



ixbiopharma
it's life changing



GAINING ACCESS TO HIGH GROWTH MARKETS

ANNUAL REPORT 2020

CONTENTS

01/	Corporate Profile
03/	Chairman's Statement
08/	WaferiX Technology
10/	Product Portfolio
13/	Operations Review
17/	Business Strategy
21/	Financial Review
23/	Board Of Directors
25/	Senior Management
27/	Sustainability Statement
28/	Corporate Governance Report
52/	Statutory Reports and Financial Statements
136/	Statistics of Shareholdings
138/	Additional Information on Directors Seeking Re-election
144/	Notice of Annual General Meeting
	Corporate Information

Sponsor Statement

This Annual Report has been reviewed by the Company's sponsor, CIMB Bank Berhad, Singapore Branch (the "Sponsor"), in accordance with Rule 226(2)(b) of the Catalyst Rules. This document has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document. The contact person for the Sponsor is Mr. Yee Chia Hsing, Head, Catalyst. The contact particulars are 50 Raffles Place, #09-01 Singapore Land Tower, Singapore 048623, telephone: (65) 6337-5115.

Corporate Profile

ABOUT IX BIOPHARMA LTD

iX Biopharma Ltd (iX Biopharma or the Company) is a specialty pharmaceutical and nutraceutical company listed on the Catalist board of the Stock Exchange of Singapore, operating a fully integrated business model from drug development to manufacturing and supply, with facilities in Australia. iX Biopharma and its subsidiaries (the Group) focus on the development and commercialisation of therapies for diseases of the central nervous system using novel, patent-protected formulations for sublingual delivery.

iX Biopharma's pipeline of products under development includes Wafermine (ketamine wafer) and BnoX (buprenorphine wafer) for pain management. iX Biopharma's drugs for the treatment of erectile dysfunction, Wafesil, a sublingual sildenafil wafer, and Silcap, have been registered in Australia. iX Biopharma's Xativa is the world's first freeze-dried sublingual medicinal cannabis wafer.

The Group's nutraceuticals division, Entity Health Limited (Entity), is engaged in the development and commercialisation of nutraceutical products that address specific conditions and improve quality of life. It distributes its Entity line of nutraceutical products in Australia through more than 250 pharmacies and health food shops, in China through its flagship stores on Tmall Global and JD Worldwide, and globally through its online store.

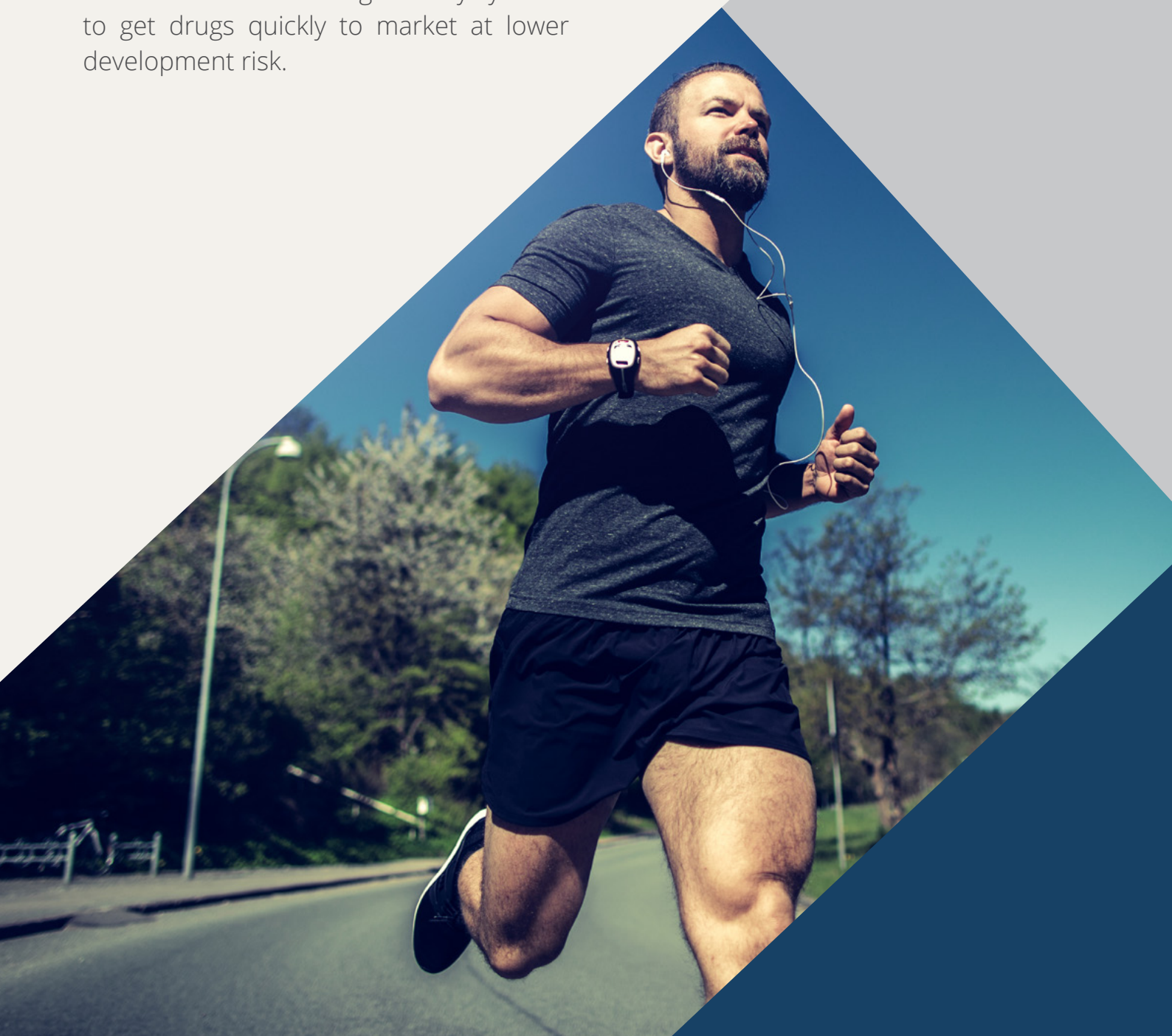


VISION

To develop therapies and products that will improve the quality of life for patients with acute pains, chronic diseases and debilitating conditions.

MISSION

Combining known, approved drugs (both in terms of efficacy and side effect profile) with new innovative drug delivery systems to get drugs quickly to market at lower development risk.



Chairman's Statement

Dear Shareholders,

iX Biopharma embarked on the financial year (FY) 2020 with much fervour and optimism. I am pleased that over the year, the Company advanced its key programmes towards sales and sharpened our focus into three main strategic growth areas.

FY2020 HIGHLIGHTS AND STRATEGIC GROWTH AREAS

Wafermine

After the End-of-Phase 2 (EOP2) meeting with the United States (US) Food and Drug Administration (FDA), we successfully reached agreement with the US FDA on the key aspects of the Phase 3 development programme. This provides clarity on the Phase 3 programme and aids our licensing activities.

Medicinal Cannabis

We commenced sales of Xativa, a sublingual cannabidiol (CBD) wafer in Australia via Special Access Scheme and Authorised Prescriber pathway. This is the first product in our medicinal cannabis range to be launched.

China Market

We commenced sales of Entity nutraceuticals on Tmall Global (Tmall) and JD Worldwide (JD) into China and entered into an exclusive licensing and supply agreement with a Chinese partner to distribute Wafesil in China for the treatment of male erectile dysfunction.

WAFERMINE: PHASE 3-READY

At the end of 2019, we achieved a major milestone in the development of Wafermine: following the conclusion of our EOP2 meeting with the US FDA, we reached an agreement with them on key aspects of the pivotal Phase 3 clinical trial programme to support the approval of Wafermine for the indication of acute moderate to severe pain. This signifies the successful completion of Phase 2 development and indicates that the drug is now Phase 3-ready.

Secondly, the US Patent and Trademark Office allowed our patent application for Waferix and Wafermine in the US. With the US allowance, our intellectual property rights are secured in all major markets.

These two feats add ammunition to an extremely attractive licensing asset that will bring enormous value to the Company. In a typical out-licensing transaction, we could be paid substantial upfront and milestone fees and royalties upon commercialisation. Our partner will fund the remaining clinical and regulatory work needed to obtain marketing approval for Wafermine. To that end, we have engaged US based financial advisers to assist in the search for a suitable partner who will be able to fund and complete the development of Wafermine and commercialise the drug.

With Wafermine bedded down and ready for monetisation via out-licensing, the Group has continued to explore leveraging our WaferiX sublingual technology to develop innovative and superior drugs for underserved markets at lower cost and lower commercial risk.

Chairman's Statement

MEDICINAL CANNABIS LAUNCHED IN AUSTRALIA

Our participation in the medicinal cannabis market began in earnest when it became evident that with WaferiX we can create a novel and superior cannabis product that will be superior and preferred to existing medicinal cannabis products.

In April 2020, our inaugural medicinal cannabis product Xativa was launched through the Special Access Scheme and Authorised Prescriber pathway in Australia. Xativa, containing CBD, is prescribed by doctors for a wide variety of conditions including relieving pain and anxiety, reducing inflammation, and improving sleep quality, among other conditions, to patients who are not effectively treated with other drugs.

The launch was met with excitement and we were fortunate that Nine News, an Australian national news network covered the launch and reported on the uniqueness and advantages of our product offering through interviews with doctors for the benefit of Australian consumers. The Channel Nine network of television and online news broadcasts has a viewership of approximately 5.7 million or 29.2 percent of the Australian national audience.

Xativa currently comes in 12.5mg dosage strength, with a 25mg dose to be launched in the coming month. We are planning to introduce other medicinal cannabis products to fortify the range and serve more patients. The new products are Hypera, containing tetrahydrocannabinol (THC), and Hytiva, containing CBD and THC, in various combinations and doses. These products will allow us to target (and penetrate deeper into) the entire addressable medicinal cannabis market. To further drive awareness among the doctors and distributors, our medical outreach team is participating in healthcare seminars to train and educate them on the benefits of our WaferiX-based sublingual products.

The groundswell of public interest in cannabis for therapeutic and wellness use has led the cannabis industry to enjoy explosive growth in the past three years. According to analysts, the legal medicinal cannabis market in Australia and New Zealand could be worth up to US\$1.55 billion by 2024. In addition to Australia, we have also set our eyes on the United Kingdom, where CBD products are available over the counter for wellness and the total legal cannabis market is forecasted to reach £2.31 billion by 2024.



▲ Xativa CBD wafers were featured on Channel 9 News in Australia.

GAINING CHINA MARKET ACCESS

At the same time, our business development team has turned their eyes to the East. It is our strong belief that China's rising middle-class population will have enormous appetite for novel and efficacious products. Our WaferiX-based products fit the bill perfectly. We are proud to report that during the year, we secured new sales channels and partners in China. This allows us to supply to the Chinese market the products that they desire.

Nutraceuticals

Entity nutraceuticals were introduced to the Australian market in 2018. In the two years after, we were laser-focused on developing it as a homegrown Australian brand to establish its credibility and quality and leverage on the cache that Australian health brands enjoy with regional visitors. To date, Entity nutraceuticals are sold in more than 250 pharmacies and health stores in all major Australian cities. Having gained traction with the Chinese consumers in Australia, we set out to execute the next part of our strategy – selling into China. In April 2020, we announced the launch of our Entity flagship stores on the largest cross-border e-commerce platforms in China, Tmall and JD.



It is our strong belief that China's rising middle-class population will have enormous appetite for novel and efficacious products. Our WaferiX-based products fit the bill perfectly. We are proud to report that during the year, **we secured new sales channels and partners in China**. This allows us to supply to the Chinese market the products that they desire.

At launch, we saw strong demand for two of our best-selling products, LumeniX and RestoriX, which sold out within three weeks of the stores opening ahead of the marketing agencies' forecast. LumeniX is a sublingual glutathione beauty product formulated using the WaferiX delivery technology for skin fairness, inhibiting hyperpigmentation, improving skin tone, and boosting immune system functions as a master-antioxidant. RestoriX is a nicotinamide supplement designed to boost nicotinamide adenine dinucleotide (NAD⁺) levels in the body. NAD⁺ is a molecule that has been studied in recent years for its ability to switch off 'ageing' genes. In an interview with Time magazine in 2018, Dr David Sinclair, co-director of the Paul F. Glenn Center for the Biology of Aging at Harvard Medical School suggested that it is the closest thing to the elusive "fountain of youth". RestoriX aims to counter the process of ageing and increase health span, while boosting energy levels and vitality.

Since the commencement of sales, the stores have continued to observe exceptional demand, selling out all its stock of LumeniX and RestoriX allocated for the June mid-year sales event. From this trend, the innovative and scientifically advanced Entity products clearly resonate with sophisticated Chinese consumers looking for progressive, efficacious products.

Pharmaceuticals

This year also marks our maiden entry into the immense China pharmaceutical market. In April 2020, we announced our first out-licensing agreement for Wafesil, a sublingual sildenafil drug for the treatment of male erectile dysfunction. After registration with the Chinese regulatory authorities, our partner Yiling Pharmaceutical Ltd. (Yiling) will have the right to exclusively distribute Wafesil in China. The registration process is expected to take around 24 months.

We are proud to have a strong partner in Yiling, a subsidiary of Shenzhen-listed pharmaceutical company, Shijiazhuang Yiling Pharmaceutical Co. Ltd., designated a national key high-tech enterprise in the top 20 China pharma list. Yiling has deep regulatory expertise to complete the registration of Wafesil in China and we have every confidence in their ability to commercialise the drug successfully given their wide sales and distribution network covering 100,000 medical and health institutions and over 300,000 pharmacies in China.

With WaferiX as a platform, we can develop any number of nutraceutical and pharmaceutical products to meet the needs of the Chinese. The possibilities are endless. We are reviewing opportunities to work with several Chinese partners who are keen to leverage WaferiX to develop products that they want to bring to the market.

Chairman's Statement

IMPACT OF COVID-19

Like every other industry and sector, the COVID-19 pandemic has cast a shadow over the year and its full impact remains to be seen and is impossible to predict.

As the Group runs an essential business, our manufacturing facility and workforce remain operational. In our offices and facility in Australia, Singapore and China, we have implemented a number of measures to protect the welfare of our employees and to prevent the spread of the virus within our regional office network. These include complying with all measures mandated by the governments of the countries we operate in, such as staggered working hours, telecommuting arrangements and the limitation of in-person meetings, when and where applicable. Protective face masks are provided to all staff daily for use in the workplace and during public transit to and from work, with a particular focus on personal hygiene measures, office sanitation and strict adherence to safe distancing measures within the workspaces.

Global travel and supply chains have been disrupted due to measures implemented by governments worldwide. Certain logistics partners have reported cost increases and delays to services and deliveries, and this may have a spillover effect. The ongoing travel restrictions have also to a certain extent slowed down our business activity and market access.

We have observed that many larger pharmaceutical companies have put new projects and ventures on hold as they participate in the fight against COVID-19. Many biotech and pharmaceutical events and conferences which are the lifeblood of the pharmaceutical industry, essential to foster partnerships and collaborations between pharmaceutical companies, have been cancelled.

That said, other conferences and events have now gone digital. We too, continue to engage digitally with potential partners on Wafermine. Partnering meetings take place online, with added convenience, cost effectiveness and surprising efficiency. It remains to be seen if a transaction like an out-licensing of Wafermine, which is of significant value, can be carried out expeditiously and successfully in such a manner.



Pivot to digital sales channels

Notwithstanding the challenges, I am proud that the team has responded by moving quickly on channels that will continue to grow despite changing behaviours of patients and consumers.

Not only do we now have Tmall and JD e-commerce platforms to sell into China, we have also commenced telemedicine sales in Australia for Wafesil and Silcap, our capsule sildenafil drug. Telemedicine is where doctors prescribe medication after holding online consultations with patients on digital platforms. Through these digital channels, our products can be accessed safely and conveniently by patients and consumers without the risk of contracting the infectious virus. During the initial lockdown period in March and April, we sold 4,500 boxes of Wafesil and Silcap through this channel alone.

In a world impacted by COVID-19, telemedicine is set to become a key feature and trend that is expected to grow exponentially.

Delay of planned upscale of wafer production capacity

With demand for our products ramping up on several fronts, we had anticipated the need to upscale our wafer production capacity. This was planned for early 2020, taking into consideration the timeline for the various product launches. The increased capacity would have allowed us to meet the demand arising from the new Entity stores in China and Xativa's launch in Australia. With greater economies of scale, it will place us firmly on the path towards profitability.

However, the global travel restrictions and border controls put in place by the Australia, Singapore and Chinese governments since mid-March have affected our business plans. As the technical experts from our overseas vendor are not able to travel to our Australian facility to install the new equipment, it is now expected that the capacity increase will be delayed to 1Q 2021.



FINANCIALS

Our annual revenue increased by 47% this year. 57% of our annual revenue amounting to \$0.56 million was recorded in the fourth quarter, due to contributions from medicinal cannabis and the China market. The planned increase in production capacity will allow us to overcome current capacity limitations and capitalise on the rising demand for our wafer products.

We invested \$2.2 million in additional freeze-drying equipment to support expected future growth in demand for our novel sublingual wafer products.

In FY2020, we continued to invest in enriching our product pipeline with new WaferiX-based pharmaceutical and nutraceutical products, incurring \$2.5 million in our research and development programmes. The Group formulated a line of medicinal cannabis wafer products and successfully launched Xativa in Australia during the year.

With the increase in commercialisation activities and uncertainty of the impact of COVID-19, we continue to be vigilant in controlling our business cost.

After the end of financial year, we took steps to strengthen our financial position by raising \$10.18 million via private placements. We also successfully extended revolving credit and property loan facilities totalling A\$5 million that would be expiring at the end of FY2021 for a further two years. These initiatives will allow us to pursue growth opportunities in the medicinal cannabis and China markets.

