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

PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE OF UP TO 48,814,711 NEW ORDINARY SHARES IN THE CAPITAL OF IX BIOPHARMA LTD.

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1. INTRODUCTION

The Board of Directors (the "**Board**" or "**Directors**") of iX Biopharma Ltd. (the "**Company**", and, together with its subsidiaries, the "**Group**") wishes to announce that the Company is proposing to undertake a renounceable non-underwritten rights issue (the "**Rights Issue**") of up to 48,814,711 new ordinary shares in the capital of the Company (the "**Rights Shares**"), at an issue price of S$0.20 for each Rights Share (the "**Issue Price**"), on the basis of seven (7) Rights Shares for every 100 existing ordinary shares in the issued and paid-up capital of the Company ("**Shares**") held by Entitled Shareholders (as defined herein) as at a date and time to be determined by the Board for the purpose of determining the entitlements of the Entitled Shareholders under the Rights Issue (the "**Record Date**"), fractional entitlements to be disregarded.

2. THE RIGHTS ISSUE

2.1 The principal terms of the Rights Issue are as follows:

Issue Price	:	S$0.20
Discount	:	The Issue Price represents a discount of: (a) Approximately 18.4% to the closing market price of S$0.245 per Share on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 8 June 2021 (being the last trading day on which the Shares were traded on the SGX-ST prior to the release of this announcement); and (b) approximately 17.4% to the theoretical ex-rights price ("**TERP**")[1] of S$0.242 per Share (calculated based on the closing market price of S$0.245 per Share on the SGX-ST on 8 June 2021 (being the last trading day on which the Shares were traded on the SGX-ST prior to the release of this announcement)).
Allotment Ratio	:	The Rights Shares are proposed to be offered to Entitled Shareholders (as defined herein) on the basis of seven (7) Rights Shares for every 100 existing Shares held by them on the Record Date, fractional entitlements to be disregarded.
Use of Proceeds	:	Please refer to Paragraph 7 for further information on the use of proceeds.
Purpose of Rights Issue	:	The Company is undertaking the Rights Issue to fund manufacturing and marketing activities for the Group's products and for general working capital purposes. The Rights Issue will also provide shareholders of the Company ("**Shareholders**") with an opportunity to maintain their equity participation in the Company at a reasonable discount. Please refer to Paragraph 6 for further information.
Non-Underwritten Rights Issue	:	In view of the Irrevocable Undertakings (as defined herein) by Mr. Eddy Lee Yip Hang, Mr. Albert Ho Shing Tung, Anson Properties Pte. Ltd., Mr. Tan See Tee, Mr. Seah Boon Lock, and Mr. Yeoh Wee Liat as set out in

		Paragraph 5, and the savings in costs enjoyed by the Company as a result of not having to bear any underwriting fees, and there being no minimum amount that must be raised from the Rights Issue, the Company has decided to proceed with the Rights Issue on a non-underwritten basis.
Status of the Rights Shares	:	The Rights Shares are payable in full upon acceptance and/or application and will, upon allotment and issue, rank *pari passu* in all respects with the Company's then existing Shares, save for any dividends, rights, allotments or other distributions, the record date for which falls on or before the date of allotment and issue of the Rights Shares.
Offer Information Statement	:	The terms and conditions of the Rights Issue may be subject to such changes as the Directors may deem fit. The final terms and conditions of the Rights Issue will be contained in the Offer Information Statement ("**OIS**") and its accompanying documents to be lodged with the SGX-ST, acting as agent on behalf of the Monetary Authority of Singapore ("**MAS**"). The OIS will be despatched or, as the case may be, disseminated by the Company to Entitled Shareholders (as defined herein) in due course.
Odd Lots	:	Shareholders who hold odd lots of the Rights Shares, and who wish to trade in odd lots should note that they will be able to do so on the Unit Share Market. Shareholders should note that the market for trading of such odd lots of Shares may be illiquid. There is no assurance that the Shareholders who hold odd lots of Shares will be able to acquire such number of Shares required to make up a board lot, or to dispose of their odd lots (whether in part or in whole) on the SGX-ST's Unit Share Market.
Option to Scale Down	:	Depending on the level of subscription for the Rights Shares, the Company will, if necessary, scale down the subscription for the Rights Shares and/or excess applications for the excess Rights Shares by any Shareholder (if such Shareholder chooses to subscribe for its pro rata Rights Shares entitlement and/or apply for excess Rights Shares) to avoid placing the relevant Shareholder and parties acting in concert with it or him in the position of incurring a mandatory general offer obligation under the Singapore Code on Take-overs and Mergers ("**Code**") as a result of other Shareholders not taking up their Rights Shares entitlement fully; or to avoid the transfer of a controlling interest in the Company, which is prohibited under Rule 803 of the SGXT-ST's Listing Manual Section B: Rules of Catalist ("**Catalist Rules**"), unless prior approval of Shareholders is obtained in a general meeting.

