares will represent approximately 2.34% of the enlarged issued and paid-up share capital of the Company.
- 1.4. The Placement is non-underwritten and will be undertaken pursuant to a private placement exemption under Section 272B of the Securities and Futures Act, Chapter 289 of Singapore. As such, no offer information statement will be lodged with the Monetary Authority of Singapore in connection with the allotment and issue of the Placement Shares.

2. AUTHORITY TO ISSUE NEW SHARES

- 2.1. The Placement Shares will be issued pursuant to the general share issue mandate given by the shareholders of the Company at the annual general meeting of the Company held on 23 October 2015 for the issuance of Shares (including the making or granting of offers, agreements or options that might or would require Shares to be issued) (the "**General Mandate**").
- 2.2. The General Mandate authorises the Directors to allot and issue new Shares not exceeding 100.0% of the Company's total number of issued Shares excluding treasury shares as at 23 October 2015 (the "**Base Figure**"), of which the aggregate number of Shares to be issued other

than on a *pro rata* basis to existing shareholders of the Company shall not exceed 50.0% of the Base Figure.

- 2.3. As at 23 October 2015, the Company had 594,294,220 Shares in issue. Accordingly, the total number of shares that may be issued pursuant to the General Mandate is 594,294,220 Shares, of which the maximum number of Shares that may be issued other than on a *pro rata* basis is 297,147,110 Shares. The proposed allotment and issuance of 14,358,000 Placement Shares will fall within the maximum number of 297,147,110 Shares that may be issued pursuant to the General Mandate on a non *pro rata* basis, and as such, the prior approval of shareholders of the Company is not required for the issue of the Placement Shares under the Placement.

3. PRINCIPAL TERMS OF THE PLACEMENT

3.1 Placement Price

The Placement Price of \$0.35 for each Placement Share represents a discount of approximately 1.35% to the volume weighted average price of \$0.3548 for trades done on the Shares on the sponsor-supervised listing platform ("**Catalist**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 14 April 2016, being the full market day on which the Placement Agreement was signed.

3.2 Conditions Precedent to the Completion

Pursuant to the terms of the Placement Agreement, Completion is conditional upon, *inter alia*:

- (a) listing and quotation notice for the listing of and quotation for the Placement Shares on Catalist being obtained from the SGX-ST and not having been revoked or amended and, where such approval is subject to conditions, such conditions being acceptable to the Placement Agent, and to the extent that any conditions for the listing of and quotation for the Placement Shares on the SGX-ST are required to be fulfilled on or before Completion Date, they are so fulfilled;
- (b) the allotment, issue and subscription of the Placement Shares not being prohibited by any statute, order, rule, regulation or directive promulgated or issued after the date of the Placement Agreement by any legislative, executive or regulatory body or authority of Singapore (including without limitation, the SGX-ST, the Monetary Authority of Singapore and/or the Securities Industry Council of Singapore) which is applicable to the Company or the Placement Agent;
- (c) the Company having the full authority for the allotment and issuance of the Placement Shares and such authority being in full force and effect and not having been revoked, cancelled, terminated or varied on the Completion Date; and

there not having occurred, in the reasonable opinion of the Placement Agent, any material adverse change, or any development likely to involve a prospective material adverse change, whether or not arising from transactions in the ordinary course of business, subsequent to the date of the Placement Agreement which, in the opinion of the Placement Agent, is or is likely to be materially adverse in the context of the Placement or is likely to prejudice materially the success of the Placement or dealings in the Placement Shares in the secondary market.

3.3 Additional Listing Application

The sponsor of the Company, CIMB Bank Berhad, Singapore Branch, will be making an application on behalf of the Company to the SGX-ST for the listing of and quotation for the Placement Shares on Catalist. The Company will make the necessary announcement(s) in due course when the listing and quotation notice from the SGX-ST for the listing and quotation of the Placement Shares on Catalist has been obtained.

3.4 Commission

In consideration of the Placement Agent procuring subscribers for the Placement Shares, the Company shall pay a commission equivalent to 3.0% of the aggregate Placement Price for such number of Placement Shares which the Placement Agent has procured subscriptions and payment for.

3.5 General

Pursuant to the Placement Agreement, the Placement Agent and the Company agree that each of them will use its best endeavours to ensure that the placees are not persons falling within the categories set out in Rule 812 of the SGX-ST Listing Manual Section B: Rules of Catalist.

4. RATIONALE AND USE OF PROCEEDS

4.1 The Directors are of the view that the Placement is beneficial to the Group as it will support the future growth of the Group.

4.2 Based on the Placement Price and assuming the Placement Shares will be taken up in full, the Company will raise net cash proceeds of approximately S\$4.84 million from the Placement (after deducting estimated expenses (including professional fees, expenses and commission) of approximately S\$0.19 million) (the "**Net Proceeds**"), which will be utilised as follows:

- (i) approximately 80.0% of the Net Proceeds will be used for the registration of the Company's products with appropriate agencies for approval to sell the products, and for marketing of the Company's products; and
- (ii) approximately 20.0% of the Net Proceeds will be used for the acquisition of new product packaging equipment.