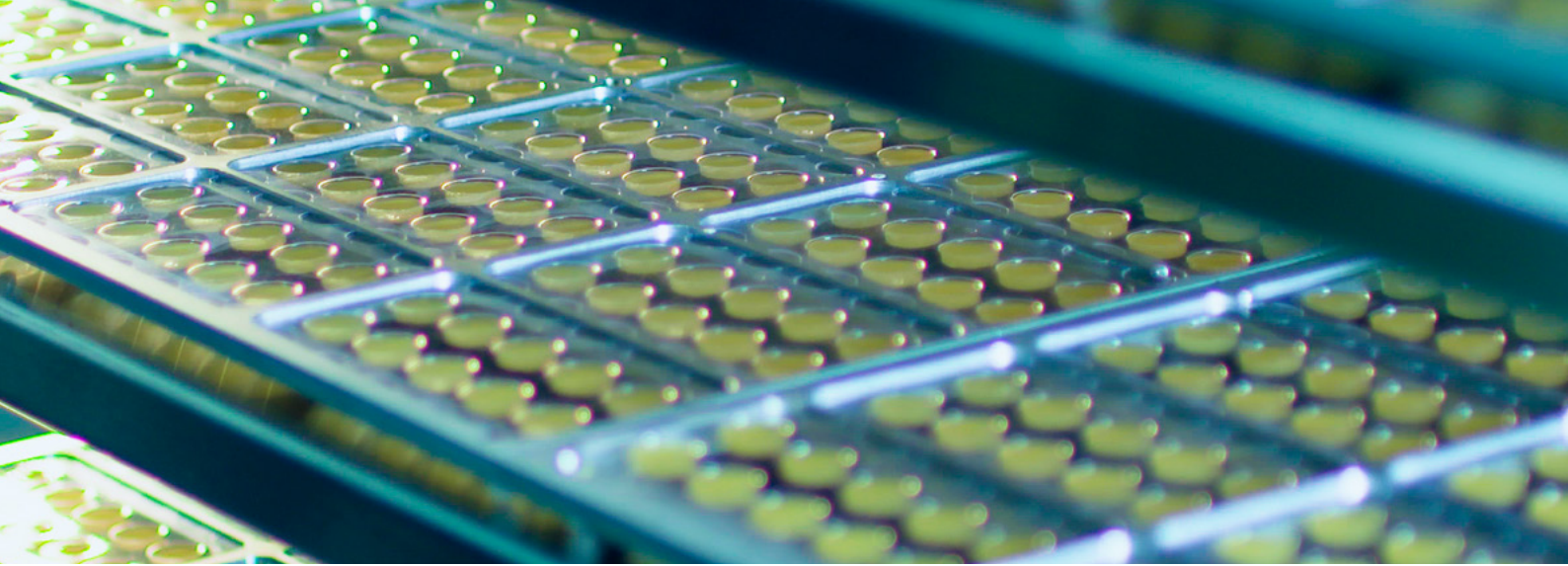
APPRECIATION

During the year the Company welcomed Mr Patrick Donald Davies to the Board of Directors as its Lead Independent Director. I am confident that the Group will benefit from Patrick's depth and breadth of experience of over 25 years leading healthcare companies in Australia. I would like to thank our valued shareholders and existing and new customers for their confidence and trust in us and most of all their continued support. Lastly, I would like to express my appreciation to all our employees for their dedication and commitment. I am grateful for their hard work in the past year to execute and deliver on our vision, laying the groundwork for us to emerge stronger from the pandemic and grow from strength to strength.

Eddy Lee

Chairman & Chief Executive Officer

WaferiX Technology



▲ Active compounds are combined with matrix forming agents to form a liquid suspension for freeze-drying.

iX Biopharma has developed a patented, fast-dissolving wafer formulation, WaferiX. The WaferiX technology consists of a small wafer prepared by our proprietary freeze-drying process. The WaferiX technology provides a simple drug carrier matrix with millions of tiny amorphous holes to house (encapsulate) the active drug molecules.

The wafer is designed specifically for sublingual (under the tongue) administration. It dissolves within one minute, releasing the active compounds for rapid absorption into the blood stream. This administration allows faster delivery and reduction in loss of drugs and actives due to hepatic and gastrointestinal metabolism, hence improving their bioavailability. The wafer administration is reported to be tolerable with no after-taste, leaving behind no residue or grittiness under the tongue hence preventing the urge to swallow.

COUNTRIES IN WHICH WE HOLD PATENTS FOR WAFERIX

Our products are patented in all key markets, including United States, Australia, China, India, Japan, South Korea, Hong Kong SAR, United Kingdom, Macau SAR, European Union (Germany, France, Italy, Spain, Netherlands, Turkey, Switzerland, Sweden, Poland, Belgium, Austria, Norway, Denmark, Ireland and Finland), Israel, Canada, South Africa, New Zealand, Singapore, Malaysia, Vietnam and Indonesia.

PRODUCTS UTILISING WAFERIX TECHNOLOGY



Wafermine (ketamine)

For moderate to severe acute pain and major depressive disorder



BnoX (buprenorphine)

For moderate to severe pain



Wafesil (sildenafil)

For male erectile dysfunction



Xativa (cannabidiol)

For potential treatment of chronic pain, certain inflammatory and motor diseases, appetite, anxiety and inflammatory bowel disease, among others



LumēniX (glutathione)

For inhibiting dark melanin formation to brighten and beautify the skin



WafeRest (melatonin)

For alleviating jet-lag and promoting sleep quality

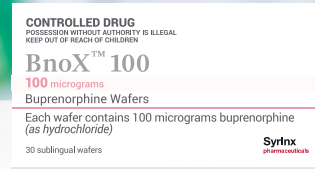
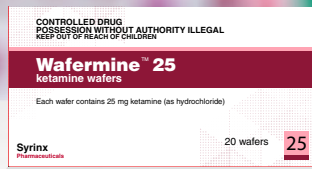


* Pictures shown are for illustration purposes only.

Supergenics*

WaferiX is a platform drug delivery technology which can be used to formulate off-patent generic drugs into a new dosage form with superior characteristics. These include improved absorption, faster onset of action and convenient administration. All of these provide market differentiation and prolong the product life cycle of off-patent drugs.

Product Portfolio - Pharmaceuticals



Wafermine

- ▶ Completed EOP2 with the US FDA
- ▶ Seeking out-licensing partner for Phase 3 development and commercialisation
- ▶ Supplied to hospitals and pharmacies in Australia as exempt goods on a patients' needs basis

BnoX

- ▶ Completed Phase 1 development
- ▶ Supplied to hospitals and pharmacies in Australia as exempt goods on a patients' needs basis

Wafesil

- ▶ Registered in Australia
- ▶ Supplied through telemedicine channel in Australia
- ▶ Product out-licensed to third party in China for registration and distribution
- ▶ Filed for marketing authorisation in European Union

Silcap

- ▶ Registered in Australia
- ▶ Supplied through telemedicine channel in Australia
- ▶ Filed for marketing authorisation in Singapore

Product Portfolio - Nutraceuticals

ENERGY & VITALITY



RestoriX

- ▶ Contains nicotinamide, resveratrol & quercetin
- ▶ For energy, vitality & cellular repair



MetaboliX Plus

- ▶ Contains nicotinamide, pterostilbene & boswellic acid
- ▶ For energy, vitality, cellular repair and reduction of bone & joint inflammation

LIFESTYLE



LiviUp

- ▶ Contains dihydromyricetin, milk thistle & thiamine
- ▶ For easing of hangover symptoms & reduction of facial flushing caused by alcohol consumption



RevitaliX

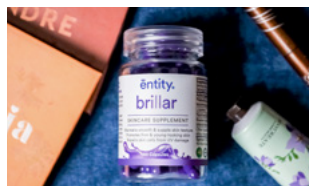
- ▶ Contains red & black maca
- ▶ For reducing feelings of stress & anxiety

SKIN CARE & IMMUNITY



LumeniX

- ▶ Contains glutathione
- ▶ For skin lightening & building immunity



Brillar

- ▶ Contains polypodium leucotomas, l-cysteine, nicotinamide & pterostilbene
- ▶ For smooth & supple skin texture, promoting firmer skin, repairing skin cells from UV damage

BLOOD SUGAR BALANCE



MomoriX

- ▶ Contains activated curcumin, gymnema leaf extract, momordica dry fruit & chromium
- ▶ For promoting healthy blood sugar balance

BONES & JOINTS



FortefiX Plus

- ▶ Contains activated curcumin, boswellic acid, resveratrol & boron
- ▶ For mobility & flexibility, improving bone health and relieving joint discomfort



MelaniX

- ▶ Contains nicotinamide, tomato extract & zinc
- ▶ For skin healing & regeneration

BRAIN HEALTH



ConcentriX

- ▶ Contains bacopa monnieri & black maca
- ▶ For improving mental clarity, memory & concentration

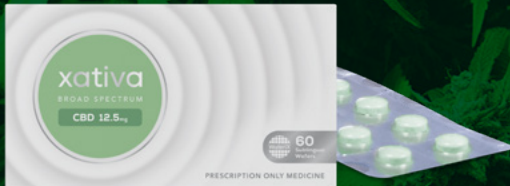
SLEEP



Waferest

- ▶ Contains melatonin
- ▶ For alleviating jet-lag & promoting sleep quality

Product Portfolio - Cannabis



XATIVA (BROAD SPECTRUM CANNABIDIOL)

- ▶ World's first freeze dried medicinal cannabis sublingual wafer
- ▶ A nano-emulsion of highly bioavailable broad spectrum cannabis extract with 12.5mg or 25mg cannabidiol (CBD) and 0mg tetrahydrocannabinol (THC), in addition to 30+ terpenes and other beneficial molecules naturally occurring in cannabis
- ▶ Potential indications: chronic pain, certain inflammatory and motor diseases, appetite, anxiety and inflammatory bowel disease, among others
- ▶ Supplied in Australia through Special Access Scheme and Authorised Prescriber pathway as prescription medicine

XATIVA PATIENT TESTIMONIALS

Peter*, age 62, from Brisbane, Australia has been suffering from chronic pain in his legs for a few years, resulting in significant loss in mobility for his normal functioning and impacting his mood and energy levels. He first consumed CBD in oil form, but found the oil difficult to consume under the tongue. He found the taste of the oil unpleasant, and effects on pain relief varied noticeably despite consistent dosing. The first time Peter tried Xativa, he felt calmer and more mobile within 40 minutes, which was a pleasant surprise to him. He liked the improved taste and ease of use as well. After taking Xativa daily for over three months, he has renewed confidence to do more throughout the day.

Brandon*, age 17, from Adelaide, Australia has been struggling with anxiety and panic attacks. He had been taking Sertraline (a type of antidepressant) to stabilise his moods but it caused nausea and insomnia. As Brandon is a student, his doctor recommended Xativa as a convenient and discreet CBD product he can take while at school. It took Brandon only a few days after starting Xativa to notice an overall reduction in his anxiety. He was very happy to experience better sleep every night which provided him with more energy during the day. The pleasant taste and ease of use also helped him to be disciplined and consistent with taking his medication. Most importantly, there has been no negative side effects felt after almost two months of taking Xativa daily.

*Not their real names

NEW PRODUCTS LAUNCHING

- ▶ Hytiva – CBD : THC combo



- ▶ Hypera – THC only



Operations Review



▲ Our manufacturing facility in Victoria, Australia.



OUR FULLY INTEGRATED BUSINESS MODEL

The Group operates a fully integrated business model covering research and development (R&D) formulation, manufacturing and testing, clinical development, product registration and sales and marketing through our wholly-owned subsidiaries:

- ▶ iX Biopharma Pty Ltd – pharmaceuticals, R&D and clinical trials
- ▶ iX Syrx Pty Ltd – Good Manufacturing Practice (GMP) manufacturing
- ▶ Entity group of companies – nutraceuticals

PHARMACEUTICALS

Wafermine

The programme reached an important milestone during FY2020 with the successful completion of an End-of-Phase 2 (EOP2) meeting with the United States (US) Food and Drug Administration (FDA). During the meeting, the Company and the US FDA reached agreement on key aspects of the pivotal Phase 3 clinical trial programme to support approval of Wafermine for the indication of acute moderate to severe pain.

The Phase 3 programme will consist of two randomised, double blind, placebo-controlled studies, one in an orthopaedic pain model (bunionectomy) and one in a soft-tissue pain model (abdominoplasty). Both of these post-operative pain models were successfully evaluated in the recent Phase 2b clinical study which gives us great confidence that the results can be replicated in Phase 3. The primary efficacy measure for both studies will be SPID12, which is the summed pain intensity difference over 12 hours. The summed pain intensity difference over 24 hours (SPID24) and 48 hours (SPID48) will be evaluated as secondary endpoints.



Importantly, completion of the EOP2 meeting with the US FDA gives clarity to the Wafermine development

Operations Review



programme, in particular with respect to costs and timeline of Phase 3 studies. Further, it positions the Company well to continue licensing discussions with potential licensees.

In addition to the treatment of pain, Wafermine is Phase 2-ready for major depressive disorder. In recent decades, racemic ketamine has also proven to be effective for treatment-resistant depression.

Wafermine is supplied to hospitals in Australia under Schedule 5A of the Therapeutic Goods Regulations (TGR) as an unregistered medicine, with approximately 300,000 wafers sold to-date.

Wafesil

Wafesil is a new dose form of sildenafil delivered using our proprietary sublingual drug delivery technology, WaferiX. Wafesil is the Group's first registered pharmaceutical product after receiving marketing approval in Australia from the Therapeutic Goods Administration (TGA) for the treatment of male erectile dysfunction.

In April 2020, the Group announced its first pharmaceutical out-licensing transaction, granting an exclusive licence to Yiling Pharmaceutical Ltd. (Yiling) for Wafesil in China. Under the terms of the licensing agreement, Yiling will be the exclusive distribution partner upon registration of the drug with the Chinese regulatory authorities. Yiling has paid an upfront fee to the Company and under the terms of the agreement has contractually agreed to pay milestone fees upon the completion of bioequivalence studies and on the first commercial supply of wafers by the Group to Yiling. In addition, Yiling has agreed to fund bioequivalence studies

and bear the cost of regulatory submissions for registration in China, a process which is expected to take around 24 months. By partnering with Yiling, the Company will be able to access the market through leveraging Yiling's sales and distribution network covering 100,000 medical and health institutions and over 300,000 pharmacies in China. The Company has agreed to manufacture and supply Wafesil to Yiling at an agreed supply price.

During the year, the Group commenced the supply of Wafesil through telemedicine in Australia, which enables patients to access medical advice and treatment safely, discreetly and conveniently. Telemedicine has recorded rapid adoption amid the COVID-19 pandemic as patients turn to digital health technologies and platforms for medical care. The product is supplied to Australian pharmacies and is available to patients by doctors' prescription.

The Company has applied for registration of Wafesil in Europe with the European Medicines Agency and the application is currently under evaluation.

Silcap

Silcap represents iX Biopharma's second registered pharmaceutical product and delivers sildenafil in a novel small capsule unlike existing sildenafil options in the market which are delivered in tablet form. Silcap is the only small capsule sildenafil product in Australia and is an alternative for patients who do not like to swallow tablets.

During the year, the Group commenced the supply of Silcap through telemedicine in Australia.

The Group filed for marketing approval for Silcap with Singapore Health Sciences Authority during 3Q 2019. The process is expected to complete this year.

BnoX

BnoX is a novel sublingual buprenorphine wafer developed for the management of acute and chronic moderate to severe pain. Despite the current opioid crisis, there is a continuing reliance on opioids to treat moderate to severe pain due to a lack of effective alternatives. As a consequence, there has been increasing recognition and focus on opioids which have a more favourable safety profile, such as buprenorphine.

BnoX is currently being supplied to hospitals in Australia under Schedule 5A of the TGR as an unregistered medicine.

MEDICINAL CANNABIS

In April 2020, the Group launched Xativa, the world's first freeze-dried sublingual medicinal cannabis wafer through the Special Access Scheme and Authorised Prescriber pathway in Australia. Xativa, which contains a nano-emulsion of broad-spectrum cannabidiol (CBD) delivered using the Group's patented WaferiX sublingual delivery technology, is a highly differentiated and superior dosage form that improves bioavailability of CBD, providing patients with rapid absorption, faster therapeutic action and predictable outcome.

CBD, one of the primary non-psychoactive compounds found in the cannabis plant, has attracted growing interest in recent times due to its safety and effectiveness in treating a vast spectrum of human health issues. While its medicinal benefits are clear, most delivery forms available today suffer from the lack of fixed unit dosages, inconsistent absorption and variable or poor bioavailability to truly provide an efficacious therapeutic effect for users. Leveraging on WaferiX technology, the Group has developed Xativa to address this gap in the market.

Xativa currently comes in 12.5mg dosage strength, with a 25mg dose to be launched in the coming month. Xativa is currently prescribed by doctors for a wide variety of conditions including to treat anxiety, relieve pain, reduce inflammation, and improve sleep quality, among other conditions, to patients who are not effectively treated with other drugs.



▲ An automated robotic arm dispenses a drug product in liquid suspension form into blister pack wells.

Xativa is distributed in Australia through both wholesale distribution channels and directly to retail pharmacies. The Group regularly conducts doctor education and product training to familiarise them with Xativa and our WaferiX technology. The response since launch from both prescribers and patients has been exceptional and is in recognition of the enhanced clinical utility that this novel dosage form offers.

The Group will introduce other medicinal cannabis products to broaden the range and serve more patients. The new products are Hypera, containing tetrahydrocannabinol (THC), and Hytiva, containing CBD and THC, in various combinations and doses.

THC, along with CBD, currently represent the two most important and well-studied cannabinoids in the cannabis plant. Despite THC being the primary psychoactive component of the plant responsible for producing the 'high' or euphoria known with cannabis use, it has the potential to treat a vast number of medical conditions. These include acute and chronic pain, intractable nausea and vomiting due to chemotherapy or radiotherapy, anorexia and wasting syndrome, anxiety, depression, insomnia, muscle spasticity associated with multiple sclerosis, and in some cases alcohol and opioid withdrawal syndromes amongst others. The inclusion of THC products in the range is very promising and exciting as it will allow us to target the entire addressable medicinal cannabis market.

Operations Review

NUTRACEUTICALS

The Group's nutraceuticals division, Entity, is engaged in the development and commercialisation of nutraceutical products that address specific conditions and improve quality of life.

During the year, we expanded our product range in Australia to nine products, including the introduction of MomoriX into the market. MomoriX is a natural plant-based supplement optimised to support healthy blood glucose levels. The number of Australian stockists has also increased to a total of 262 stores.

Having established brand awareness and credibility as a quality brand in Australia, we turned our attention to the China market. In April 2020, we launched our flagship Entity stores on the largest cross-border e-commerce platforms in China, Tmall Global and JD Worldwide. We have seen strong demand across both platforms since market launch. The two best-selling products have been LumeniX and RestoriX. LumeniX is a sublingual glutathione beauty product formulated using the WaferiX delivery technology for skin fairness, inhibiting hyperpigmentation, improving skin tone, and boosting immune system functions as a master-antioxidant. RestoriX is a nicotinamide supplement designed to boost nicotinamide adenine dinucleotide (NAD+) levels in the body. NAD+ is a molecule that Harvard Medical School geneticists have studied in recent years for its ability to switch off 'ageing' genes. RestoriX aims to counter the process of ageing and increase health span, while boosting energy levels and vitality.

MANUFACTURING UPDATE

The demand for sublingual wafer products, in particular LumeniX and Xativa, has exceeded the Group's current wafer production capacity. The Group has purchased new equipment which was scheduled to be installed in early 2020. However, due to the extended Australian border closure, the equipment supplier has been unable to send the technical staff required to perform the commissioning work. We now expect the production capacity upgrade to be completed in 1Q 2021. This will increase the wafer



"Importantly, completion of the EOP2 meeting with the US FDA gives clarity to the Wafermine development program, in particular with respect to costs and timeline of Phase 3 studies. Further, it positions the Company well to continue licensing discussions with potential licensees."

Dr. Janakan Krishnarajah

Chief Operating Officer & Chief Medical Officer

production capacity by six-fold and enable the Group to address the growing demand for its wafer products following the opening of a new market for Entity nutraceutical products in China, and the launch of its medicinal cannabis drug in Australia.

In September this year, the Group had also obtained the GMP licence issued by the TGA for its testing laboratory located within its facility in Victoria, Australia. The newly secured GMP licence permits the Group to conduct chemical and analytical laboratory testing for its commercial and developmental products in-house. With this new development, the Group will now be able to increase its speed-to-market and allows for potential cost savings.