Note:

(1) TERP is calculated based on the following formula, assuming the Rights Issue is fully subscribed:

$$\text{TERP} = \frac{\text{(Market capitalization of the Company based on the last traded price + gross proceeds from the Rights Issue)}}{\text{Number of Shares after completion of the Rights Issue}}$$

2.2 The allotment and issue of the Rights Shares is proposed to be made pursuant to and within the limits of the general share issue mandate ("**Share Issue Mandate**") of the Company approved by the Shareholders at the annual general meeting of the Company held on 16 October 2020 ("**2020 AGM**"), pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806(2) of the Catalist Rules.

2.3 The Share Issue Mandate, amongst others, authorises the Directors to allot and issue new Shares not exceeding 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the grant of the Share Issue Mandate ("**Relevant Share Capital**"), provided that the aggregate number of Shares to be issued other than on a pro rata basis to existing Shareholders shall not exceed 50% of the Relevant Share Capital ("**General Limit**").

2.4 As the Relevant Share Capital comprised 693,385,689 Shares, the Company may issue up to 693,385,689 new Shares under the Share Issue Mandate on a pro rata basis, under the General Limit.

2.5 As the maximum number of Rights Shares to be issued is 48,814,711 and given that no Shares have been issued pursuant to the Share Issue Mandate since the 2020 AGM, the Company will not be seeking specific approval from the Shareholders for the Rights Issue as the basis of the Rights Issue falls within the limit of the Share Issue Mandate.

3. ELIGIBILITY TO PARTICIPATE

3.1 The Company proposes to provisionally allot Rights Shares to all Shareholders who are eligible to participate in the Rights Issue ("**Entitled Shareholders**"), comprising Entitled Depositors and Entitled Scripholders (both as defined below), on the basis of their shareholdings as at the Record Date.

Entitled Depositors

3.2 Entitled Depositors are Shareholders with Shares standing to the credit of their securities accounts ("**Securities Accounts**") and whose registered addresses with CDP are in Singapore as at the Record Date or who have registered addresses outside Singapore and provided CDP with addresses in Singapore for the service of notices and documents not later than 5.00 p.m. (Singapore time) on the date falling three (3) market days prior to the Record Date ("**Entitled Depositors**"). Entitled Depositors will be provisionally allotted the Rights Shares on the basis of the number of Shares standing to the credit of their Securities Accounts with CDP as at 5.00 p.m. (Singapore time) on the Record Date.

Entitled Scripholders

3.3 Entitled Scripholders are Shareholders whose: (a) share certificates are not deposited with CDP; (b) Shares are registered in their own names; and (c) registered addresses with the Company's share registrar, Tricor Barbinder Share Registration Services (the "**Share Registrar**") are in Singapore as at the Record Date or who have registered addresses outside Singapore and provided the Share Registrar with addresses in Singapore for the service of notices and documents not later than 5.00 p.m. (Singapore time) on the date falling three (3) market days prior to the Record Date and persons who have tendered to the Share Registrar valid transfers of their Shares and the certificates relating thereto for registration up to the Record Date ("**Entitled Scripholders**"). Entitled Scripholders will have to submit duly completed and stamped transfers in respect of Shares not registered in the name of CDP, together with all relevant documents of title, so as to be received up to 5.00 p.m. (Singapore time) on the Record Date by the Share Registrar, in order to be registered to determine the transferee's provisional allotments of Rights Shares entitlements.