4.3 The Company will make periodic announcements on the utilisation of the Net Proceeds as and when the Net Proceeds are materially disbursed, including whether the use was in accordance with the intended use as announced, and will provide a status report on the use of the Net Proceeds in the Company's interim and full-year financial statements and annual report.

4.4 Pending the deployment of the Net Proceeds from the Placement, such Net Proceeds may be placed as deposits with financial institutions or invested in short term money markets or debt instruments or for any other purposes on a short term basis as the Directors may in their absolute discretion deem fit.

4.5 The Company continuously evaluates its sources of funding and may in the future require additional funding in the form of equity or debt for its future growth. The Company will make an announcement if and when there are any material developments.

5. CONFIRMATION BY THE DIRECTORS

- 5.1 The Directors are of the opinion that after taking into consideration the Group's present internal resources, operating cash flows and present bank facilities available to the Group, the Group has sufficient working capital to meet its present requirements. Notwithstanding the above, the purpose of the Placement is to raise funds to support the future growth of the Group as described in paragraph 4 of this announcement.
- 5.2 The Directors are of the opinion that after taking into consideration the Group's present internal resources, operating cash flows, present bank facilities available to the Group and the Net Proceeds, the working capital available to the Group is sufficient to meet its present requirements.

6. FINANCIAL EFFECTS OF THE PROPOSED PLACEMENT

- 6.1 The financial effects of the Placement set out below were prepared based on the unaudited consolidated financial statements of the Group for the six-month period ended 31 December 2015 ("**1H2016**"). The financial effects are strictly for illustrative purposes and do not necessarily reflect the actual future financial position and results of the Group following the completion of the Placement.
- 6.2 For the purpose of illustrating the financial effects of the Placement, the financial effects of the Placement are computed based on, *inter alia*, the following assumptions:
- (a) the financial effects on the Group's net asset value ("**NAV**") attributable to the equity holders of the Company and the NAV per Share are computed assuming that the Placement, as well as the issuance of 2,000,000 Shares to Jasbir Singh Narulla pursuant to the exercise of share acquisition rights under the consultancy agreement dated 1 July 2013 entered into between iX Biopharma Pty Ltd, a wholly-owned subsidiary of the Company, and Jasbir Singh Narulla (the "**SAR Share Issuance**"), were completed on 31 December 2015;
 - (b) the financial effects on the Group's loss attributable to the equity holders of the Company and the loss per Share are computed assuming that the Placement and the SAR Share Issuance were completed on 1 July 2015; and
 - (c) the expenses incurred by the Company in connection with the Placement are approximately S\$0.19 million.

6.3 NAV per Share

The effect of the Placement on the NAV per Share of the Group for 1H2016 is as follows:

	Before the Placement	After the Placement
Consolidated NAV attributable to equity holders of the Company (S\$'000)	34,707	39,547
Number of Shares	599,794,220	614,152,220
Consolidated NAV per Share attributable (Singapore cents)	5.8	6.4

6.4 Loss per Share ("LPS")

The effect of the Placement on the LPS of the Group for 1H2016 is as follows:

	Before the Placement	After the Placement
Loss attributable to equity holders of the Company (S\$'000)	(4,791)	(4,791)
Weighted average number of Shares	587,566,503	601,924,503
LPS (Singapore cents)	(0.8)	(0.8)

7. **INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

None of the Directors or substantial shareholders of the Company, as well as their respective associates, has any interest, direct or indirect, in the Placement (other than through their respective shareholdings in the Company).

8. **DOCUMENTS AVAILABLE FOR INSPECTION**

A copy of the Placement Agreement is available for inspection at the Company's registered office at 350 Orchard Road #16-10 Shaw House Singapore 238868, for a period of three (3) months from the date of this announcement.

9. **CAUTIONARY STATEMENT**

Shareholders and potential investors are advised to exercise caution when dealing or trading in trading the Shares. The completion of the Placement is subject to certain conditions. As at the date of this announcement, there is no certainty or assurance that the Placement will be completed or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments. Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully. Shareholders and potential investors should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

By Order of the Board

Lee Wei Hsiung / Wang Shin Lin, Adeline
Company Secretaries

14 April 2016

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, CIMB Bank Berhad, Singapore Branch (the "**Sponsor**"), for compliance with the Singapore Exchange Securities Trading Limited (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 Mr Tony Toh, Director, Investment Banking, CIMB Bank Berhad, Singapore Branch. The contact particulars are 50 Raffles Place, #09-01 Singapore Land Tower, Singapore 048623, telephone: (65) 6337-5115.