Despite the current global economic disruption, the Group has worked to secure new partnerships, launch new products and open new markets. We believe this lays the foundation for significant growth once the facility upgrade is completed.

Dr Janakan Krishnarajah

Chief Operating Officer & Chief Medical Officer

Business Strategy



OUT-LICENCE WAFERMINE FOR GLOBAL MARKETS

With clarity on the Phase 3 development programme and the recent allowance of our United States (US) patent for Wafermine this year, we now have all the critical elements to out-license Wafermine to a suitable third party. We have engaged a financial and strategic adviser to guide the out-licensing activities for Wafermine.

Out-licensing Wafermine is a strategy that will allow us to fully unlock the value of the drug. A suitable partner will enable the Company to tap into its resources to fund, and expertise to run and complete, Phase 3 clinical development and obtain marketing approval for Wafermine. The Company can then access additional markets through its partners' infrastructure and sales networks to manage the commercialisation of the product more effectively.

The structure of a licensing deal and its deal terms would be determined with reference to the value of the drug in question. Typically, the terms may include:

- ▶ Upfront payments, which are payable upon contracting;
- ▶ Direct research and development (R&D) funding;
- ▶ Development milestone payments, which are payable upon reaching R&D milestones such as successful completion of Phase 3 programme, approval of drug and commercial launch;
- ▶ Sales milestone payments contingent on reaching revenue targets; and
- ▶ Royalties, which could be tiered or a fixed percentage of sales.

We believe that Wafermine holds enormous commercial potential given its ability to address two significant areas of medical need — acute moderate to severe pain and major depressive disorder (MDD).

Annually, approximately 65.5 million patients in the major markets of the US, the United Kingdom, Germany, Spain, France, Italy (EU5) and Japan receive opioids after surgery. According to the US Department of Health and Human Services, opioid overdoses accounted for more than 47,000 deaths and an estimated 36% of opioid overdose deaths involved a prescription opioid in 2017. Against these statistics and in view of the timeliness and value proposition it offers, Wafermine has the potential to be used as a substitute or as an adjunct to opioids to lower the dose of opioids prescribed to a patient due to its opioid sparing effect. Crucially, unlike misuse or overdose of opioids which could lead to respiratory depression and death, ketamine is not likely to affect the respiratory system and is therefore a much safer option for patients to manage their pain.

Wafermine's potential as a treatment for MDD is underscored by the rising patient population of more than 300 million people globally suffering from depression. Intravenous (IV) ketamine has been in off-label use in clinics in the US, Europe and Australia to treat MDD since the discovery by Yale University scientists of its rapid efficacy, within hours, on patients suffering from depression.

Wafermine carries low commercial and development risk for potential partners. By combining the patented WaferiX

Business Strategy

platform with an existing approved compound (in this case, racemic ketamine), the Group can utilise an expedited regulatory pathway to gain approval for the drug. This results in a less expensive route and approval in a shorter time compared with a traditional development path, while creating a new, differentiated product with tremendous commercial value.



▲ Our Business Development team showcased Xativa CBD wafers and WaferiX technology at Hemp and Cannabis conferences in Australia.

INCREASE PATIENT SHARE IN AUSTRALIA WITH INNOVATIVE MEDICINAL CANNABIS PRODUCTS

In April 2020, we launched Xativa, a sublingual medicinal cannabis wafer containing cannabidiol (CBD) in Australia. Xativa is available by doctors' prescription under the Special Access Scheme and Authorised Prescriber pathway in Australia. We distribute Xativa via cannabis distributors such as Cannatrek Ltd or directly to pharmacies.

According to analysts, the legal medicinal cannabis market in Australia and New Zealand will be valued at US\$1.55 billion in 2024. In Australia, prescription numbers have risen rapidly with over 18,500 medicinal cannabis patients as at 1 January 2020. It is estimated that over 200,000 patients are eligible to use it. At the moment, 70% of the prescriptions are for pain-related conditions.

In April 2020, the Australian Therapeutic Goods Administration (TGA) published an open consultation to proposed amendments to the Poisons Standard which considers rescheduling CBD as a Schedule 3 substance, which means that products in which CBD comprises 98% or more of the total cannabinoid content will be available over-the-counter without a prescription in pharmacies across Australia for therapeutic use. CBD is currently a Schedule 4 substance and therefore only available with a prescription. In its interim decision in September 2020, the TGA agreed with the recommendation to downschedule CBD. If the rescheduling is approved, registered CBD products will be more widely available in pharmacies and Australians will have greater and more convenient access to these products. When that happens, consumers will use CBD to

address less serious conditions such as muscle recovery and sleep management, resulting in a greatly expanded market size.

The medicinal cannabis market in Australia is currently dominated by dosage forms such as dry flower which are consumed by smoking or vaporising, and oils which are dispensed through droppers and orally consumed. Many patients are unwilling to smoke to obtain therapeutic benefit, as smoking is associated with adverse effects to one's health — the smoke could release toxic substances and the lungs are not conventionally used as a method of administering medicine. Oil extracts, on the other hand, have proven to be an inefficient way of consuming cannabis as cannabis is poorly absorbed into the bloodstream, leading to slow and inconsistent onset of therapeutic action. Patients have reported an unexpectedly long delay to the onset of action, sometimes many hours after administering the medicine orally. If the medicinal cannabis being prescribed contains tetrahydrocannabinol (THC), which has a psychoactive effect on the body, the unpredictability of an onset of action can be dangerous. Another shortcoming of oils is that a dropper is an imprecise way to administer dosages. It is difficult to get a consistent accurate dose with a dropper, the dropper may be obstructed, or the liquid may spill.

Given the limitations and disadvantages of existing forms of medicinal cannabis, it is easy to see why WaferiX-based sublingual medicinal cannabis wafers are well-received by patients and doctors. Xativa, containing CBD, is the first to be introduced by the Company in a line of medicinal cannabis products. Xativa is a nano-emulsion of highly bioavailable broad spectrum cannabis extract with CBD and no THC, with



"Our medicinal cannabis sublingual wafers are a world's first, offering advantages and benefits to patients like none other. They will be a major driver of the Group's growth in the coming years."

Eva Tan

Director of Corporate & Commercial Strategy



potential for faster onset of action, with less variability and more predictable effect. Xativa comes in a fixed unit dose which is easy, convenient and discreet to use.

The launch of Xativa was covered by Nine News, a national news network in Australia. This coverage led to strong interest from doctors and patients with initial production batches of Xativa sold out.

Our strategy is to build on the successful launch of Xativa and continue to gain market share in Australia. We will be introducing a higher strength Xativa to cater to patients requiring a higher dose of CBD for their conditions in the coming month. We plan to introduce additional formulations to the medicinal cannabis range within the year, including wafers with THC and combinations of CBD and THC. This will allow us to address most of the conditions currently being treated with medicinal cannabis.

To drive greater awareness and demand, our medical team has been actively engaging with doctors and the industry to educate and train them on our medicinal cannabis product range and the WaferiX sublingual technology. This allows us to communicate our competitive advantages, impart scientific and clinical knowledge on our products, and through practical interaction, understand and meet the needs of the market.

Whilst we supply and commercialise the medicinal cannabis range in Australia, we plan to carry out rigorous clinical research in certain conditions such as pain, anxiety and essential tremors, to contribute to the body of scientific understanding about therapeutic cannabis use. We will continue to train and support physicians using the results of such clinical investigations with the goal of improving the quality of prescriptions.

In the next phase of development, we intend to launch into other markets such as the United Kingdom, European Union and the US through offtake and out-licensing agreements.



"After experiencing very strong demand from Chinese domestic consumers since our launch of the Entity range on Tmall and JD this year, we are confident of the appeal that our sophisticated products have. We will continue to build on these early successes through continued new product innovation and smart digital marketing initiatives."

Desiree Chua

Senior Manager, Business Development

INCREASING MARKET SHARE FOR ENTITY IN CHINA, AUSTRALIA

Since the 2018 launch of Entity, the Group's nutraceuticals line, in Australia, we focused on penetrating the market to establish Entity as a homegrown Australian health supplements brand. Today, Entity products are sold in more than 250 pharmacies and health food stores in all major Australian cities.

Australian-made health supplements are regarded by Chinese consumers as the gold standard of healthcare products due to Australia's reputation for safety and quality. With Entity being recognised as a premium and innovative Australian brand, the Group began planning for its entry into China in late 2019 via cross-border e-commerce. The China market is the fastest growing consumer market in the world and is a high priority target for the Group.

In April 2020, we launched Entity flagship stores on JD Worldwide (JD) and Tmall Global (Tmall). JD and Tmall are the two largest e-commerce platforms in China, commanding over 85% of the total B2C e-commerce market in China. Through these platforms, we are able to sell our nutraceutical products to the China consumers from Australia without lengthy and costly registration procedures to sell within the country.

Business Strategy

Chinese consumers now have access to the full range of Entity nutraceuticals in the stores, including Entity's leading products, RestoriX, a nicotinamide supplement which helps to increase levels of nicotinamide adenine dinucleotide (NAD+) in the body needed for important cellular functions like energy metabolism, to counter the process of ageing and boost energy levels and vitality; and LumeniX, a sublingual glutathione wafer for skin fairness. Glutathione is also known as the master of all antioxidants, helping the body to build stronger immunity to protect against viral infections.

Within weeks of store opening, LumeniX and Restorix products were sold out ahead of initial forecasts set by our marketing agencies and have since continued to attract strong demand, exceeding supply. Chinese consumers have shown that they have enormous appetites for novel and sophisticated products which characterise the Entity line of nutraceuticals.

We are confident that Entity has immense market potential in China which will provide significant growth opportunities for Entity and the Group. As such, our strategy is to continue to build and grow the market share for Entity products in China through cross-border e-commerce. The Group is also evaluating opportunities to partner with distributors in China. We intend to introduce new products in categories popular or growing with China consumers, focusing on leveraging our unique, patented WaferiX sublingual technology to produce well-differentiated and scientifically advanced products that resonate with Chinese consumers.



▲ A social media influencer (known as key opinion leaders in China) reviewing Entity Restorix on 小红书.



▲ Entity nutraceutical products are marketed on popular digital and social media platforms in China, including Weibo product reviews.

LEVERAGE WAFERIX AS A PLATFORM TO DEVELOP NEW PRODUCTS

The WaferiX technology is a broadly applicable and highly versatile platform. It consists of a rapidly disintegrating, fast-dissolving sublingual wafer designed to increase bioavailability and absorption of actives through the blood vessels under the tongue, to provide faster relief and predictable and consistent dosing. In addition to patient and user benefits, we believe that WaferiX has the ability to create market differentiation in response to expiring patents, generic encroachment, and declining new drug pipeline. We have identified certain conditions and actives that have the potential to benefit from WaferiX and have built up an impressive product pipeline for future development.

At the same time, we are also evaluating requests from pharmaceutical companies in China who desire to add sublingual versions of drugs that they believe have great commercial potential in their markets. They see WaferiX as an opportunity to transform and rejuvenate a generic drug which is at the end of its life cycle, into one which has superior characteristics to better serve patient needs and which provides a competitive edge against other generic drugs. Such improved drugs are called supergenerics.

In April 2020, we completed our first out-licensing transaction for Wafesil, a sublingual sildenafil drug for the treatment of male erectile dysfunction, to Yiling Pharmaceutical Ltd (Yiling). Wafesil and the partnership with Yiling is an example of how we can leverage WaferiX to develop a commercially valuable supergeneric drug.

Eva Tan

Director of Corporate & Commercial Strategy

Financial Review

KEY HIGHLIGHTS

The following achievements have positively contributed to the Group's financial performance and strength during the financial year (FY) 2020:

- ▶ Out-licensed Wafesil for China market
- ▶ Launched Xativa and Wafesil in Australia
- ▶ Commenced Entity nutraceutical e-commerce sales in China
- ▶ Credit facility extension and equity injections

PERFORMANCE

Continuing Operations

Continuing Operations comprise of the Group's specialty pharmaceutical and nutraceutical businesses.

Revenue

	FY2020 \$'000	FY2019 \$'000	Increase %
Specialty Pharmaceutical	593	393	51%
Nutraceuticals	392	278	41%
Total revenue	985	671	47%

During the fourth quarter, we launched Xativa medicinal cannabis wafers in Australia and Entity nutraceuticals in the China market successfully. These increased our annual revenue by 47% to \$0.99 million. 57% of this annual revenue amounting to \$0.56 million was recorded in the fourth quarter.

In specialty pharmaceuticals, Xativa recorded strong sales. Cannabis related revenue contributed \$320,000 whilst Wafesil and Silcap contributed \$182,000 to the annual revenue.

Cross-border e-commerce sales in China via Tmall Global and JD Worldwide stores in the last quarter of the year drove our annual nutraceutical sales to increase by 41%. RestoriX and LumeniX were our best sellers across China and Australia.

The Group's cost of sales was \$1.57 million as compared to \$1.20 million in FY2019. The cost of sales also includes the cost of manufacturing which consists of personnel, material and other fixed overheads. As we increase our freeze-drying production capacity in the coming year, we look forward to benefits from economies of scale.

Research and Development (R&D) Incentives

We conduct our R&D activities through our wholly-owned subsidiaries in Australia and have been eligible for R&D tax incentive under a programme administered jointly by the Australian Taxation Office and Innovation Australia. This incentive provides a rate of 43.5% refundable tax rebate for eligible R&D expenditure incurred in Australia by these subsidiaries. During the year, R&D incentive of \$0.41 million was recognised as compared to \$0.21 million in FY2019. The lower amount in FY2019 was due to a revision in our estimate of certain incentive accrued previously.

Operating Expenses

During FY2020, the Group's operating expenses, excluding net currency exchange differences and certain one-off regulatory and registration expenses, were reduced by 8.5% as compared to FY2019.

R&D Expenses

R&D activities were focused on new product development for our medicinal cannabis range, nutraceuticals line and supergenerics as well as enhancements to certain products. In FY2019, R&D expenses were higher due to certain KET010 clinical trial related expenses.

Sales & Marketing

Sales and marketing expenses during the year were \$2.23 million as compared to \$2.02 million in FY2019, an increase of 10%. Despite launching into new cannabis and China markets, our sales and marketing activities were focused and targeted yielding a 47% increase in revenue.

General and Administrative (G&A) and Others

This year, as more of our products were being commercialised, we have incurred additional regulatory and compliance related expenses. These included expenses totalling \$0.53 million incurred in relation to our submissions for registration of Wafesil in Europe and Silcap in Singapore, and the Wafermine End-of-Phase 2 meeting with the United States Food and Drug Administration.

Financial Review



"Our strengthened balance sheet allows us to capitalise on growth opportunities in the medicinal cannabis and China markets."

Chew Sien Lup
Chief Financial Officer

As part of our strategy to monetise our assets, we have engaged a financial advisor to assist in out-licensing Wafermine.

We have achieved some savings due to a reduction in personnel and travelling expenses as a result of COVID-19. Except for the increases due to regulatory activities and engagement of advisors, G&A expense for FY2020 was comparable to that of FY2019.

Other expenses consist solely of currency exchange gain or loss. The depreciation of the Australian dollar against the Singapore dollar during most of FY2020 impacted our cash holding and the receivables from our subsidiaries. Late recovery of the Australian dollar against the Singapore dollar in the fourth quarter have led to a small gain of \$0.38 million this financial year as compared to a loss of \$1.66 million in FY2019.

Discontinued Operation

Discontinued operation comprised the laboratory testing business disposed of during FY2019.

CASHFLOW

During FY2020, net cash used in operating activities was \$8.32 million as compared to \$13.90 million in FY2019. Higher cash used in FY2019 was mainly due to higher operating loss, payments for KET010 clinical trial and rental payments (which are now reported as repayment of lease liabilities).

The Group paid \$0.98 million in FY2020 principally for new sealing and packaging equipment.

In FY2019, we restructured our credit facilities and pledged additional \$0.76 million in fixed deposits as collateral.

FINANCIAL POSITION

Current assets of the Group decreased to \$8.14 million from \$18.51 million, principally in our cash and cash equivalents. The decrease was mainly due to cash outflow from operating loss and the purchase of manufacturing equipment.

In accordance with SFRS(I) 16 Leases at the beginning of FY2020, we recognised the right of use assets of \$0.64 million arising from recognition of leases previously classified as operating leases and offset by depreciation of \$0.38 million. Correspondingly, lease liabilities of \$0.64 million were recognised and offset by lease payments during the year.

Current liabilities of the Group increased to \$3.30 million from \$2.53 million. The increase was mainly due to deferred submission fee for registration of Wafesil in Europe and current portion of lease liabilities recognised in accordance with SFRS(I) 16.

During the year, we repaid some \$0.21 million of borrowings thus reducing our total borrowings to \$3.65 million from \$3.83 million. We successfully extended revolving credit and property loan facilities totalling A\$5 million that would be expiring at the end of FY2021 for a further two years. As at the balance sheet date, the available revolving credit was A\$1.3 million.

Subsequent to the financial year end, the Company secured \$10.18 million of new funds by private placements of 44,491,299 shares. With these additional funds, our cash holding would amount to more than \$15.84 million. Together, the equity injections and extension loan facilities have strengthened the financial position of the Group and will allow us to capitalise on growth opportunities in the medicinal cannabis and China markets.

Chew Sien Lup
Chief Financial Officer

Board of Directors



EDDY LEE YIP HANG

Chairman and Chief Executive Officer

Date of initial appointment 17.01.2008

Date of last re-election 19.10.2018

Board Committees Nominating Committee (Member)

Present directorships in other listed companies Nil

Past directorships in other listed companies in the preceding three years Nil

As the Group Chairman and CEO, Mr. Lee is responsible for the development and execution of the Group's strategic vision and expansion plans. Mr. Lee possesses more than 25 years of international business experience, having worked as Senior Vice President at the Resorts World (Genting Group) in Malaysia, Chief Executive of CDL Hotels International Limited (Hong Leong Group) in Hong Kong, President & Chief Executive of Star Cruises PLC (Genting Group) in Singapore and more recently, as Managing Director & Chief Executive of Amcom Telecommunications Limited in Australia.

Mr. Lee is highly regarded as a professional start-up specialist with a very impressive track record in developing companies that have experienced outstanding brand recognition and tremendous growth. He was involved in the successful start-ups of the Burswood Resort Hotel in Perth and Star Cruises PLC in Singapore, and is perhaps best known for successfully introducing, developing and transforming the cruise industry in Asia into a multi-million dollar business today.

Mr. Lee holds a Bachelor of Business degree from Curtin University.



ALBERT HO SHING TUNG

Non-Executive Director

Date of initial appointment 01.03.2013

Date of last re-election 18.10.2019

Board Committees Audit Committee (Member), Remuneration Committee (Member), Risk Management Committee (Member)

Present directorships in other listed companies Riverstone Holdings Limited (Independent Director)

Past directorships in other listed companies in the preceding three years Nil

Mr. Ho is currently a director of Centrum Capital, an investment and asset management firm. He has previously worked at various international banks and multinational corporations and has more than 25 years experience in the areas of corporate development, finance and investment banking.

Mr. Ho is an independent non-executive director of Riverstone Holdings Limited, a company listed on the Singapore Exchange and is a member of its Audit and Remuneration Committees. He was formerly a Councillor of CPA Australia's Singapore Division and its Deputy Chairman of the Corporate-SME Committee.