Foreign Shareholders

3.4 The distribution of the OIS and its accompanying documents may be prohibited or restricted (either absolutely or subject to various securities laws requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions. For practical reasons and in order to avoid any violation of the securities legislation applicable in countries other than Singapore, the Rights Shares will **NOT** be offered to Shareholders with registered addresses outside Singapore and who have not, at least three (3) market days prior to the Record Date, provided CDP or the Share Registrar, as the case may be, with addresses in Singapore for the service of notices and documents ("**Foreign**

Shareholders"). The OIS to be issued for the Rights Issue and accompanying documents will not be despatched, lodged, registered or filed in any jurisdiction other than Singapore. Accordingly, Foreign Shareholders will not be entitled to participate in the Rights Issue. No provisional allotment of Rights Shares will be made to Foreign Shareholders and no purported acceptance thereof or application for any excess Rights Shares therefore by any Foreign Shareholder will be valid.

3.5 The OIS and its accompanying documents will also **NOT** be despatched to persons purchasing entitlements to Rights Shares through the book-entry (scripless) settlement system if their registered addresses with CDP are outside Singapore ("**Foreign Purchasers**"). Foreign Purchasers may not accept any "nil-paid" rights credited to their Securities Account unless the Company and its counsel are satisfied that such action would not result in the contravention of any registration or other legal requirement in any jurisdiction.

3.6 Entitlements to Rights Shares which would otherwise have been provisionally allotted to Foreign Shareholders will, if practicable to do so and at the absolute discretion of the Company, be sold "nil-paid" on the Catalist board of the SGX-ST ("**Catalist**"), as soon as practicable, after dealings in the provisional allotments of Rights Shares commence. Such sales may, however, only be effected if the Company, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account expenses to be incurred in relation thereto. The net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed to Foreign Shareholders in proportion to their respective shareholdings or, as the case may be, the number of Shares entered against their names in the depository register maintained by CDP as at the Record Date and sent to them at their own risk by ordinary post. If the amount of net proceeds to be distributed to any single Foreign Shareholder is less than S$10.00, such amount shall be dealt with as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company, the Directors, the Company's sponsor, UOB Kay Hian Private Limited (the "**Sponsor**"), the Share Registrar, or CDP and their respective officers in connection therewith.

3.7 Where the provisional allotments of Rights Shares are sold "nil-paid" on the Catalist, they will be sold at such price or prices as the Company may, in its absolute discretion, decide and no Foreign Shareholder shall have any claim whatsoever against the Company, the Directors, the Sponsor, the Share Registrar, or CDP and their respective officers in connection therewith. If such provisional allotments of Rights Shares cannot be sold or are not sold on the Catalist as aforesaid for any reason by such time as the SGX-ST shall have declared to be the last day for trading in the provisional allotments of Rights Shares, the new Shares represented by such provisional allotments will be allotted and issued to satisfy applications for excess Rights Shares or disposed of or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company, the Directors, the Sponsor, the Share Registrar, or CDP and their respective officers in connection therewith.

3.8 **SHAREHOLDERS WITH REGISTERED ADDRESSES OUTSIDE SINGAPORE WHO WISH TO PARTICIPATE IN THE RIGHTS ISSUE SHOULD PROVIDE: (A) CDP AT 11 NORTH BUONA VISTA DRIVE, #01-19/20 THE METROPOLIS TOWER 2, SINGAPORE 138589; OR (B) THE SHARE REGISTRAR AT 80 ROBINSON ROAD, #02-00, SINGAPORE 068898, AS THE CASE MAY BE, IN WRITING, WITH ADDRESSES IN SINGAPORE FOR THE SERVICE OF NOTICES AND DOCUMENTS, AT LEAST THREE (3) MARKET DAYS PRIOR TO THE RECORD DATE.**

Acceptance, Excess Application and Payment Procedures

3.9 Entitled Shareholders will be at liberty to accept in full or in part, decline or otherwise renounce or, in the case of Entitled Depositors only, trade (during the "nil-paid" rights trading period prescribed by the SGX-ST) their provisional allotments of the Rights Shares and will also be eligible to apply for Rights Shares in excess of their provisional allotments under the Rights Issue. Entitlements which are not allotted or taken up for any reason will be aggregated and issued to satisfy applications, if any, for excess Rights Shares or otherwise disposed of or dealt

with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company, subject to applicable laws and the Catalist Rules.