Mr. Ho holds a Bachelor of Commerce degree from the Australian National University and is a Fellow Certified Practising Accountant with CPA Australia.

Board of Directors



LOW WENG KEONG

Independent Director

Date of initial appointment 18.06.2015

Date of last re-election 24.10.2017

Board Committees Audit Committee (Chairperson), Remuneration Committee (Member), Nominating Committee (Member), Risk Management Committee (Member)

Present directorships in other listed companies UOL Group Limited (Independent Director), Riverstone Holdings Limited (Lead Independent Director), Haw Par Corporation Limited (Lead Independent Director)

Past directorships in other listed companies in the preceding three years Nil

Mr. Low is an independent director of UOL Group Limited, Riverstone Holdings Limited and Haw Par Corporation Limited, all listed on the Singapore Stock Exchange.

Mr. Low was a former country managing partner of Ernst & Young Singapore and a former Global Chairman and President of CPA Australia. He is currently a director of the Singapore Institute of Accredited Tax Practitioners. He was a member of the Board of Trustees of the NTUC Education and Training Fund (until 16 October 2019) and a Director of the Confederation of Asian and Pacific Accountants Limited (until 2 May 2019).

Mr. Low is a Life Member of CPA Australia, Fellow Chartered Accountant (UK), Fellow Chartered Accountant (Singapore), Chartered Tax Advisor (UK) and an Accredited Tax Advisor (Singapore).



PATRICK DONALD DAVIES

Lead Independent Director

Date of initial appointment 02.12.2019

Date of last re-election N/A (will be seeking re-election at the 2020 AGM)

Board Committees Remuneration Committee (Chairperson), Audit Committee (Member), Nominating Committee (Member)

Present directorships in other listed companies Neuren Pharmaceuticals Limited (NEU:ASX) (Non-Executive Chairman)

Past directorships in other listed companies in the preceding three years Nil

Mr. Davies is the Non-Executive Chairman of Neuren Pharmaceuticals Limited listed on the Australian Stock Exchange. He has held executive management roles in the Australian and New Zealand healthcare industry for over 25 years having performed successfully in senior roles across many industry sectors including pharmacy, primary care, pharmaceutical and consumer products. During his 10 year period as Chief Executive Officer of EBOS Group Limited (and previously Symbion), the enterprise value of the group achieved compound annual growth in enterprise value of +20% (from circa A\$450M to in excess of A\$3.1B). He is also a director on other non-listed corporate boards and provides strategic advice to a range of healthcare businesses and investors.

Mr. Davies holds a Bachelor of Economics from University of Adelaide and a Master of Business Administration from Australian Graduate School of Management.



CLAUDIA TEO KWEE YEE

Independent Director

Date of initial appointment 18.06.2015

Date of last re-election 18.10.2019

Board Committees Nominating Committee (Chairperson), Risk Management Committee (Chairperson), Audit Committee (Member), Remuneration Committee (Member)

Present directorships in other listed companies Nil

Past directorships in other listed companies in the preceding three years Nil

Ms. Teo is a partner and head of the Corporate and Financial Services practice group of Harry Elias Partnership LLP, ranked as a notable firm in leading legal publications. She has over 20 years experience in corporate finance and M&A transactions throughout Asia and has been recommended as a leading lawyer in The Legal 500. Some of her complex deal structures have focused on various industries including healthcare and pharmaceuticals, fintech, natural resources, lifestyle and real estate and construction. She also has extensive experience in investment funds, collective investment schemes and related regulatory and licensing requirements.

Ms. Teo has been appointed as a director of Ren Ci Hospital & Medicare Centre, a Singapore charity healthcare institution, since 2018 and is also a member of the investment/governance & risk committee since 2013. She is also an independent director of The Hokkien Foundation, a charity providing financial support towards a wide range of social causes.

Ms. Teo completed her Bachelor of Laws at the University of Manchester. She was called to the Singapore Bar and is dually qualified as a barrister and a solicitor of England and Wales and is admitted to the Rolls of Solicitors of Hong Kong.

Senior Management

EDDY LEE YIP HANG

Chairman and Chief Executive Officer

Eddy Lee was appointed as Chairman of the Board on 17 January 2008 and is a member of the Nominating Committee. As the Group Chairman and CEO, he is responsible for the development and execution of the Group's strategic vision and expansion plans. Mr. Lee possesses more than 25 years of international business experience, having worked as Senior Vice President at the Resorts World (Genting Group) in Malaysia, Chief Executive of CDL Hotels International Limited (Hong Leong Group) in Hong Kong, President & Chief Executive of Star Cruises PLC (Genting Group) in Singapore and more recently, as Managing Director & Chief Executive of Amcom Telecommunications Limited in Australia.

Mr. Lee is highly regarded as a professional start-up specialist with a very impressive track record in developing companies that have experienced outstanding brand recognition and tremendous growth. He was involved in the successful start-ups of the Burswood Resort Hotel in Perth and Star Cruises PLC in Singapore, and is perhaps best known for successfully introducing, developing and transforming the cruise industry in Asia into a multi-million dollar business today.

Mr. Lee holds a Bachelor of Business degree from Curtin University.

CHEW SIEN LUP

Chief Financial Officer

Chew Sien Lup joined iX Biopharma in April 2016. As Chief Financial Officer, Mr. Chew oversees the accounting, financial, taxation, investment and other financial matters of the Group.

Mr. Chew has over 20 years of experience holding senior positions in accounting, audit and treasury. He spent more than nine years with an international public accounting firm serving a variety of clients including those in the energy, utilities and high-tech industries. Prior to joining iX Biopharma, he also served as CFO of Singapore eDevelopment Limited and Metech International Limited, both listed on the SGX-ST.

Mr. Chew graduated from Monash University, Australia in 1988 with a Bachelor of Economics (Accounting) and a Bachelor of Science (Computer Science) with Honours. He has been a Certified Practising Accountant of CPA Australia since 1993.

DR. JANAKAN KRISHNARAJAH

Chief Operating Officer and Chief Medical Officer

Dr. Janakan Krishnarajah joined iX Biopharma as Chief Medical Officer in April 2016 and was subsequently designated as Chief Operating Officer on 1 April 2019. As Chief Operating Officer and Chief Medical Officer, he is responsible for iX Biopharma's pharmaceutical and nutraceutical product development, including the design and implementation of clinical trial programmes. He also oversees the operations of the Group's wholly-owned certified GMP manufacturing facility in Australia.

Prior to joining iX Biopharma, Dr. Krishnarajah was the CEO and Medical Director of Linear Clinical Research Ltd, a leading Australian early phase clinical trials facility. He has extensive experience in Phases I-IV clinical trials and has acted as Principal or Co-Investigator in over 100 Phase I-II clinical trials.

Dr. Krishnarajah graduated with a Bachelor of Medicine, Bachelor of Surgery (Hons) from The University of Western Australia in 2001. He is a Fellow of the Royal Australasian College of Physicians with specialist interests in Clinical Pharmacology and Internal Medicine and worked as a Consultant Physician in Western Australia.

EVA TAN

Director of Corporate and Commercial Strategy

As Director of Corporate and Commercial Strategy, Ms. Eva Tan oversees the commercial, legal and corporate matters of the Group.

Prior to joining the Group, Ms. Tan was a corporate lawyer at Wong Partnership, a leading law firm in Singapore, where she specialised in the capital markets practice. Ms. Tan was involved in numerous local and international IPOs, including the listing of iX Biopharma on the SGX Catalist in 2015. She has also had extensive experience advising on a broad range of local and cross-border mergers and acquisitions and other corporate transactions.

Ms. Tan obtained her LLB from the National University of Singapore and was admitted to the Singapore Bar in 2008.

Senior Management

DR. IAIN COOK

Chief Scientist

Dr. Iain Cook has more than 30 years of experience in the analysis of complex pharmaceutical and biological samples, with a background in pharmaceutical, veterinary, industrial and agrichemical industries. Prior to his appointment as Chief Scientist, he was the director of Chemical Analysis Pty Ltd, a former subsidiary of iX Biopharma. He also served as an analytical chemist at ICI/Orica, where he specialised in nuclear magnetic resonance and led its Spectroscopy Group (NMR/FTIR/ SEM-EDXA/NIR), and at PROBE Analytical thereafter.

Dr. Cook obtained his Doctor of Philosophy in Nuclear Magnetic Resonance and Synthetic Organic Chemistry from La Trobe University.

DR. STEPHEN LIM

Chief Pharmacist

Dr. Stephen Lim joined iX Biopharma in July 2017. As Chief Pharmacist of the Group, he participates in new product developments and assists in clinical trials undertaken by the Group.

Prior to his appointment as Chief Pharmacist, he was an Adjunct Associate Professor in the School of Pharmacy at Curtin University and has more than 34 years experience in the hospital and commercial pharmacy sectors. His interests are mainly in research, drug safety and drug delivery, especially in the area of needle-less systems.

Dr. Lim is also an expert in drug formulation and stability. He completed his Master thesis by looking at drug stability in the frozen state and has shown that intranasal fentanyl delivery is as effective as intravenous fentanyl.

Dr. Lim obtained a Bachelor of Pharmacy (with distinctions), a Master of Pharmacy and a Ph.D. in Pharmacy in novel drug delivery systems from Curtin University.

DESIREE CHUA

Senior Manager, Business Development

Ms. Desiree Chua is responsible for the business development and marketing activities of the Group's products in the Asia Pacific region. These include product branding, regulatory affairs, market research and launch activities. She was previously a management consultant at PricewaterhouseCoopers Singapore before joining iX Biopharma in September 2015.

Ms. Chua obtained her degrees in Bachelor of Business Management and Bachelor of Accountancy at Singapore Management University.

Sustainability Statement

Sustainability is integral in iX Biopharma's business to achieve lasting commercial success. Since FY2018, we have embarked on the sustainability journey by looking at our responsibility for the environment we are operating in, people in our workforce and innovative products for the healthcare industry.

ENVIRONMENT

We are fully committed to our environmental initiatives along its entire value chain, from product development to supply of goods. We have identified energy as one of the material topics and aim to identify other areas of improvement where we can mitigate our environmental impact.

PRODUCT

As a pharmaceutical company, we comply with all relevant and material regulations and applicable industrial standards. All our products are continuously assessed for health and safety impact across our value chain. We have incorporated procedures throughout the manufacturing process from raw materials sourcing to vigorous product testing.

We have also invested in the implementation of a co-vigilant monitoring system to handle feedback and recall events.

PEOPLE

We value our employees as the key pillar of our long-term success. As an equal opportunity employer, we aspire to be the workplace of choice for our staff.

We strongly believe in diversity and being inclusive with regard to hiring policies. We employ the best talent, without discrimination on race, gender or age.

We also value the importance of competency and proficiency in our workforce in order to ensure the long-term success of our business. We also actively recognise our employees' contributions via awards and recognition.

GOVERNANCE

Corporate governance is at the centre of our business in achieving our sustainability goals. We uphold the belief that good corporate governance practices are essential in building a sound corporation with an ethical environment, thereby protecting the interests of all stakeholders. We strive to put in place a robust governance framework to maintain the integrity, transparency, accountability and discipline in all our practices.

Our latest sustainability report, Sustainability Report 2019, for period from 1 July 2018 to 30 June 2019 was published in November 2019. It was prepared with reference to the Global Reporting Initiative's Sustainability Reporting Standards and captured our environment, social and governance performance in FY2019 for all our entities.

We will be issuing our Sustainability Report 2020 in the second quarter of FY2021.

Corporate Governance Report

The Board of Directors (the Board or Directors) and the management (Management) of iX Biopharma Ltd. (Company, and together with its subsidiaries, the Group) is committed to comply with the principles of the Code of Corporate Governance 2018 (the 2018 Code) issued on 6 August 2018. The Company believes that good corporate governance is essential in building a sound corporation with an ethical environment, thereby protecting the interests of all shareholders.

This Corporate Governance Report sets out the Company's corporate governance practices. The Board confirms that, for the financial year ended 30 June 2020 (FY2020), the Company has generally adhered to the principles and guidelines set out in the 2018 Code, except where otherwise stated. Where there have been deviations from the 2018 Code, the Company has sought to provide an appropriate explanation for each deviation in this Corporate Governance Report. The Company will continue to enhance its corporate governance practices appropriate to the conduct and growth of its business and to review such practices from time to time, to ensure compliance with Section B: Rules of Catalist (the Catalist Rules) of the Listing Manual of the Singapore Exchange Securities Trading Limited (SGX-ST).

OUR GOVERNANCE FRAMEWORK

Board	Key Objectives
<ul style="list-style-type: none"> • Eddy Lee Yip Hang, Chairman & Chief Executive Officer • Albert Ho Shing Tung, Non-executive non-independent director (NED) • Patrick Donald Davies, Lead Independent Director (LID) • Low Weng Keong, Independent Director (ID) • Claudia Teo Kwee Yee, Independent Director (ID) 	<p>Provides leadership by setting the strategic objectives of the Company together with the Management to achieve long-term success for the Group through value creation, innovation and sustainability. Oversees the performance of the Group for accountability to shareholders by ensuring that necessary financial, operational and human resources are in place for the Company to meet its strategic objectives, which are supported by an adequate and effective system of risk management and internal controls.</p>

Corporate Governance Report

Committee	Composition	Key Objectives
Audit Committee (AC)	<ul style="list-style-type: none"> • Low Weng Keong, Chairperson (ID) • Albert Ho Shing Tung (NED) • Patrick Donald Davies (LID) • Claudia Teo Kwee Yee (ID) 	Assists the Board in the discharge of statutory and other responsibilities relating to the integrity of the financial statements of the Group and reviews the adequacy and effectiveness of the internal controls system.
Nominating Committee (NC)	<ul style="list-style-type: none"> • Claudia Teo Kwee Yee, Chairperson (ID) • Eddy Lee Yip Hang (Chairman) • Low Weng Keong (ID) • Patrick Donald Davies (LID) 	Assists the Board in its succession plan through the review of board size and composition and the recommendations on the independence of directors, appointment, re-nomination and retirement of Directors. Assists the Board in the evaluation of the performance of the Board and the Directors.
Remuneration Committee (RC)	<ul style="list-style-type: none"> • Patrick Donald Davies, Chairperson (LID) • Low Weng Keong (ID) • Claudia Teo Kwee Yee (ID) • Albert Ho Shing Tung (NED) 	Oversees the remuneration of the Board and the Key Management Personnel, including setting appropriate remuneration frameworks and policies to reflect a performance-based remuneration system that is balanced between the current and long-term objectives of the Company.
Risk Management Committee (RMC)	<ul style="list-style-type: none"> • Claudia Teo Kwee Yee, Chairperson (ID) • Low Weng Keong (ID) • Albert Ho Shing Tung (NED) 	Assist the Board in its oversight of the risk management of the Group. Considers the key risks of the Group under a risk management framework which considers the strategic objectives and risk appetite of the Group.

BOARD MATTERS

THE BOARD'S CONDUCT OF AFFAIRS

Principle 1: *The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.*

The Primary Functions of the Board

The primary function of the Board is to protect and enhance long-term value and return for its shareholders. Besides carrying out its statutory responsibilities, the key roles of the Board are to:

- guide the formulation of the Group's overall long-term strategic objectives and directions. This includes setting the Group's policies and strategic plans and monitoring the achievement of these corporate objectives;
- establish a framework of prudent and effective controls that enables risks to be assessed and managed, including safeguarding of shareholders' interests and the Group's assets;
- provide oversight in the proper conduct of the Group's business and assume responsibility for corporate governance;
- to provide guidance to the Management to ensure that the Company's obligations to its shareholders and the public are met; and
- consider sustainability issues relating to the environment and social factors as part of the strategic formulation of the Group.

Corporate Governance Report

Directors' Objective Discharge of Duties and Declaration of Interests (Provision 1.1)

All Directors, being fiduciaries, are required to objectively discharge their duties and responsibilities in the best interests of the Company. This ability to exercise objectivity is one of the assessment criteria in the NC annual evaluation of the Directors.

Directors, who are in any way, directly or indirectly, interested in a transaction or proposed transaction, declare the nature of their interests in accordance with the provisions of the Companies Act, Chapter 50, and in the case of any conflicts of interests, abstain from participating in the deliberation and decision making on such transactions, with abstention duly recorded within the minutes and/or the resolutions of the Board and/or the AC, NC, RC and RMC (collectively, the Board Committees).

Board Orientation and Training (Provision 1.2)

A formal letter setting out the director's duties and obligations will be issued to new directors upon their appointment.

Newly appointed directors will be briefed on the profile of the Group and the Management, businesses of the Group, strategic plans and mission of the Company. If a newly appointed director does not have any prior experience as a director of a listed company, the Company will arrange for such person to undertake training in the roles and responsibilities of a director of a listed company and to familiarise such person with the relevant rules and regulations governing a listed company. Directors will be provided with updates on the latest governance and listing policies as appropriate from time to time. The Company shall be responsible for arranging and funding the training of directors.

Board Approval (Provision 1.3)

The Board's approval is required for matters such as corporate restructuring, mergers and acquisitions, major investments and divestments, material acquisitions and disposals of assets, acceptances of bank facilities, annual budget, the release of the Group's quarterly and full year's results and interested person transaction of a material nature. The Board works closely with the Management.

Management is fully apprised of such matters which require the approval of the Board or the committees. The Company also has a structured authority matrix which sets out the delegated authority to various levels of Management.

Delegation by the Board (Provision 1.4)

To assist in the execution of its responsibilities, the Board has formed the Board Committees. These Board Committees function within written terms of reference, which set out the required composition, authority, and responsibilities of each Board Committee and are reviewed on a regular basis.

Corporate Governance Report

Each Board Committee reports to the Board with their recommendations, however, ultimate responsibility for final decision on key matters lies with the Board. The effectiveness of each Board Committee will be regularly reviewed by the Board.

Please refer to the sections on Principles 4, 5, 6, 7 and 10 in this report for further information on the activities of the Board Committees.

Board and Board Committee Meetings (Provision 1.5)

The proposed meetings for the Board and all Board Committees for each new financial year are set out in a schedule of meetings and notified to all Board members before the start of that year. Additional meetings are convened as and when circumstances warrant. Records of all such meetings including discussions on key deliberations and decisions taken are maintained by the Company Secretary. The Company's Constitution allows for the meetings of its Board and the Committees to be held via virtual means. The Board and the Committees may also make decisions by way of circulating written resolutions.

Directors' attendance at the Annual General Meeting of the Company (AGM), and Meetings of the Board, and the Board Committees in FY2020:

	Board	AC	NC	RC	RMC	AGM
No. of meetings held	4	4	1	1	1	1
Directors	No. of meetings attended in FY2020					
Eddy Lee Yip Hang	4	N/A	1	N/A	N/A	1
Albert Ho Shing Tung	4	4	N/A	1	1	1
Patrick Donald Davies ¹	2	2	N/A	N/A	N/A	N/A
Low Weng Keong	4	4	1	1	1	1
Claudia Teo Kwee Yee	4	4	1	1	1	1

¹ Mr. Patrick Donald Davies was appointed effective from 2 December 2019.

In addition to attending the meetings of the Board and/or the Committees, a Director's contribution also extends beyond the confines of the formal environment of such meetings, through the sharing of views, advice, experience and strategic networking relationships which would further the interests of the Company. The Directors also, whether individually or collectively, engage with the Management and the Group's external consultants in order to better understand the challenges faced by the Group and the input of the Directors, through such engagement, provide valuable perspective to the Management.

Access to Information (Provisions 1.6 & 1.7)

Directors receive regular supply of information from the Management about the Group's financial and operational performance so that they are equipped to play as full a part as possible in Board meetings. Detailed Board papers and related materials will be prepared for each meeting of the Board. The Board papers include sufficient information on financial, business and corporate issues to enable the Directors to be properly briefed on issues to be considered at Board meetings.

Corporate Governance Report

Directors are given Board papers in advance of Board meetings for them to be adequately prepared for the meeting. In addition, senior management staff (who are not also executive directors) are invited to attend Board and Board Committee meetings, whenever necessary.

The Management provides all members of the Board with regular quarterly management reports, which in the Board's opinion is currently sufficient to present a balanced and understandable assessment of the Company's performance, position and prospects.

All Directors have access to the Group's records and information to enable them to carry out their duties. In addition, Directors have separate and independent access to the Management and the Company Secretary. The Company Secretary's responsibilities are to administer, attend and prepare minutes of Board and Board Committee meetings, advise the Board on all governance matters and assists the Chairman in ensuring that board procedures are followed and reviewed so that the Board functions effectively, and the relevant rules and regulations, including requirements of the Company's Constitution, Companies Act, Cap. 50 (the Companies Act) and the Catalist Rules, are complied with. The Company Secretary's responsibilities also include ensuring good information flows within the Board and its Board Committees and between the Management and non-executive directors as well as facilitating orientation and assisting with professional development, as required. The appointment and removal of the Company Secretary is a matter for consideration by the Board as a whole.

Where the Directors, either individually or as a group, require independent professional advice in the furtherance of their duties, the Directors have access to relevant professional advisers, with such costs to be borne by the Company. The Board is kept informed of all such professional advice rendered to the Directors.

BOARD COMPOSITION AND GUIDANCE

Principle 2: *The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.*

Board Independence (Provisions 2.1, 2.2 & 2.3)

The Board currently comprises five directors, of which three are independent directors, and as such, the composition of the Board complies with the recommendation under the 2018 Code for independent directors to make up a majority of the Board where the Chairman of the Board (Chairman) and the Chief Executive Officer (CEO) is the same person.

When reviewing the independence of the Independent Directors, the NC has considered Rule 406 (3)(d) of Catalist Rules and the guidelines for independence set out in Provision 2.1 of the 2018 Code. As part of the consideration, the NC also took into account the Independent Directors' other directorships, annual declarations regarding their independence, disclosures of interest in transactions in which they have a direct/indirect interest, and their ability to maintain objectivity in their conduct as Directors of the Company.

Corporate Governance Report

In accordance with Rule 406 (3)(d) of Catalist Rules, none of the Independent Directors are currently employed or have been employed at any time during the past three financial years by the Company or any of its related corporations. None of the Independent Directors have immediate family members who are currently employed or have been employed at any time during the past three financial years by the Company or any of its related corporations, and whose remuneration is determined by the RC. For purposes of determining independence, all independent directors have also provided confirmation that they are not related to the Directors and substantial shareholders of the Company. The NC is satisfied that there is no other relationship which could affect their independence. The Board concurred with the NC's determination of the independence of all independent directors.

With a majority of the Board being independent, the Board is able to exercise independent judgment on corporate affairs and provide the Management with a diverse and objective perspective on issues. No individual or small group of individuals dominates the Board's decision-making process. Furthermore, the Board is able to interact and work with the Management team through a robust exchange of ideas and views to help shape the Group's strategic direction.

Currently, there is no non-executive independent director who has served on the Board beyond nine years from the date of appointment.

Board Composition, Size and Diversity (Provision 2.4)

The Board currently comprises business leaders and professionals with nutraceutical and pharmaceutical industrial, financial (including audit, accounting and tax), legal and business management and background. As a group, the Directors possess the appropriate balance and diversity of skills, experience, knowledge and gender to direct and lead the Group. The NC and the Board are also of the view that given the scope, nature and scale of the operations of the Group, the size of the Board is appropriate and facilitates effective interaction between Board members and decision making. The profiles of the Directors are set out on pages 23 and 24 of this Annual Report.

NEDs' Participation (Provision 2.5)

Non-executive directors and/or independent directors, led by the independent Chairman or other independent director as appropriate, meet regularly without the presence of Management. The Chairman of such meetings provides feedback to the Board and/or Chairman as appropriate.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Roles of the Executive Chairman and Chief Executive Officer (Provisions 3.1 and 3.2)

Mr. Eddy Lee Yip Hang is both the Chairman and CEO of the Company. Through the establishment of various Board Committees chaired by the independent directors and putting in place internal controls for proper accountability and effective oversight by the Board of the Company's business, the Board ensures that there is appropriate balance of power which allows the Board to exercise objective decision-making in the best interests of the Company. Accordingly, the Board believes that there is no need for the role of Chairman and the CEO to be separated.

Corporate Governance Report

As Chairman and CEO, Mr. Eddy Lee Yip Hang bears responsibility for the conduct of the Board and has full executive responsibilities over business directions and operational decisions. He is also responsible to the Board for all corporate governance procedures to be implemented by the Group and to ensure conformance by the Management to such practices as well as maintain effective communications with shareholders of the Company. In addition, the Chairman is responsible for setting the agenda and ensuring that adequate time is available for discussion of all agenda items, in particular, strategic issues, ensuring that the Directors receive complete, adequate and timely information, encouraging a culture of openness and constructive relations within the Board and between the Board and the Management and facilitating the effective contribution of non-executive Directors.

Lead Independent Director (Provision 3.3)

The Board has appointed Mr. Patrick Donald Davies as the Lead Independent Director of the Company effective from 2 December 2019. This position of Lead Independent Director was previously held by Mr. Low Weng Keong. As the Lead Independent Director, Mr. Davies will be available to shareholders who have concerns and for which contact through the normal channels of the Chairman and CEO or the Chief Financial Officer (CFO) has failed to resolve or is inappropriate. No query or request on any matter which requires the Lead Independent Director's attentions was received from shareholders in FY2020.

BOARD MEMBERSHIP

Principle 4: *The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.*

NC Composition and Role (Provisions 4.1 & 4.2)

The NC comprises three independent Directors, Ms. Claudia Teo Kwee Yee, Mr. Patrick Donald Davies and Mr. Low Weng Keong, as well as the Chairman and CEO, Mr. Eddy Lee Yip Hang. Ms. Claudia Teo Kwee Yee is the Chairperson of the NC.

The NC's primary functions as defined in the terms of reference are as follows:

- make recommendations to the Board on all Board appointments and re-appointments;
- decide how the performance of the Board, each Board Committee and each individual Director is to be evaluated, and proposing objective performance criteria for the Board's approval;
- assess the effectiveness of the Board as a whole;
- decide whether or not a Director is able to and has been adequately carrying out his or her duties as a Director;
- review board succession plans for Directors, in particular the Chairman and the CEO; and
- review training and professional development programmes for the Board.

Corporate Governance Report

Re-Nomination of Directors and Determination of Independence (Provision 4.3 & 4.4)

The NC is also charged with the responsibility of determining annually, and as and when circumstances require, if a Director is independent. Each NC member will not take part in determining his or her own re-appointment or independence. Each Director is required to submit a return of independence to the Company Secretary, who will submit the returns to the NC. The NC shall review the returns and determine the independence of each of the Directors for recommendation to the Board. An independent Director shall notify the NC immediately, if, as a result of a change in circumstances, he or she no longer meets the criteria for independence or if such change in circumstances would be relevant to the NC's analysis of his or her independence. The NC shall review the change in circumstances and make its recommendations to the Board. The NC has reviewed the independence of each Director for FY2020 and has determined that Ms. Claudia Teo Kwee Yee, Mr. Low Weng Keong and Mr. Patrick Donald Davies are independent.

The Company's Constitution requires newly appointed Directors to hold office until the next AGM and at least one third of the Directors to retire by rotation at every AGM. The NC assesses and recommends to the Board whether the retiring Directors are suitable for re-election, taking into consideration the range of expertise, skills and attributes of the Board and its composition. The NC also considers the attendance, level of preparedness, participation and candour of such Directors.

In accordance with Regulation 85 of the Constitution of the Company, Mr. Eddy Lee Yip Hang and Mr. Low Weng Keong are due to retire by rotation at the forthcoming AGM (2020 AGM) and have offered themselves for re-election at the 2020 AGM. Mr. Patrick Donald Davies being a Director appointed by the Board in FY2020, will retire and has offered himself for election at the 2020 AGM. The NC has considered their contributions and performances and recommended to the Board to nominate their re-elections at the 2020 AGM.

Upon re-election as Directors of the Company,

- Mr. Eddy Lee Yip Hang will remain as Chairman & CEO and a member of NC.
- Mr. Low Weng Keong will remain as the Chairperson of AC and a member of NC, RC and RMC.
- Mr. Patrick Donald Davies will remain as the Lead Independent Director, the Chairperson of RC and a member of AC and NC.

Detailed information on the Directors who are proposed to be elected/re-elected are set out in sections on "Board of Directors" and "Additional Information on Directors Seeking Re-election" of the Annual Report.

Criteria and Process for Nomination and Selection of New Directors (Provision 4.3)

The NC interviews shortlisted candidates before formally considering and recommending them for appointment to the Board and where applicable, to the Committees. Searches for potential candidates generally take into account recommendations from the Directors. Should it be necessary, the NC may consider the use of external search firms to find appropriate candidates. Shortlisted candidates would be required to furnish their curriculum vitae containing information on their academic/ professional qualification, work experience, employment history and experience (if any) as directors of listed companies.

In reviewing and recommending to the Board of any new Director appointment, the NC will consider (a) the candidate's track records, work experience, industry expertise and such other factors as may be determined by the NC to be relevant and would contribute to the Board's collective skills mix and diversity; (b) the candidate's independence; and (c) the desired composition of Board Committee after matching the candidate's skill set to the requirement of the relevant Board Committees (if the candidate is proposed to be appointed to any of the Board Committees).

Corporate Governance Report

No alternate directors have been appointed to the Board.

In view of the foregoing, the Board is of the view that there is an adequate process for the appointment of new directors.

Key Information on Directors (Provision 4.5)

Please refer to “Board of Directors” section on pages 23 and 24 for key information of the Directors, including their date of first appointment and latest re-appointment to the Board, their academic and professional qualifications and other principal commitments, other directorships held in listed companies, and other relevant information; and “Additional Information on Directors seeking re-election at the 2020 Annual General Meeting” on pages 138 to 143.

Although Mr. Patrick Donald Davies, Mr. Low Weng Keong and Mr. Albert Ho Shing Tung hold directorships in other listed companies (which are not in the Group), the NC is of the view that such multiple board representations do not hinder them from carrying out their duties as directors. Instead, the NC considers these directors would widen the expertise and experience of the Board and give it a broader perspective. As such, the NC does not presently consider it necessary to determine the maximum number of listed company board representations which any of the directors may hold.

The NC has reviewed and determined that each director has committed sufficient time, attention, resources and expertise to the affairs of the Company, taking into account the Directors’ number of listed company board representations and other principal commitments.

BOARD PERFORMANCE

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

Board Evaluation Process (Provision 5.1)

The Board performance is ultimately reflected in the performance of the Group. The Board ensures compliance with the applicable laws and listing rules and the Board members act in good faith, with due diligence and care in the best interests of the Company and its shareholders. An effective Board is able to lend support to the Management at all times and to steer the Group in the right direction.

More importantly, the Board, through the NC, has used its best efforts to ensure that Directors appointed to the Board whether individually or collectively possess the background, experience, knowledge in our business, competencies in finance and management skills critical to the Group’s business. It has also ensured that each Director, with his or her special contributions, brings to the Board an independent and objective perspective to enable sound, balanced and well considered decisions to be made.

The evaluation of the Board’s performance and individual Director’s contribution is conducted by a questionnaire to be completed by each individual Director. The findings are then collated and analysed by the Company Secretary, and thereafter presented to the NC, which will, in consultation with the Chairman, take appropriate actions to address the findings of the performance assessment. The NC has assessed the current Board’s and Board Committee’s performance to-date, their roles and responsibilities and is of the view that the performance of the Board as a whole, the Board Committees and the Chairman of the Board and Board Committees were satisfactory. No external facilitator was used in the evaluation process.

Corporate Governance Report

The NC will continue to review the formal assessment processes for evaluating the Board and each Board Committee's performance, and also review the contribution of individual directors to the effectiveness of the Board and their relevant Board Committees. The Chairman acts on the results of the performance evaluation, and where appropriate, proposes new members to be appointed to the Board or seek the resignation of directors in consultation with the NC. Each member of the NC shall abstain from voting on any resolutions in respect of the assessment of his or her performance or his or her re-nomination as Director.

Board Evaluation Criteria (Provision 5.2)

The qualitative criteria used by the NC to evaluate the Board covers six key areas relating to Board's composition, access to information, review of the Company's strategy and performance, Board's oversight on the Company's governance, including risk management and internal controls, and the effectiveness of Board processes.

Individual Director Evaluation Criteria (Provision 5.2)

Factors taken into account in the assessment of a Director's performance include his abilities and competencies, his objectivity and the level of participation at Board and Board Committee meetings including his knowledge and contribution to Board processes and the business strategies and performance of the Group. The performance evaluation of each Director is part of the NC's consideration with regard to their re-election as Director.

REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 6: *The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.*

RC Composition and Role (Provisions 6.1, 6.2, 6.3 & 6.4)

The RC comprises three independent directors, Mr. Patrick Donald Davies, Mr. Low Weng Keong and Ms. Claudia Teo Kwee Yee, as well as a non-independent non-executive Director, Mr. Albert Ho Shing Tung. Mr. Patrick Donald Davies is the Chairman of the RC. This position of the Chairman of the RC was previously held by Ms. Claudia Teo Kwee Yee.

The RC's responsibilities under its terms of reference include:

- review and recommend to the Board a general framework of remuneration for the Board and key management personnel (as defined in the 2018 Code);
- ensure a formal and transparent procedure for developing policy on executive remuneration, review and recommend to the Board the remuneration packages for individual directors and key management personnel; and
- review the Company's obligations arising in the event of termination of an executive Director's and key management personnel's service contracts, to ensure that such contracts contain fair and reasonable termination clauses that are not overly generous.

Corporate Governance Report

In carrying out its duties, the RC may obtain independent external legal and other professional advice, where necessary. The costs of such advice shall be borne by the Company.

The RC aims to be fair and to avoid rewarding poor performance. The remuneration framework under the purview of the RC covers all aspects of remuneration including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, and benefits in kind.

No director is involved in deciding his or her own remuneration.

LEVEL AND MIX OF REMUNERATION

Principle 7: *The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.*

Remuneration of Directors and KMPs (Provisions 7.1, 7.2 & 7.3)

The Board recognises the need to pay competitive (but not excessive) fees to attract, motivate and retain Directors and the Management of the required experience and expertise.

The remuneration of the Executive Director and senior management personnel for FY2020 comprised a fixed component in the form of a base salary (including applicable compulsory employer contribution to Central Provident Fund), a variable component and benefits. The RC has reviewed the Company's remuneration policy to include a variable bonus component and a long term incentive component comprising performance shares under the Plan (as defined herein) which will be linked to the individual performance of the Executive Director and senior management personnel and will be assessed based on their respective key performance indicators or conditions. The RC reviewed and set appropriate performance conditions for the CEO.

The Chairman and CEO, Mr. Eddy Lee Yip Hang, does not receive director's fees. He is paid a remuneration pursuant to the terms of his service agreement with the Company. Under Mr. Eddy Lee Yip Hang's service agreement, he was appointed on 18 June 2015 as CEO of the Company for a fixed period of three years (Initial Term) with effect from the date of the Company's admission to the Official List of the Catalist. After the Initial Term, the service agreement shall be automatically renewed unless terminated by either party giving the other not less than 6 months prior written notice or otherwise terminated in accordance with the terms of the service agreement.

The non-executive directors are paid fixed directors' fees which are set in accordance with a remuneration framework comprising basic fees and Board Committee fees. In determining such fees, the RC considers, among others, the effort and time spent, responsibilities of the non-executive directors, the particular circumstances applicable to the Company, and the practice of companies in the same industry, of comparable size and having similar business models. In view of the heavier nature of their responsibilities, an additional fee is accorded to the role of chairperson of each Board Committee.

Corporate Governance Report

Since FY2016, the RC has adopted a framework for directors' fees which comprised a basic fee and additional fees for appointment to and chairing of Board Committees. The general framework for the foregoing fees is as follows:

	Directors' Fees	
	Basic	Additional
Director	\$71,500	–
Lead Independent		\$6,000
Chairperson		
Audit Committee		\$12,000
Nominating Committee		\$6,000
Remuneration Committee		\$6,000
Risk Management Committee		\$6,000

The directors' fees paid for FY2020 totalled to \$304,000. Based on the remuneration framework, the RC has recommended that directors' fees for the financial year ending 30 June 2021 of \$334,000, being the same amount approved at the last AGM, shall be paid quarterly in arrears.

The Board is responsible for overseeing the iX Employee Share Option Scheme (the Share Option Scheme) and the iX Performance Share Plan (the Share Plan) (collectively, the Schemes) and administering the Schemes in accordance with the guidelines set. For additional details on the Schemes, please refer to the section of the Directors' Statement entitled "Share Option Scheme and Share Plan" on pages 54 to 56 set out in this Annual Report.

Corporate Governance Report

DISCLOSURE ON REMUNERATION

Principle 8: *The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.*

Disclosure of Remuneration (Provisions 8.1 & 8.3)

The remuneration bands of the Directors and key management personnel (KMP) (other than the Chairman and CEO) of the Group for FY2020 are as follows:

Remuneration Bands	Fees %	Base/Fixed Salary %	Bonus %	Other Benefits %	Share-based Compensation %	Total %
Directors						
\$750,001 to \$1,000,000 per annum						
Eddy Lee Yip Hang	–	42	10	48 ⁽¹⁾	–	100
Below \$250,000 per annum						
Albert Ho Shing Tung	100	–	–	–	–	100
Patrick Donald Davies	100 ⁽²⁾	–	–	–	–	100
Low Weng Keong	100	–	–	–	–	100
Claudia Teo Kwee Yee	100	–	–	–	–	100
Key Management Personnel						
\$500,001 to \$750,000 per annum						
Janakan Krishnarajah	–	86	–	–	14 ⁽³⁾	100
\$250,001 to \$500,000 per annum						
Chew Sien Lup	–	70	–	–	30 ⁽³⁾	100

Notes:

1. The Other Benefits comprises personal income tax, housing, club membership and car benefits.
2. Mr. Patrick Donald Davies was appointed with effect from 2 December 2019. The Director fees paid to him were pro-rated for FY2020 accordingly.
3. The amount represents the amortised value relating to share awards granted to Dr. Janakan Krishnarajah and Mr. Chew Sien Lup and accounted as expense by the Company in accordance with Singapore Financial Reporting Standards (International) SFRS(I) 2 during the financial year.