3.10 Fractional entitlements to the Rights Shares will be disregarded in arriving at the Entitled Shareholders' entitlements and will, together with the provisional allotments which are not taken up for any reason, be aggregated and used to satisfy excess applications (if any), or otherwise dealt with in such manner as the Directors may in their absolute discretion, deem fit for the benefit of the Company, subject to applicable laws and the Catalist Rules.

3.11 In the allotment of excess Rights Shares, preference will be given to Entitled Shareholders for rounding of odd lots, and Directors and substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation (direct or through a nominee) on the Board will rank last in priority for the rounding of odd lots and allotment of excess Rights Shares.

3.12 The Company will also not make any allotment and issue of any Rights Shares that will result in a transfer of controlling interest in the Company, which is prohibited under Rule 803 of the Catalist Rules, unless prior approval of Shareholders is obtained in a general meeting. The procedures for, and the terms and conditions applicable to, acceptances, renunciation and/or sales of the provisional allotments of the Rights Shares and for the applications for excess Rights Shares, including each different mode of acceptance or application and payment, will be contained in the OIS and the relevant application forms.

4 CONDITIONS FOR THE RIGHTS ISSUE

4.1 The Rights Issue is subject to, amongst others, the following:

(a) the receipt of the listing and quotation notice from the SGX-ST (and such notice not having been withdrawn or revoked on or prior to the completion of the Rights Issue) for the dealing in, listing of, and quotation for, the Rights Shares on the Catalist and, if such approval is granted subject to conditions, such conditions being acceptable to the Company;

(b) the lodgement of the OIS together with all other accompanying documents (if applicable) with the SGX-ST, acting as agent on behalf of the MAS; and

(c) all other necessary approvals, consents and/or waivers required from any person, financial institution or regulatory body or authority of Singapore or elsewhere under any and all agreements applicable to the Company and/or applicable laws for the Rights Issue and to give effect to the Rights Issue, being obtained and not having been withdrawn or revoked before the completion of the Rights Issue.

4.2 The Company will be making an application to the SGX-ST, through the Sponsor, for the listing of, and quotation for, the Rights Shares on the Catalist. An appropriate announcement will be made in due course when the Company receives the listing and quotation notice for the Rights Shares from the SGX-ST.

4.3 Thereafter, the OIS will be lodged with SGX-ST, acting as agent on behalf of the MAS, and despatched or, as the case may be, disseminated by the Company to Entitled Shareholders in due course.

5 IRREVOCABLE UNDERTAKINGS

5.1 As at the date hereof:

(a) Mr. Eddy Lee Yip Hang has a direct interest in 165,119,020 Shares and an indirect interest in 17,460,982 Shares, representing approximately 26.18% of the total number of issued Shares;

(b) Mr. Albert Ho Shing Tung has a direct interest in 8,250,099 Shares and an indirect interest in 130,000 Shares, representing approximately 1.20% of the total number of issued Shares;

(c) Anson Properties Pte. Ltd. has a direct interest in 62,381,336 Shares, representing approximately 8.95% of the total number of issued Shares;

(d) Mr. Tan See Tee has a direct interest in 24,687,169 Shares, representing approximately 3.54% of the total number of issued Shares;

(e) Mr. Seah Boon Lock has a direct interest in 9,876,320 Shares, representing approximately 1.42% of the total number of issued Shares; and

(f) Mr. Yeoh Wee Liat has a direct interest in 9,205,396 Shares representing approximately 1.32% of the total number of issued Shares

(together, the "**Undertaking Shareholders**").