The KMPs (who are not Directors or the Group CEO) in 2020 have been identified as follows:

1. Dr. Janakan Krishnarajah, Chief Operating Officer and Chief Medical Officer
2. Mr. Chew Sien Lup, Chief Financial Officer

The aggregate remuneration paid to the directors and the above identified KMPs of the Company in FY2020 is \$2,100,000.

Corporate Governance Report

As set out above, the Company has taken step to identify its KMPs and provided additional disclosure of remuneration mix and bands for each Director and identified KMPs and the aggregate remuneration paid to its Directors and identified KMPs for FY2020. The Board, after weighing the advantages and disadvantages of such disclosure, maintains its view that full disclosure of the actual remuneration of each director, the CEO and KMPs pursuant to Provision 8.1 of the 2018 Code would not be in the interests of the Company as such information is confidential and sensitive in nature. Further, the Board is of the view that a disclosure of the aggregate total remuneration paid to the KMPs (who are not Directors or the CEO) would not be in the interests of the Company as such information is confidential and sensitive in nature and can be exploited by competitors. The Company believes that shareholders' interest will not be prejudiced as a result of such non-disclosure of the remuneration for each of the Directors, CEO and KMPs. With additional disclosures, the Company has provided shareholders an insight into the level of remuneration paid to the Directors, CEO and KMPs.

The Board is of the opinion that the information disclosed in this Corporate Governance Report, read together with relevant sections of this Annual Report, would be sufficient for shareholders to have an adequate appreciation of the Company's compensation policies and practices and therefore does not intend to issue a separate remuneration report, the contents of which would be largely similar.

IX Performance Share Plan and Share Option Scheme (Provision 8.3)

During FY2020, the Company announced total awards of 2,717,333 shares to certain employees and executives under iX Performance Share Plan. The Company has not granted any options under iX Employee Share Option Scheme.

The Chairman and CEO, Mr. Eddy Lee Yip Hang does not receive Director fees but is remunerated as part of the Management. The remuneration of key management personnel comprises a basic salary and a variable annual bonus based on the performance of the Group and their individual performance. There are no termination, retirement and post-employment benefits that may be granted to Directors, the CEO and the KMPs (who are not Directors or the CEO).

Remuneration of Directors' Immediate Family Members FY2020 (Provision 8.2)

Ms. Tang Choy Leng Jane, a human resource and administrative executive of the Company, is the spouse of Mr. Eddy Lee Yip Hang. During FY2020, Ms. Tang was paid a fixed salary of more than \$100,000 and less than \$200,000. Save for Ms. Tang, there were no other employees who are immediate family members of any Director or the CEO whose remuneration exceeded \$100,000 in FY2020.

Corporate Governance Report

ACCOUNTABILITY AND AUDIT

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 9: *The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the Company and its shareholders.*

The Board is responsible for the governance of risk and sets the tone and direction for the Group in the manner risks are managed in the Group's businesses. The Board acknowledges that it is responsible for the overall internal control framework, but recognises that no cost effective internal control system will preclude all potential errors and irregularities, as a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatements of financial information or losses. The Board considers it necessary to increase emphasis on risk management and internal controls in a complex business and economic environment.

Management is responsible for designing, implementing and maintaining a sound system of risk management and internal controls to safeguard shareholder's interests and Group's assets.

Oversight of Risk Management (Provision 9.1)

The RMC assists the Board in its oversight of risk management of the Group. The RMC comprises Ms. Claudia Teo Kwee Yee, Mr. Low Weng Keong, and Mr. Albert Ho Shing Tung. Ms. Claudia Teo Kwee Yee is the Chairperson of the RMC.

The RMC has written Terms of Reference which is endorsed by the Board and sets out duties and responsibilities of the Committee. The principal duties of the RMC include the following:

- advise the Board on the Company's overall risk tolerance and strategy;
- oversee and advise the Board on the current risk exposures and future risk strategy of the Company;
- in relation to risk assessment:
 - (a) keep under review the Company's overall risk assessment processes that inform the Board's decision making;
 - (b) review regularly and approve the parameters used in these measures and the methodology adopted; and
 - (c) set a process for the accurate and timely monitoring of large exposures and certain risk types of critical importance;
- review the Company's capability to identify and manage new risk types;
- before a decision to proceed is taken by the Board, advise the Board on proposed strategic transactions, focusing in particular on risk aspects and implications for the risk tolerance of the Company, and taking independent external advice where appropriate and available;
- review reports on any material breaches of risk limits and the adequacy of proposed action;
- monitor the independence of risk management functions throughout the organisation;
- review promptly all relevant risk reports on the Company; and
- review and monitor Management's responsiveness to the findings.

Corporate Governance Report

During the year, key risks of the Group were deliberated by Management and reported to the RMC. The Group's financial risk management is described under Note 29 of the Notes to the Financial Statements as set out in this Annual Report.

Under the Enterprise Risk Management (ERM) Framework, the Group identifies, prioritises, assesses, manages and monitors key risks and associated key controls in the Group's business. Under this ERM Framework, risk management capabilities and competencies will be further developed and continuously enhanced.

Review of the Group's Risk Management and Internal Control Systems

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors and reviews performed by the Management and the Board, the Board, with the concurrence of the AC and RMC, are of the opinion that the Group's internal controls and risk management systems, addressing financial, operational, compliance and information technology risks, were adequate and effective as at 30 June 2020. These controls are and will be continually assessed for improvement.

Assurances from CEO and CFO (Provision 9.2)

The Board has received assurance in writing from the CEO and the CFO that the financial records have been properly maintained and the financial statements of the Company give a true and fair view of the Company's operations and finances. The said written assurance from CEO and CFO also attests to the Board that the CEO and the CFO are of the view that the Company's risk management and internal control systems are in place and effective. However, the Board also notes that no system of internal controls and risk management can provide absolute assurance against the occurrence of material errors, poor judgement in decision making, human error, losses, fraud or other irregularities.

AUDIT COMMITTEE

Principle 10: The Board has an Audit Committee which discharges its duties objectively.

Composition, Power and Duties of the AC (Provisions 10.1, 10.2, 10.3, & 10.5)

The AC comprises three independent directors, Mr. Low Weng Keong, Mr. Patrick Donald Davies and Ms. Claudia Teo Kwee Yee, and a non-independent non-executive Director, Mr. Albert Ho Shing Tung. Mr. Low Weng Keong is the Chairperson of the AC. The AC members bring with them many years of managerial and professional experience in the areas of finance, legal, and business management to sufficiently discharge the AC's functions.

Members of AC were never former partners or directors of the Company's existing auditing firm nor do they have any financial interest in the auditing firm.

The AC will assist the Board in discharging its responsibility to safeguard the Group's assets, maintain adequate accounting records, as well as develop and maintain adequate and effective systems of internal controls including financial, operational, compliance and information technology controls, and risk governance, with the overall objective of ensuring that the Management creates and maintains an effective control environment in the Group.

The AC has explicit authority to investigate any matter within its terms of reference, full access to and cooperation by Management and full discretion to invite any director or executive officer to attend its meetings, and has reasonable resources to enable it to discharge its functions properly.

Corporate Governance Report

The AC's duties include the following:

- assist the Board in the discharge of its responsibilities on financial and accounting matters;
- review the audit plans, scope of work and results of our audits complied by the internal and external auditors;
- review the co-operation given by Management to the internal and external auditors;
- review the external auditors including their independence and objectivity, and make recommendations to the Board on the external auditors' re-appointment;
- review the integrity of any financial information presented to shareholders including reviewing significant financial reporting issues and judgments, if any;
- review interested person transactions, if any; and
- review potential conflicts of interest, if any.

The AC also provides a channel of communication between the Board, the Management, the external auditors and the internal auditors on audit matters. The AC meets with the internal auditors and external auditors separately, at least once a year without the presence of the Management to review any matter that might be raised.

The AC keeps abreast of changes to accounting standards and issues which have a direct impact on financial statements through the report presented by the external auditors on the scope and results of the external audit, and through their discussions with the external auditors. The Group has adopted all of the new or revised accounting standards that are effective for the financial period beginning 1 July 2019 and are relevant to its operations.

The AC reviews arrangements by which staff of the Company and other stakeholders may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters and ensures that arrangements are in place for the independent investigation of such matters and for appropriate follow-up action. The Company has put in place a formal whistle-blowing policy for staff and other stakeholders in confidence to report and raise any concerns which they may have in relation to the foregoing matter. No reports of whistle-blowing incidents were recorded in FY2020.

The AC met for four times and carried out the following during FY2020:

- reviewed quarterly and full-year financial statements (unaudited and audited), and recommended such reports to the Board for approval;
- reviewed, having regard to input from external and internal auditors, the adequacy and effectiveness of the Group's internal controls and risk management systems;
- reviewed interested person transactions;
- reviewed and approved the annual audit plan of the external auditors;
- reviewed and approved the internal audit plan of the internal auditors;
- reviewed the annual re-appointment of the external auditors, and made a recommendation for board approval; and
- met with the external and internal auditors once without the presence of the Management.

During the review of the financial statements for FY2020, the AC has discussed with the Management on the accounting principles that were applied as well as to their judgement on items that might affect the integrity of the financial statements. The following key audit matter highlighted by the external auditors impacting the financial statements was discussed with the Management and the external auditors.

Corporate Governance Report

Key Audit Matter	How the AC Reviewed the Matter and What Decision Was Made
Valuation of goodwill, intangible assets, property, plant and equipment and right-of-use assets	<p>The AC has considered the approach and methodology applied to the value in-use (VIU) model in impairment assessment.</p> <p>The AC reviewed the reasonableness of the Management's estimates and assumptions used in their VIU calculations on the cash-generating units (CGU) within the Group.</p> <p>The impairment review was also an area of focus for the external auditors. The external auditors have included this item as a key audit matter in its audit report for FY2020. Please refer to page 103 of this Annual Report for the details on the CGUs.</p>

Following the review and discussions, the AC recommended to the Board to approve the full year financial statements.

External Auditors

The AC assesses the independence of the external auditors annually and undertook a review of the independence of PricewaterhouseCoopers LLP (PWC) and gave careful consideration to the Group's relationships with them during FY2020. In determining the independence of PWC, the AC reviewed all aspects of the Group's relationships with PWC to protect and preserve audit independence. The AC also inquired and noted that there were no non-audit services by PWC in FY2020. The aggregate amount of fees paid to the external auditors of the Group for FY2020 is disclosed under Note 6 of the Notes to the Financial Statements.

In reviewing the nomination of PWC for re-appointment for the financial year ending 30 June 2021, the AC had considered the adequacy of the resources, experience and competence of PWC, and had taken into account the Audit Quality Indicators relating to PWC at the firm level and on the audit engagement level. Consideration was also given to the experience of the engagement partner and key team members in handling the audit under different jurisdictions. The AC had also considered the audit team's ability to work in a co-operative manner with Management whilst maintaining integrity and objectivity and to deliver their services professionally and within agreed timelines.

PWC has confirmed that they are registered with the Accounting and Corporate Regulatory Authority. Accordingly, the Company confirms that it has complied with the Rules 712 and 715 of the Catalist Rules in relation to appointment of its auditors.

Given the above, the AC has recommended that the Board proposes, and the Board has proposed, the re-appointment of PricewaterhouseCoopers LLP as the external auditors at the 2020 AGM.

Internal audit (Provision 10.4)

The Company has outsourced its internal audit function and appointed Baker Tilly Consultancy (Singapore) Pte Ltd as internal auditors during the year. The internal auditors will report directly to the Chairman of the AC on audit matters. The AC approves the hiring, removal, evaluation and compensation of the internal auditors.

Corporate Governance Report

The internal auditors plan their audit schedules in consultation with, but independent of, the Management. The internal audit plan is submitted to the AC for approval prior to implementation. The AC reviews the activities of the internal auditors and meets with the internal auditors to approve their plans and to review their report for the prior reporting period.

The AC is of the view that the internal auditors have access to all the relevant documents, records, properties and personnel including access to the AC.

SHAREHOLDER RIGHTS AND ENGAGEMENT

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

Principle 11: *The Company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives shareholders a balanced and understandable assessment of its performance, position and prospects.*

In view of the COVID-19 pandemic, the 2020 AGM to be held in October 2020 will be held via electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (Emergency Legislation). Alternative arrangements relating to attendance at the 2020 AGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions in advance of the 2020 AGM, addressing of substantial and relevant questions at the 2020 AGM and voting by appointing the chairman of the meeting as proxy at the 2020 AGM, are set out in the Company's announcement dated 1 October 2020. The description below sets out the Company's usual practice for shareholder meetings when there are no pandemic risks and the Emergency Legislation is not in operation.

General Meetings (Provisions 11.1, 11.2 & 11.3)

Shareholders of the Company will be informed of general meetings and given the opportunity to communicate their views and are encouraged to ask the Directors and the Management questions regarding matters affecting the Company.

The rights of shareholders, including the details of the rules governing voting procedures at general meetings, are contained in the Company's Constitution and are also set out in applicable laws including the Companies Act. Shareholders will be encouraged to participate in question and answer sessions during general meetings, to facilitate active and meaningful communication with the Management and the Board.

All shareholders of the Company will receive notices of all general meetings including the 2020 AGM. The Company will comply with its Constitution, the Companies Act and the Catalist Rules in respect of the requisite notice periods for convening general meetings. The notice of an AGM is accompanied by the Company's annual report. Any notice of an extraordinary general meeting will also be accompanied by a circular or letter to shareholders, providing sufficient detail on the proposals to be considered at the meeting. Circulars sent to shareholders also contain a notice on their cover page that if shareholders are in any doubt as the action they should take, they should consult their stockbroker, bank manager, solicitor, accountant or other professional adviser immediately. All notices of all general meetings will be advertised in a national newspaper in Singapore as well as announced on SGXNET and the Company's website at www.ixbiopharma.com.

Corporate Governance Report

The Chairman of the Board, Chairperson of each of the AC, NC, RC and RMC, or members of the respective Committees standing in for them, and the external auditors are present at each AGM, and other general meetings held by the Company, if any, to address shareholders' queries. Senior management are also present at general meetings to respond, if necessary, to operational questions from shareholders that may be raised. The Chairman of the Board, Chairperson of each of the AC, NC, RC and RMC and the external auditors will endeavour to be present at the 2020 AGM to assist the Directors in addressing any relevant queries raised by shareholders. As such, the Board is of the view that shareholders have sufficient opportunity to express their views and address their questions to the Board and Management.

Voting at General Meetings (Provision 11.4)

If shareholders are not able to attend these meetings, they can appoint up to two proxies to attend and vote in their place. The Company does not provide for absentia voting methods such as by mail, email, or fax due to concerns as to the integrity of such information and authentication of the identity of shareholders voting by such means.

A member who is a relevant intermediary is entitled to appoint more than two proxies to attend and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument appointing a proxy or proxies. "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act.

Resolutions proposed at general meetings on substantive issues, including the election or re-election of each Director, are proposed as separately drafted resolutions to allow shareholders to consider and cast their votes properly on issues which are distinct. Detailed information on each item in the AGM agenda is provided in the explanatory notes to the notice of AGM in the Annual Report.

The Company will put all resolutions to vote by poll at general meetings. Shareholders present in person or represented by proxy at the meetings will be entitled to vote on a 'one-share, one-vote' basis on all resolutions. Detailed results of the number of votes cast for and against each resolution and the respective percentages will be announced and displayed onscreen at the meetings and via SGXNET after the meetings.

Minutes of General Meetings (Provision 11.5)

Minutes are taken of all general meetings, and where appropriate, include all substantial and relevant comments or queries from shareholders relating to the agenda of the meeting and the responses from the Board and Management. Such minutes, which are subsequently approved by the Board, will be announced via SGXNET and made available to shareholders via the Company's website.

Dividend Policy (Provision 11.6)

The Company does not have a policy on payment of dividend. Save as disclosed below, the Board would consider a dividend policy at an appropriate time.

The Board has not declared or recommended any dividend for FY2020, as the Company has been incurring net operating losses from its product development and, more recently, commercialisation activities.

Corporate Governance Report

ENGAGEMENT WITH SHAREHOLDERS

Principle 12: *The Company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the Company.*

The Board is accountable to the shareholders and is mindful of its obligation to provide timely and fair disclosure of material information to shareholders, investors and the public. The Board treats all shareholders fairly and equitably and seeks to protect and facilitate exercise of shareholder's rights.

The Board is responsible for providing a balanced and understandable assessment of the Group's performance, position, and prospects as well as other price sensitive public reports to shareholders of the Company on a prompt basis. These principles guide the presentation of the Company's annual financial statements and quarterly financial statements announcements to shareholders, as well as other announcements to ensure compliance with legislative and regulatory requirements, including requirements under the Catalist Rules.

The Company does not practise selective disclosure and ensures timely and adequate disclosure of price sensitive and material information to shareholders of the Company via SGXNET. In addition, the Company ensures that the financial results and annual reports are announced or issued within the mandatory periods as prescribed by the Catalist Rules and are made available on the Company's website at www.ixbiopharma.com.

During FY2020, the results for the first and second quarters were released to shareholders within 45 days of the end of each quarter whilst annual results were released within 60 days from the financial year end. Following the amendments to Rule 705 of the Catalist Rules, which took effect from 7 February 2020, the Company will not be required to release its unaudited financial statements on a quarterly basis (Quarterly Reporting).

The Board has, after due deliberations, taking into consideration the compliance efforts required in connection with the Quarterly Reporting, decided to release its unaudited financial statements only on half yearly basis. Accordingly, the Company will, in respect of each of the financial years, announce only the unaudited financial statements of the Group for the half year ending 31 December by not later than 45 days after the end of the relevant half financial year, and, for the full financial year ending 30 June, by not later than 60 days after the end of the relevant full financial year.

For the financial year under review, the CEO and the CFO provided assurance to the AC on the integrity of the quarterly unaudited financial statements and the Board in turn provided a negative assurance confirmation in respect of the unaudited financial statements for the first and second quarters in accordance with the regulatory requirements.

Shareholder Communication (Provision 12.1)

Shareholders and investors can contact the Company or access information on the Company at its website at www.ixbiopharma.com which has a dedicated link that provides, inter alia, information on the Board of Directors, Senior Management team, the Company's Corporate Governance Reports, Sustainability Reports, Annual Reports, Announcements, Press Releases and Financial Results as released by the Company on SGXNET, and other information which may be relevant to investors.

Corporate Governance Report

From time to time, the Board Chairman and the Company's Management hold briefings with analysts. Presentation slides are also released on SGXNET and on the Company's website.

Internal Investor Relations (Provisions 12.2 & 12.3)

The Company does not have an internal investor relations team but has designated personnel, assisted by an external investor relations firm, to handle investor queries and deal with all matters related to investor relations.

MANAGING STAKEHOLDERS RELATIONSHIPS

ENGAGEMENT WITH STAKEHOLDERS

Principle 13: *The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served.*

Engaging Material Stakeholder Groups (Provisions 13.1 & 13.2)

The Group believes in regularly engaging our stakeholders to understand the issues most important to them and the impacts on the Group's business. Shareholders, employees, customers, suppliers, regulators, and community have been identified as our key stakeholders based on importance, representation, dependency, and proximity to iX Biopharma's business.