5.2 To demonstrate their support for the Rights Issue and their commitment to, and confidence in, the Group, each of the Undertaking Shareholders has executed a letter of irrevocable undertaking (the "**Irrevocable Undertakings**") in favour of the Company, pursuant to which each of them unconditionally and irrevocably undertakes to subscribe and pay in full (or procure subscription of and payment for) its or his respective entire pro-rata entitlements of Rights Shares or such number of Rights Shares which are provisionally allotted to it or him pursuant to the Rights Issue due to any changes after the date of the Irrevocable Undertakings (the "**Undertaking Rights Shares**"), at the Issue Price and in accordance with the terms of the Rights Issue, no later than the time and date for acceptance and payment for the Rights Shares under the Rights Issue (the "**Closing Date**"), as follows:

Undertaking Shareholder	**Undertaking Rights Shares as at the date of the Irrevocable Undertakings**
Mr. Eddy Lee Yip Hang	12,780,599
Mr. Albert Ho Shing Tung	586,606
Anson Properties Pte. Ltd.	4,366,693
Mr. Tan See Tee	1,728,101
Mr. Seah Boon Lock	691,342
Mr. Yeoh Wee Liat	644,377
Total	20,797,718

5.3 In addition, each of the Undertaking Shareholders also unconditionally and irrevocably undertakes, *inter alia*:

(a) that it or he will remain the beneficial owner of the Undertaking Rights Shares that it or he owns or controls, during the period between the date of the Letters of Undertaking and the Record Date, and will not sell, transfer or otherwise dispose of, any of the same or of any interest therein during such period;

(b) that it or he has sufficient financial resources available to subscribe for and pay in full all the Undertaking Rights Shares or such other number of Rights Shares which are provisionally allotted to the Undertaking Shareholder pursuant to the Rights Issue; and

(c) that it or he will do all such acts and things and execute all such documents as may be required to give effect to the undertakings in the Irrevocable Undertaking.

5.4 Depending on the level of subscription for the Rights Shares, the Company will, if necessary, scale down the subscription for the Rights Shares and/or excess applications for the excess Rights Shares by any Shareholder (if such Shareholder chooses to subscribe for its pro rata Rights Shares entitlement and/or apply for excess Rights Shares) to avoid placing the relevant Shareholder and parties acting in concert with it or him in the position of incurring a mandatory general offer obligation under the Code as a result of other Shareholders not taking up their Rights Shares entitlement fully; or to avoid the transfer of a controlling interest in the Company, which is prohibited under Rule 803 of the Catalist Rules, unless prior approval of Shareholders is obtained in a general meeting.

5.5 Accordingly, the Undertaking Shareholders collectively will subscribe and pay in full and/or procure the subscription and payment in full for a maximum of an aggregate of 20,797,718 Undertaking Rights Shares, which constitutes approximately 42.6% of the total number of Rights Shares.

5.6 Upon the allotment and issuance of the Rights Shares, the Company will have an enlarged issued and paid-up share capital comprising 746,167,734 Shares and 718,150,741 Shares in the Maximum Subscription Scenario and Minimum Subscription Scenario (as defined below) respectively. As such, the Undertaking Shareholders will hold the following interests in the Shares of the Company:

	Number of Shares upon allotment and issuance of the Rights Shares			**% of the total number of issued Shares**	
	Direct Interest	**Indirect Interest**	**Total**	**Maximum Subscription Scenario**	**Minimum Subscription Scenario**
Mr. Eddy Lee Yip Hang	176,677,351	18,683,250	195,360,601	26.18%	27.20%
Mr. Albert Ho Shing Tung	8,827,605	139,100	8,966,705	1.20%	1.25%
Anson Properties Pte. Ltd.	66,748,029	-	66,748,029	8.95%	9.29%
Mr. Tan See Tee	26,415,270	-	26,415,270	3.54%	3.68%
Mr. Seah Boon Lock	10,567,662	-	10,567,662	1.42%	1.47%
Mr. Yeoh Wee Liat	9,849,773	-	9,849,773	1.32%	1.37%

5.7 The Irrevocable Undertakings by each of the Undertaking Shareholders as set out above are subject to and conditional upon the following:

(a) receipt of the approval in-principle granted by the SGX-ST for the listing of, and quotation for, the Rights Shares on the Catalist of the SGX-ST; and

(b) lodgement of the OIS together with all other accompanying documents by the Company with the SGX-ST, acting as agent on behalf of the MAS.

5.8 No commission or fee will be payable by the Company to the Undertaking Shareholders in consideration of the Irrevocable Undertakings.

6 RATIONALE FOR THE RIGHTS ISSUE

6.1 The Directors are of the view that the Rights Issue is beneficial to the Group as it will support the future growth of the Group, enhancing the Group's financial flexibility to pursue the commercialisation of its products across different markets.