The Group is committed to integrating our stakeholders' concerns in our business strategies and policies. Therefore, it continuously seeks to explore effective communication channels and strengthen our relationships with them.

Annual Sustainability Reports had been published for the last two years and they set out the approaches adopted for stakeholder engagements, and material issues identified arising from these engagements. The Company expects to publish its Sustainability Report for FY2020 in November 2020.

Corporate Website (Provision 13.3)

Stakeholders can access information about the Group at its website at www.ixbiopharma.com which provides, inter alia, information on the Board of Directors, Senior Management team, the Company's Corporate Governance Reports, Sustainability Reports, Annual Reports, Announcements, Press Releases and Financial Results as released by the Company on SGXNET, and other information which may be relevant to stakeholders.

Corporate Governance Report

ADDITIONAL INFORMATION

MATERIAL CONTRACTS

No material contracts, not being contracts entered into in the ordinary course of business, had been entered into by the Company and its subsidiaries involving the interest of any Executive Director, Director or controlling shareholder of the Company during FY2020.

INTERESTED PERSON TRANSACTIONS

Name of interested person	Aggregate value of all interested person transactions during FY2020 (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the Catalist Rule)	Aggregate value of all interested person transactions during FY2020 under shareholders' mandate pursuant to Rule 920 of the Catalist Rule (excluding transactions less than \$100,000)
Centrum Pte Ltd ⁽¹⁾	Provision of consulting services to the Group. \$60,000	–

(1) Non-executive Director, Mr. Albert Ho Shing Tung, is a director and shareholder of Centrum Pte Ltd.

Saved as disclosed, there was no other reportable interested person transactions and the Group does not have a general mandate for recurrent interested person transactions.

NON-SPONSOR FEES

In accordance with Rule 1204(21) of the Catalist Rules, there was no non-sponsor fee paid to the Sponsor, CIMB Bank Berhad, Singapore Branch, by the Company for FY2020.

DEALING IN SECURITIES

The Company has issued an internal code on dealings in the Company's securities to the Directors and other officers (including employees with access to material non-public price-sensitive information) of the Group. The Company, the Directors and other officers are prohibited from dealing in the Company's securities commencing one month before and up to the announcement of the Group's half year and full year results¹.

They are also advised not to deal in the Company's securities on short-term considerations and in circumstances where they have access to material non-public price-sensitive information. They are also advised to always observe all applicable insider trading laws even when dealing in securities within the permitted trading period. The Company has complied with Rule 1204(19) of the Catalist Rules.

¹ This follows the Company's adoption of announcement of half yearly financial statements with effect from FY2020.

Corporate Governance Report

USE OF PROCEEDS

a) Initial Public Offer

Pursuant to the IPO, the Company received total proceeds of \$30.13 million (IPO Proceeds). As at 30 June 2020, the IPO Proceeds has been utilised as follows:

	Amount after re-allocation \$'000	Amount utilised \$'000	Balance \$'000
To fund the clinical trials for the development of our products, and for preparing and submitting an Abbreviated New Drug Application or New Drug Application as the case may be, to the US Food and Drug Administration for marketing approval and commercialisation of our products in the United States, and where it is commercially viable to do so, in other parts of the world upon receipt of the relevant regulatory approvals	15,286	(15,286)	–
To fund the development, manufacturing and marketing activities required for our pharmaceutical and nutraceutical products in the pipeline, including Wafermine™, Wafesil™ (formerly PheoniX), Silcap™ (formerly XCalibur™) and the Entity line of nutraceutical products	9,414	(9,414)	–
General working capital and other general corporate expenses	2,913	(2,913)	–
Listing expenses	2,517	(2,517)	–
Total	30,130	30,130	–

Details of working capital used:

	\$'000
Professional fees	617
Payroll and directors' fees	1,596
Trademark and patents	67
Rental, office expenditure and other operating expenses	633
Total	2,913

The above utilisation of the Company's IPO Proceeds is in accordance with the intended use as stated in the Offer Document dated 10 July 2015 and as subsequently re-allocated by the Company in its announcement on 25 June 2018.

b) 2020 Private Placement

Pursuant to the private placement of 44,491,299 shares on 8 September 2020, the Company received net proceeds of S\$10.18 million (Placement Proceeds). As at the date of this report, the Placement Proceeds has not been utilised.

STATUTORY REPORTS AND FINANCIAL STATEMENTS

- 53/** Directors' Statement
- 58/** Independent Auditors' Report
- 63/** Consolidated Statement of Comprehensive Income
- 65/** Balance Sheet - Group
- 66/** Balance Sheet - Company
- 67/** Consolidated Statement of Changes in Equity
- 68/** Consolidated Statement of Cash Flows
- 69/** Notes to the Financial Statements

Directors' Statement

For The Financial Year Ended 30 June 2020

The directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 30 June 2020 and the balance sheet of the Company as at 30 June 2020.

In the opinion of the directors,

- (a) the balance sheet of the Company and the consolidated financial statements of the Group as set out on pages 63 to 135 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 30 June 2020 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

DIRECTORS

The directors of the Company in office at the date of this statement are as follows:

Eddy Lee Yip Hang
Albert Ho Shing Tung
Low Weng Keong
Claudia Teo Kwee Yee
Patrick Donald Davies (appointed 2 December 2019)

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than as disclosed under "Share options and share plan" in this statement.

Directors' Statement

For The Financial Year Ended 30 June 2020

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

- (a) According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in name of director or nominee		Holdings in which director is deemed to have an interest	
	End of financial year	Beginning of financial year	End of financial year	Beginning of financial year
iX Biopharma Ltd.				
(No. of ordinary shares)				
Eddy Lee Yip Hang ⁽¹⁾	165,119,020	165,119,020	17,460,982	17,460,982
Albert Ho Shing Tung ⁽²⁾	8,250,099	8,250,099	130,000	130,000
Low Weng Keong	1,170,252	1,170,252	–	–
Claudia Teo Kwee Yee ⁽³⁾	–	–	70,000	70,000

- (1) Mr. Eddy Lee Yip Hang's deemed interest of 17,460,982 shares are held in the name of his spouse, by virtue of Section 164 of the Companies Act.
 (2) Mr. Albert Ho Shing Tung's deemed interest of 130,000 shares are held in the name of Centrum Capital Pte. Ltd, by virtue of his holding 93.0% of the shares in Centrum Capital Pte. Ltd.
 (3) Ms. Claudia Teo Kwee Yee's deemed interest of 70,000 shares are held in the name of her spouse.

- (b) The directors' interests in the ordinary shares of the Company as at 21 July 2020 were the same as those as at 30 June 2020.

SHARE OPTIONS AND SHARE PLAN

- (a) Share Option Scheme and Share Plan

The iX Employee Share Option Scheme (the "Share Option Scheme") and the iX Performance Share Plan (the "Share Plan") for directors and employees of the Group were approved by members of the Company at the Extraordinary General Meeting on 17 June 2015.

The Share Option Scheme is a share incentive plan to provide eligible participants with an opportunity to participate in the equity of the Company, so as to motivate them to greater dedication, loyalty and higher standards of performance, and to give recognition to those who have contributed significantly to the growth and performance of the Group.

The Share Plan contemplates the award of fully-paid shares to participants after certain pre-determined benchmarks have been met to reward, retain and motivate employees of the Group to achieve superior performance. Under the Share Plan, awards may be granted to controlling shareholders, non-executive directors, key management personnel, and employees of the Group ("participants"). Participants are not required to pay for the grant of awards. The eligibility of participants of the Share Plan and details of each award are determined at the absolute discretion of the Board of Directors.

Directors' Statement

For The Financial Year Ended 30 June 2020

SHARE OPTIONS AND SHARE PLAN (CONTINUED)

(a) Share Option Scheme and Share Plan (continued)

The aggregate number of shares which may be issued pursuant to awards granted under the Share Plan on any date, when added to the number of shares issued and issuable in respect of (a) all awards granted under the Share Plan, and (b) all options granted under any other share option, share incentive, performance share or restricted share plan, shall not exceed 15% of the number of all issued shares on the day preceding that date.

The Share Option Scheme and Share Plan shall be administered by the members of the Board comprising of the following:

Eddy Lee Yip Hang (Chairman)
 Albert Ho Shing Tung
 Low Weng Keong
 Claudia Teo Kwee Yee
 Patrick Donald Davies (appointed 2 December 2019)

During the financial year, no options were granted under the Share Option Scheme and on 16 November 2019, 2,717,333 share awards were granted under the Share Plan. No award was granted to a Director or controlling shareholder (and each of their associates).

As of 30 June 2020, the Company has not granted any options under the Share Option Scheme since its inception.

Disclosure in accordance to the Rules of the Share Plan is as follows:

Name of participant	Number of		Aggregate number	
	Number of shares allotted pursuant to Release of Awards under the Share Plan during the financial year under review	Number of existing shares purchased for delivery pursuant to release of awards under the Share Plan during the financial year under review	of shares allotted and existing shares purchased for delivery since commencement of the Share Plan to end of the financial year under review	Aggregate number of shares comprised in awards outstanding as at end of financial year under review
(i) Directors and controlling shareholders of the Company and their associates				
Mr. Eddy Lee Yip Hang	–	–	2,239,000	–
(ii) Other participants	4,300,333	–	7,463,999	2,384,000
Total	4,300,333	–	9,702,999	2,384,000

Directors' Statement

For The Financial Year Ended 30 June 2020

SHARE OPTIONS AND SHARE PLAN (CONTINUED)

(a) Share Option Scheme and Share Plan (continued)

Mr. Eddy Lee Yip Hang is also a controlling shareholder of the Company.

Save as disclosed above, no share awards have been granted to other controlling shareholders or their associates, and no employee has been granted with 5% or more of the total share awards available under the Share Plan.

Details of awards granted since the inception of the Share Plan are as follows:

Grant date	Conditional awards granted during financial year under review (including terms)	Aggregate conditional awards granted since commencement of the plan to end of financial year under review	Aggregate awards released since commencement of the plan to end of financial year under review	Aggregate conditional awards outstanding as at end of financial year under review
30 September 2016	–	3,504,333	3,504,333	–
10 November 2017	–	1,398,000	1,398,000	–
16 November 2018	–	4,633,333	4,633,333	–
16 November 2019	2,717,333	2,717,333	333,333	2,384,000
Total	2,717,333	12,252,999	9,868,999	2,384,000

(b) Share awards granted but not vested

The number of unissued ordinary shares of the Company under the Share Plan outstanding at the end of the financial year was as follows:

	No. of unissued ordinary shares under the Share Plan at 30.06.2020	Vesting period
iX Performance Share Plan	2,384,000	12 months from the award date

Directors' Statement

For The Financial Year Ended 30 June 2020

AUDIT COMMITTEE

The members of the Audit Committee at the end of the financial year were as follows:

Low Weng Keong (Chairman)
Albert Ho Shing Tung
Claudia Teo Kwee Yee
Patrick Donald Davies (appointed 2 December 2019)

All members of the Audit Committee were non-executive directors and the majority are independent.

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act. In performing those functions, the Committee reviewed:

- the scope and the results of internal audit procedures with the internal auditor;
- the audit plan of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit;
- the assistance given by the Company's management to the independent auditor; and
- the balance sheet of the Company and the consolidated financial statements of the Group for the financial year ended 30 June 2020 before their submission to the Board of Directors.

The Audit Committee has recommended to the Board that the independent auditor, PricewaterhouseCoopers LLP, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

INDEPENDENT AUDITOR

The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept re-appointment.

On behalf of the Board of Directors

Eddy Lee Yip Hang
Director

Albert Ho Shing Tung
Director

16 September 2020

Independent Auditor's Report

To The Members Of iX Biopharma Ltd.

REPORT ON THE FINANCIAL STATEMENTS

Opinion

In our opinion, the accompanying consolidated financial statements of iX Biopharma Ltd. (the "Company") and its subsidiaries (the "Group") and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 ("the Act") and Singapore Financial Reporting Standards (International) in Singapore ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 June 2020 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

What we have audited

The financial statements of the Company and the Group comprise:

- the consolidated statement of comprehensive income of the Group for the year ended 30 June 2020;
- the balance sheets of the Company and of the Group as at 30 June 2020;
- the consolidated statement of changes in equity of the Group for the year then ended;
- the consolidated statement of cash flows of the Group for the year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the *Audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Our Audit Approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the accompanying financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Independent Auditor's Report

To The Members Of iX Biopharma Ltd.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 30 June 2020. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTER

HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER

Impairment of goodwill, intangible assets, property, plant and equipment and right-of-use assets

Refer to Note 3(a) (Critical accounting estimates and assumptions), Note 17 (Intangible assets), Note 18 (Property, plant and equipment) and Note 19 (Right-of-use assets) to the financial statements.

As at 30 June 2020, goodwill, intangible assets, property, plant and equipment, and right-of-use assets amounted to \$310,000, \$137,000, \$8,026,000 and \$261,000 respectively in the balance sheet of the Group.

Management is required to perform an impairment assessment of goodwill annually. In addition, management has assessed whether there is any indication that the intangible assets, property, plant and equipment and right-of-use assets may be impaired. Accordingly, an impairment assessment was carried out for the Specialty Pharmaceutical cash-generating unit ("SP CGU") as at 30 June 2020.

This is a key audit matter due to the significant judgements involved in determining the recoverable amount of goodwill, intangible assets, property, plant and equipment and right-of-use assets, including establishing the reasonableness of the key inputs used by management in the cash flow projection for the SP CGU. Changes in the key inputs can trigger potential impairment of goodwill, intangible assets, property, plant and equipment and right-of-use assets.

For impairment assessment of the Group's freehold land and building, we have assessed the competency and independence of the professional external valuer engaged by management. We have found that the valuation methodologies used by the external professional valuer were appropriate within the context of the Group's freehold land and building, and that the key assumptions used were within range of recent market data.

Our audit procedures to assess the impairment of goodwill, intangible assets, plant and equipment and right-of-use assets included detailed evaluation of the Group's cash flow projection of the SP CGU by performing the following procedures:

- Assessed and compared the key inputs used in the cash flow projection for the SP CGU, being the revenue growth rate, the discount rate and the terminal growth rate where applicable, by reference to external sources of information and financial budgets approved by management;

Independent Auditor's Report

To The Members Of iX Biopharma Ltd.

Key Audit Matters (continued)

KEY AUDIT MATTER

HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER

Impairment of goodwill, intangible assets, property, plant and equipment and right-of-use assets
(continued)

- Compared the current year's results with the prior year's projection to consider whether any revised projections and assumptions were required, and updated to reflect management's planned course of actions for the period covered by the cash flow projection; and
- Considered management's assessment of the timing and likelihood of the commercialisation of certain products used in the cash flow projection, and whether any revision to the timing of commercialisation would impact the recoverable amount of the SP CGU.

We involved valuation specialists to assist in the assessment of the terminal growth rate and the discount rate applied by management.

We noted that the key inputs used in the cash flow projection were reasonable.

We evaluated management's sensitivity analysis on the recoverable amount of the SP CGU by applying reasonable possible changes to these key inputs. We found that the estimates used were appropriate in reflecting the risks associated with the SP CGU.

We have also assessed the adequacy of the disclosures relating to the estimates and judgements made and found the disclosures in the financial statements to be appropriate.

Independent Auditor's Report

To The Members Of iX Biopharma Ltd.

Other Information

Management is responsible for the other information. The other information comprises all the sections of the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Independent Auditor's Report

To The Members Of iX Biopharma Ltd.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report Soh Kok Leong.

Consolidated Statement of Comprehensive Income

For The Financial Year Ended 30 June 2020

	Note	2020 \$'000	2019 \$'000
Continuing operations			
Revenue	4	985	671
Cost of sales		(1,572)	(1,200)
Gross loss		(587)	(529)
Other income	5	1,046	759
Expenses			
- Research and development		(2,499)	(3,765)
- Sales and marketing		(2,259)	(2,024)
- General and administrative		(6,346)	(5,821)
- Others	8	384	(1,656)
- Finance	9	(238)	(232)
Total expenses		(10,958)	(13,498)
Loss from continuing operations before income tax	6	(10,499)	(13,268)
Income tax credit	10	-	22
Loss from continuing operations		(10,499)	(13,246)
Discontinued operation			
Loss from discontinued operation, net of tax	11	-	(94)
Gain on disposal of subsidiary	13	-	10,349
Profit from discontinued operation		-	10,255
Total loss		(10,499)	(2,991)

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Comprehensive Income

For The Financial Year Ended 30 June 2020

	Note	2020 \$'000	2019 \$'000
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation			
- (Loss)/gains - net of tax	27(a)	(370)	1,447
Reclassification on disposal of a subsidiary	13	-	(185)
Other comprehensive income, net of tax		(370)	1,262
Total comprehensive loss		(10,869)	(1,729)
(Loss)/earnings per share for (loss)/profit from continuing and discontinued operations attributable to equity holders of the Company (cents per share)			
Basic (loss)/earnings per share			
From continuing operations	12(a)	(1.62)	(2.06)
From discontinued operations	12(a)	-	1.59
Diluted (loss)/earnings per share			
From continuing operations	12(b)	(1.62)	(2.06)
From discontinued operations	12(b)	-	1.59

The accompanying notes form an integral part of these financial statements.

Balance Sheet

- Group

As At 30 June 2020

	Note	2020 \$'000	2019 \$'000
ASSETS			
Current assets			
Cash and cash equivalents	13	5,663	15,872
Trade and other receivables	14	1,300	1,425
Inventories	15	883	850
Other current assets	16	297	362
		8,143	18,509
Non-current assets			
Deposits		105	81
Intangible assets	17	447	460
Property, plant and equipment	18	8,026	7,636
Right-of-use assets	19	261	-
		8,839	8,177
Total assets		16,982	26,686
LIABILITIES			
Current liabilities			
Trade and other payables	21	2,824	2,310
Borrowings	22	216	211
Provision	23	12	10
Lease liabilities		245	-
		3,297	2,531
Non-current liabilities			
Borrowings	22	3,438	3,620
Provision	23	60	36
Lease liabilities		19	-
		3,517	3,656
Total liabilities		6,814	6,187
NET ASSETS		10,168	20,499
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	26	72,251	71,525
Other reserves	27	1,653	2,211
Accumulated losses		(63,736)	(53,237)
Total equity		10,168	20,499

The accompanying notes form an integral part of these financial statements.