6.2 The Company had announced in August 2020 that the sales of its wafer products had exceeded its wafer production capacity. This was led by the strong demand for two (2) of its products, LumeniX™ and Xativa™. LumeniX™ sublingual wafers for skin beauty saw strong uptake from sophisticated Chinese consumers who feedback that LumeniX™ and other Entity products sold through Tmall Global and JD Worldwide, such as its NAD supplements for energy and vitality, are unique and highly differentiated products. Xativa™ sublingual cannabidiol (CBD) wafers were launched in Australia in April 2020. It was immediately recognised by the cannabis community as a premium product with a superior sublingual dosage form compared to the flowers and oils in the market, providing better absorption, fast and predictable action and improved convenience for doctors and patients. Xativa™ received the CBD Product of the Year accolade presented by the Cannabis Industry Awards 2020 in Australia.

6.3 As announced on 2 June 2021, the Group has successfully increased its wafer production capacity, with the first commercial batch of products expected to be produced in July 2021. The increase in production capacity affords the Group the opportunity to pursue sales and distribution of its wafer products, expand its footprint in markets like Australia and China, and drive future growth for the Group. Building on the success of Entity's introduction into China, the Group intends to invest in marketing and brand development to increase brand awareness with Chinese consumers. The Group also intends to accelerate growth by increasing sales and marketing activities within Australian and international medical and cannabis communities.

6.4 The ratio for the allotment ratio of seven (7) Rights Shares for every 100 existing Shares was arrived at after taking into consideration the Company's funding needs, the Issue Price, and the level of commitment provided under the Irrevocable Undertakings.

6.5 The Company intends to utilise the Net Proceeds for the following purposes:

(a) approximately 79.1% in the Maximum Subscription Scenario (as defined below) and 75.8% in the Minimum Subscription Scenario (as defined below) to fund manufacturing and marketing activities for the Group's products; and

(b) approximately 20.9% in the Maximum Subscription Scenario (as defined below) and 24.2% in the Minimum Subscription Scenario (as defined below) for general working capital.

6.6 The Rights Issue will also provide Shareholders with an opportunity to further participate in the equity of the Company at a reasonable discount and will allow the Group to be less reliant on external sources of funding, thereby potentially incurring lower external funding expenses.

7 USE OF PROCEEDS

7.1 Assuming that no other Shares are issued before the Record Date, and all Entitled Shareholders subscribe and pay for their pro rata entitlements of Rights Shares ("**Maximum Subscription Scenario**"), up to 48,814,711 Rights Shares will be issued. Upon the allotment and issuance of the Rights Shares, the Company will have an enlarged issued and paid-up share capital comprising 746,167,734 Shares, of which the Rights Shares would represent approximately 6.5%.

7.2 After deducting the estimated professional fees and related expenses of approximately S$0.20 million, the net proceeds raised from the Rights Issue in the Maximum Subscription Scenario is expected to be approximately S$9.56 million ("**Net Proceeds**").

7.3 The Company intends to use the Net Proceeds in the following manner assuming the Maximum Subscription Scenario:

Use of Net Proceeds	Allocation of Net Proceeds (S$' million)	Approximate Allocation of Net Proceeds (%)
To fund manufacturing and marketing activities for the Group's products	7.56	79.1
General working capital purposes	2.00	20.9
Total	9.56	100.0

7.4 In the Minimum Subscription Scenario, where only the Undertaking Shareholders subscribes for the Rights Shares in accordance with the Irrevocable Undertakings, upon the allotment and issuance of the Rights Shares, the Company will have an enlarged issued and paid-up share capital comprising 718,150,741 Shares, of which the Rights Shares would represent approximately 2.9%. After deducting the estimated professional fees and related expenses of approximately S$0.20 million, the net proceeds raised from the Rights Issue in the Minimum Subscription Scenario is expected to be approximately S$3.96 million.

7.5 The Company intends to use the Net Proceeds in the following manner assuming the Minimum Subscription Scenario:

Use of Net Proceeds	Allocation of Net Proceeds (S$' million)	Approximate Allocation of Net Proceeds (%)
To fund manufacturing and marketing activities for the Group's products	3.00	75.8
General working capital purposes	0.96	24.2
Total	3.96	100.0

7.6 The Company intends to utilise the Net Proceeds to fund manufacturing and marketing activities for the Group's products and general working capital purposes. The general working purposes includes but is not limited to operating expenses. The issue is not made as full or partial payment for the acquisition of an interest in, or the business and assets of another company or of any assets or properties.

7.7 Pending the deployment of the Net Proceeds, the Net Proceeds may be deposited with banks and/or financial institutions, invested in short-term money market instruments and/or marketable securities, or used for any other purposes on a short-term basis as the Directors may deem appropriate in the interests of the Group.

7.8 The Company will make periodic announcements on the utilisation of the Net Proceeds as and when such proceeds are materially disbursed and whether such disbursements are in accordance with the use of proceeds as stated in the OIS, and provide a status report on the use of the Net Proceeds in the Company's annual report until such time the Net Proceeds have been fully utilised. Where the proceeds have been used for working capital, the Company will also provide a breakdown with specific details on the use of Net Proceeds for working capital in the announcements and status reports. Where there is a material deviation in the use of the Net Proceeds, the Company will announce the reasons for such deviation.

7.9 Based on the reasonable opinion of the Directors as at the date of this announcement, there is no minimum amount which must be raised from the Rights Issue. In the event

that the Company is unable to raise sufficient funds, the Company will source for alternative sources of funding, including but not limited to bank borrowings.

8 PREVIOUS EQUITY FUND RAISING

8.1 The Company had on 10 September 2020 completed a placement of new Shares ("**Placement**") pursuant to which it issued 44,491,299 new Shares to various subscribers at S$0.23 per Share, amounting to gross proceeds of S$10.23 million. The net proceeds from the Placement amounted to a total of S$10.18 million ("**Placement Net Proceeds**").

8.2 The Placement Net Proceeds have been utilised as follows:

	Amount allocated	**Amount utilised**	**Balance**
	S$ million	**S$ million**	**S$ million**
To fund the development, manufacturing and marketing activities required for the Group's pharmaceutical and nutraceutical products in the pipeline	6.11	(3.88)	2.23
General working capital purposes	4.07	(2.07)	2.00
Total	**10.18**	**(5.95)**	**4.23**

8.3 As mentioned in paragraph 6 above, the Group has now successfully increased its wafer production capacity, giving it the ability to pursue greater sales and distribution opportunities. Although there is a balance of Placement Net Proceeds, the Company is raising additional funds through the Rights Issue to support the increased requirements for marketing and manufacturing activities to pursue these new opportunities.

8.4 Save as disclosed above, the Company has not undertaken any equity fund raising exercise in the last 12 months.

9 WORKING CAPITAL

The Directors are of the reasonable opinion that after taking into consideration the Group's internal resources, operating cash flows, and present banking facilities, barring any unforeseen circumstances, the working capital available to the Group is sufficient to meet its present requirements. Notwithstanding the sufficiency of working capital, the Company is undertaking the Rights Issue based on the potential Net Proceeds for the reasons set out in Paragraph 6.

10 NOTIFICATION UNDER SECTION 309B OF THE SECURITIES AND FUTURES ACT, CHAPTER 289 OF SINGAPORE

The provisional allotments of Rights Shares and the Rights Shares are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

11 INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed in this announcement, none of the Directors, or to the best of the Directors' knowledge, substantial Shareholders of the Company, as well as their respective associates, have any interests, direct or indirect, in the Rights Issue (other than through their respective shareholdings in the Company, if any).

12 DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true

disclosure of all material facts about the Rights Issue and the Group, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

13 FURTHER ANNOUNCEMENTS

Further announcements will be made by the Company in relation to the Rights Issue as and when appropriate.

14 CAUTIONARY STATEMENT

Shareholders and potential investors are advised to exercise caution when dealing or trading in the Shares. The completion of the Rights Issue are subject to certain conditions. As at the date of this announcement, there is no certainty or assurance that the Rights Issue 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, accountants, tax advisers 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

8 June 2021

This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, UOB Kay Hian Private Limited (the "**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist.

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.

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