Balance Sheet

- Company

As At 30 June 2020

	Note	2020 \$'000	2019 \$'000
ASSETS			
Current assets			
Cash and cash equivalents	13	3,593	14,308
Trade and other receivables	14	15,816	10,871
Other current assets	16	206	171
		19,615	25,350
Non-current assets			
Deposits		-	81
Intangible assets	17	108	102
Property, plant and equipment	18	189	256
Right-of-use assets	19	230	-
Investments in subsidiaries	20	1,966	1,966
		2,493	2,405
Total assets		22,108	27,755
LIABILITIES			
Current liabilities			
Trade and other payables	21	1,709	1,149
Borrowings	22	25	23
Lease liabilities		226	-
		1,960	1,172
Non-current liability			
Borrowings	22	55	80
Lease liabilities		6	-
		61	80
Total liabilities		2,021	1,252
NET ASSETS		20,087	26,503
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	26	72,251	71,525
Other reserves	27	320	508
Accumulated losses		(52,484)	(45,530)
Total equity		20,087	26,503

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Changes In Equity

For The Financial Year Ended 30 June 2020

		Attributable to equity holders of the Company				
	Note	Share capital \$'000	Share based payment reserve \$'000	Currency translation reserve \$'000	Accumulated losses \$'000	Total equity \$'000
2020						
Balance as at 30 June 2019		71,525	508	1,703	(53,237)	20,499
Loss for the year		-	-	-	(10,499)	(10,499)
Other comprehensive income for the year		-	-	(370)	-	(370)
Total comprehensive loss for the year		-	-	(370)	(10,499)	(10,869)
Performance Share Plan						
- Value of employees' services	27(b)(ii)	-	538	-	-	538
- Shares issued pursuant to Performance Share Plan	27(b)(ii)	726	(726)	-	-	-
Total transactions with owners, recognised directly in equity		726	(188)	-	-	538
Balance as at 30 June 2020		72,251	320	1,333	(63,736)	10,168
2019						
Balance as at 30 June 2018		71,129	196	441	(50,246)	21,520
Loss for the year		-	-	-	(2,991)	(2,991)
Other comprehensive income for the year		-	-	1,262	-	1,262
Total comprehensive loss for the year		-	-	1,262	(2,991)	(1,729)
Performance Share Plan						
- Value of employees' services	27(b)(ii)	-	708	-	-	708
- Shares issued pursuant to Performance Share Plan	27(b)(ii)	396	(396)	-	-	-
Total transactions with owners, recognised directly in equity		396	312	-	-	708
Balance as at 30 June 2019		71,525	508	1,703	(53,237)	20,499

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows

For the financial year ended 30 June 2020

	Note	2020 \$'000	2019 \$'000
Cash flows from operating activities			
Total loss after tax		(10,499)	(2,991)
Adjustments for:			
- Amortisation expense:		25	367
- Deferred government grant income		-	(16)
- Depreciation expense		1,024	850
- Gain on disposal of subsidiary		-	(10,349)
- Income tax credit		-	(44)
- Interest expense		238	249
- Interest income		(87)	(194)
- Inventory write-down		56	19
- Loss on disposal of property, plant and equipment		1	-
- Provision expense		26	67
- Research and development tax incentive		(405)	(208)
- Share based payment expense		538	708
- Unrealised currency exchange (gain)/losses - net		(324)	1,342
		(9,407)	(10,200)
Changes in working capital, net of effect from disposal of subsidiary:			
- Trade and other receivables		(230)	(31)
- Other current assets		67	(68)
- Trade and other payables		504	(3,422)
- Inventories		(83)	(369)
Cash used in operations		(9,149)	(14,090)
Interest received		87	189
Research and development tax incentive received		742	-
Net cash used in operating activities		(8,320)	(13,901)
Cash flows from investing activities			
Additions to property, plant and equipment		(984)	(1,534)
Additions to intangible assets		(10)	(154)
Disposal of a subsidiary, net of cash disposed of	13	-	11,432
Net cash (used in)/generated from investing activities		(994)	9,744
Cash flows from financing activities			
Increase in fixed deposits pledged		-	(763)
Repayment of borrowings		(213)	(565)
Principal payment of lease liabilities		(375)	-
Interest paid		(238)	(249)
Net cash used in financing activities		(826)	(1,577)
Net decrease in cash and cash equivalents		(10,140)	(5,734)
Cash and cash equivalents			
Beginning of financial year		14,709	20,666
Effects of currency translation on cash and cash equivalents		(99)	(223)
End of financial year	13	4,470	14,709

Notes To The Financial Statements

For the financial year ended 30 June 2020

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL INFORMATION

iX Biopharma Ltd. (the "Company") is a public limited liability company and incorporated and domiciled in Singapore. The address of its registered office is 80 Robinson Road, #02-00 Singapore 068898. The address of its principal place of business is 1 Kim Seng Promenade, #14-01 Great World City East Tower, Singapore 237994.

The principal activities of the Group are the development, manufacture and commercialisation of innovative therapies for the treatment of acute and breakthrough pain, and other health conditions.

The Company is listed on the Catalist Board of the Singapore Exchange Securities Trading Limited ("SGX-ST").

The principal activities of the subsidiaries are disclosed in Note 20.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)") under the historical cost convention.

The preparation of financial statements in conformity with SFRS(I) requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Interpretations and amendments to published standards effective in 2020

On 1 July 2019, the Group has adopted the new or amended SFRS(I) and Interpretations of SFRS(I) ("INT SFRS(I)") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and INT SFRS(I).

The adoption of these new or amended SFRS(I) and INT SFRS(I) did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial years except for the following:

Notes To The Financial Statements

For The Financial Year Ended 30 June 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

Adoption of SFRS(I) 16 Leases

(a) When the Group is the lessee

Prior to the adoption of SFRS(I) 16, non-cancellable operating lease payments were not recognised as liabilities in the balance sheet. These payments were recognised as rental expenses over the lease term on a straight-line basis.

The Group's accounting policy on leases after the adoption of SFRS(I) 16 is as disclosed in Note 2.14.

On initial application of SFRS(I) 16, the Group has elected to apply the following practical expedients:

- i) For all contracts entered into before 1 July 2019 and that were previously identified as leases under SFRS(I) 1-17 Leases and SFRS(I) INT 4 Determining whether an Arrangement contains a Lease, the Group has not reassessed if such contracts contain leases under SFRS(I) 16; and
- ii) On a lease-by-lease basis, the Group has:
 - a) applied a single discount rate to a portfolio of leases with reasonably similar characteristics;
 - b) relied on previous assessments on whether leases are onerous as an alternative to performing an impairment review;
 - c) accounted for operating leases with a remaining lease term of less than 12 months as at 1 July 2019 as short-term leases;
 - d) excluded initial direct costs in the measurement of the right-of-use ("ROU") asset at the date of initial application; and
 - e) used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

There were no onerous contracts as at 1 July 2019.

For leases previously classified as operating leases on 1 July 2019, the Group has applied the following transition provisions:

- (i) On a lease-by-lease basis, the Group chose to measure its ROU assets at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of transition.
- (ii) Recognised its lease liabilities by discounting the remaining lease payments as at 1 July 2019 using the incremental borrowing rate for each individual lease or, if applicable, the incremental borrowing rate for each portfolio of leases with reasonably similar characteristic.

For leases previously classified as finance leases, the carrying amount of the leased asset and finance lease liability as at 1 July 2019 are determined as the carry amount of the ROU assets and lease liabilities. These ROU assets are presented within "Property, plant and equipment" and the related lease liabilities are presented within "Borrowings".

Notes To The Financial Statements

For The Financial Year Ended 30 June 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

Adoption of SFRS(I) 16 Leases (continued)

(a) When the Group is the lessee (continued)

The effects of adoption of SFRS(I) 16 on the Group's financial statements as at 1 July 2019 are as follows:

	Increase/ (decrease) \$'000
Right-of-use assets	639
Lease liabilities	639

An explanation of the differences between the operating lease commitments previously disclosed in the Group's financial statements as at 30 June 2019 and the lease liabilities recognised in the balance sheet as at 1 July 2019 are as follows:

	\$'000
Operating lease commitment disclosed as at 30 June 2019	625
Add: Additional operating leases identified	54
Total operating lease commitments as at 30 June 2019	679
Less: Discounting effect using weighted average incremental borrowing rate of 5.35% per annum	(40)
Lease liabilities recognised as at 1 July 2019	639

2.2 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the Group's activities. Sales are presented, net of value-added tax, rebates and discounts, and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the Group's activities are met as follows:

(a) Sale of goods

Revenue from the sale of goods is recognised when control of the products has transferred to its customer, being when the Group has delivered the products to locations specified by its customers and the customers have accepted the goods in accordance with the sales contract (i.e. at a point in time).

Notes To The Financial Statements

For The Financial Year Ended 30 June 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Revenue recognition (continued)

(b) *Rendering of service – Development and manufacturing service*

Revenue from development and manufacturing service is recognised when the service is rendered and the finished product is delivered to the customer (i.e. over time). Out-licensing revenue is recognised when the right to use the license has been transferred to the customer (i.e. at a point in time).

(c) *Interest income*

Interest income from bank deposits is recognised using the effective interest method.

2.3 Deferred government grant

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Deferred government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Deferred government grants relating to expenses are shown separately as other income.

Deferred government grants relating to property, plant and equipment are presented in the balance sheet by setting up the grant as deferred income and subsequently amortised over the periods to match them with the related depreciation expense of the assets. The income is presented as a credit to the statement of comprehensive income within "other income".

2.4 Group accounting

Subsidiaries

(a) *Consolidation*

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(b) *Disposals*

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific Standard.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Group accounting (continued)

Subsidiaries (continued)

(b) Disposals (continued)

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

2.5 Property, plant and equipment

(a) Measurement

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

(b) Depreciation

Freehold land is not depreciated. Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	<u>Useful lives</u>
Building	40 years
Computers	3 - 5 years
Office equipment	3 - 5 years
Plant and equipment	3 - 20 years
Furniture and fittings	3 - 5 years
Leasehold improvement	3 - 10 years
Motor vehicles	8 years
Leasehold properties	2 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Property, plant and equipment (continued)

(c) *Subsequent expenditure*

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(d) *Disposal*

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss.

2.6 Intangible assets

(a) *Goodwill on acquisitions*

Goodwill on acquisitions of subsidiaries and businesses represents the excess of (i) the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (ii) the fair value of the identifiable net assets acquired.

Goodwill on subsidiaries is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Gains and losses on the disposal of subsidiaries include the carrying amount of goodwill relating to the entity sold.

(b) *Acquired technological know-how*

Technological know-how acquired are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over five years, which is the estimated useful life.

The amortisation period and amortisation method of intangible assets other than goodwill are reviewed at least at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Intangible assets (continued)

(c) *Computer software licences*

Computer software licences are initially capitalised at cost which includes the purchase prices (net of any discounts and rebates) and other directly attributable costs of preparing the assets for its intended use. Direct expenditures including employee costs, which enhance or extend the performance of computer software beyond its specifications and which can be reliably measured, are added to the original cost of the software. Costs associated with maintaining the computer software are expensed off when incurred.

Computer software licences are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over their estimated useful lives of three to five years.

The amortisation period and amortisation method of intangible assets other than goodwill are reviewed at least at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

2.7 Impairment of non-financial assets

(a) *Goodwill*

Goodwill recognised separately as an intangible asset is tested for impairment annually and whenever there is indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating-units ("CGU") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised as an expense and is not reversed in a subsequent period.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Impairment of non-financial assets (continued)

- (b) *Intangible assets*
 - Property, plant and equipment*
 - Right-of-use assets*
 - Investments in subsidiaries*

Intangible assets, property, plant and equipment, right-of-use assets and investments in subsidiaries are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss for an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.

2.8 Investments in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Financial assets

(a) *Classification and measurement*

The Group classifies its financial assets at amortised cost.

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

At initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

At subsequent measurement

(i) Debt instruments

Debt instruments mainly comprise of cash at bank, trade and other receivables, and other current assets (excluding prepayments).

- Amortised cost: Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

(b) *Impairment*

The Group assesses on a forward-looking basis the expected credit losses associated with its debt financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 29 details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by the SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Financial assets (continued)

(c) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

2.10 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.11 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

2.12 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.13 Fair value estimation of financial assets and liabilities

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Group uses a variety of methods and makes assumptions based on market conditions that exist at each balance sheet date. Where appropriate, quoted market prices or dealer quotes for similar instruments are used. Valuation techniques such as discounted cash flow analysis are also used to determine the fair value of the financial instruments.

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Leases

(a) The accounting policy for leases before 1 July 2019 are as follows:

(i) *When the Group is the lessee*

The Group leases land, motor vehicles and certain plant and equipment under finance leases and leases land, office space and retail stores under operating leases from non-related parties.

- *Lessee – Finance leases*

Leases where the Group assumes substantially all risks and rewards incidental to ownership of the leased assets are classified as finance leases.

The leased assets and the corresponding lease liabilities (net of finance charges) under finance leases are recognised on the balance sheet as plant and equipment and borrowings respectively, at the inception of the leases based on the lower of the fair value of the leased assets and the present value of the minimum lease payments.

Each lease payment is apportioned between the finance expense and the reduction of the outstanding lease liability. The finance expense is recognised in profit or loss on a basis that reflects a constant periodic rate of interest on the finance lease liability.

- *Lessee – Operating leases*

Leases where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease.

Contingent rents are recognised as an expense in profit or loss when incurred.

(ii) *When the Group is the lessor:*

- *Lessor – Operating leases*

Leases of property, plant and equipment where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Leases (continued)

(b) The accounting policy for leases from 1 July 2019 are as follows:

(i) *When the Group is the lessee*

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

- Right-of-use assets

The Group recognised a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

These right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

For leases previously classified as finance leases, the ROU assets are presented within "Property, plant and equipment".

- Lease liabilities

The initial measurement of lease liability is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

Lease payments include fixed payment (including in-substance fixed payments), less any lease incentives receivables.

For contract that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease component. The Group has elected to not separate lease and non-lease component for property leases and account these as one single lease component.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Leases (continued)

(b) The accounting policy for leases from 1 July 2019 are as follows: (continued)

(i) *When the Group is the lessee (continued)*

- Lease liabilities (continued)

Lease liability is measured at amortised cost using the effective interest method. Lease liability shall be remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Group's assessment of whether it will exercise an extension option; or
- There is modification in the scope or the consideration of the lease that was not part of the original term.

Lease liability is remeasured with a corresponding adjustment to the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

- Short term and low value leases

The Group has elected to not recognised right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

For leases previously classified as finance leases, the lease liabilities are presented within "Borrowings".

(ii) *When the Group is the lessor*

The accounting policy applicable to the Group as a lessor in the comparative period were the same under SFRS(I) 16.

2.15 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods and work-in-progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity) but excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.16 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

- (i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and
- (ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

The Group accounts for investment tax credits (for example, productivity and innovative credit) similar to accounting for other tax credits where deferred tax asset is recognised for unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax credit can be utilised.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised in the statement of comprehensive income as finance expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

2.18 Employee compensation

(a) *Defined contribution plans*

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund in Singapore or employees' designated superannuation fund in Australia, on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

(b) *Employee leave entitlement*

Employee entitlements to leave are recognised when they accrue to employees. A provision is made for the estimated liability for leave as a result of services rendered by the employees up to the balance sheet date.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 Employee compensation (continued)

(c) *Share-based compensation*

(i) Share options

The Group operates an equity-settled, share-based compensation plan. The value of the employee and consultant services received in exchange for the grant of options is recognised as an expense with a corresponding increase in the share based payment reserve over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair value of the options granted on the date of the grant. Non-market vesting conditions are included in the estimation of the number of shares under options that are expected to become exercisable on the vesting date. At each balance sheet date, the Group revises its estimates of the number of shares under options that are expected to become exercisable on the vesting date and recognises the impact of the revision of the estimates in profit or loss, with a corresponding adjustment to the share based payment reserve over the remaining vesting period. When the options are exercised, the proceeds received (net of transaction costs) and the related balances previously recognised in the share based payment reserve are credited to share capital account, when new ordinary shares are issued.

(ii) Share awards

The Group operates an equity-settled, share-based compensation plan. The value of the employee services received in exchange for the grant of awards is recognised as an expense with a corresponding increase in the share based payment reserve over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair value of the awards granted on the date of the award. Non-market vesting conditions are included in the estimation of the number of shares under awards that are expected to issue on the vesting date. At each balance sheet date, the Group revises its estimates of the number of shares under awards that are expected to issue on the vesting date and recognises the impact of the revision of the estimates in profit or loss, with a corresponding adjustment to the share based payment reserve over the remaining vesting period. When the awards are issued, the related balances previously recognised in the share based payment reserve are credited to share capital account, when new ordinary shares are issued.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.19 Currency translation

(a) *Functional and presentation currency*

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollar ("S\$"), which is the functional currency of the Company.

(b) *Transactions and balances*

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

(c) *Translation of Group entities' financial statements*

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities are translated at the closing exchange rates at the reporting date;
- (ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and
- (iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss with loss of control of the foreign operation giving rise to such reserve.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.20 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the directors who are responsible for allocating resources and assessing performance of the operating segments.

2.21 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

2.22 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value.

2.23 Dividends to Company's shareholders

Dividends to the Company's shareholders are recognised when the dividends are approved for payment.

2.24 Research and development expenses

Research and development costs are expensed as incurred. Development expenditure is capitalised when the criteria for recognising an asset are met, usually when the compound receives regulatory approval. The capitalised expenditure is recorded as intangible assets and depreciated in accordance with the Group's policy.

2.25 Discontinued operation

A discontinued operation is a component of the Group that has been disposed of and represents a separate major line of business of the Group.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2020

3. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant effect on the carrying amounts of assets and liabilities are discussed below.

(a) Impairment of goodwill, intangible assets, property, plant and equipment

Goodwill is tested for impairment annually and whenever there is indication that the goodwill may be impaired. Intangible assets, property, plant and equipment and right-of-use assets are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

The recoverable amount for the cash generating unit ("CGU") has been calculated based on the value-in-use. Cash flow forecast used in value-in-use calculation requires the use of estimates on critical assumptions such as revenue growth rate, discount rate and the terminal growth rate. The critical assumptions used for impairment testing are included in Note 17 and Note 18.

(b) Useful lives of property, plant and equipment and technological know-how

Property, plant and equipment and technological know-how are depreciated/amortised on a straight-line basis over their estimated useful lives. Management's estimates of the useful lives of these property, plant and equipment and technological know-how are disclosed in Note 2.5(b) and 2.6(b) respectively. Changes in the expected level of usage and technological developments could impact the economic useful lives and/or the residual values of these assets, and therefore future depreciation and amortisation charges could be revised.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2020

4. REVENUE FROM CONTRACTS WITH CUSTOMERS

During the financial year, the Group derives revenue from the transfer of good and services at a point in time and over time in the following categories:

	Group		
	At a point in time	Over time	Total
	\$'000	\$'000	\$'000
2020			
Sale of goods:			
- Pharmaceutical products	224	-	224
- Nutraceutical products	392	-	392
	616	-	616
Services rendered:			
- Development and manufacturing services	150	219	369
Total	766	219	985
2019			
Sale of goods:			
- Pharmaceutical products	90	-	90
- Nutraceutical products	278	-	278
	368	-	368
Services rendered:			
- Development and manufacturing services	-	303	303
Total	368	303	671

Notes To The Financial Statements

For The Financial Year Ended 30 June 2020

5. OTHER INCOME

	Group	
	2020 \$'000	2019 \$'000
Interest income:		
- Bank deposits	85	194
- Others	2	-
	87	194
Deferred government grant (Note 24)	-	16
Government grant	251	-
Research and development tax incentive (Note 10)	405	208
Rental income	273	308
Others	30	33
Total other income	1,046	759

The research and development ("R&D") tax incentive is a programme administered jointly by the Australian Taxation Office and Innovation Australia to provide a tax refund at a rate of 43.5% (2019: 43.5%) or reduction in tax liability as applicable for qualifying expenditure incurred in Australia by the Group's subsidiaries.

Rental income was derived from the Group's leasing out of factory space to a non-related party for monthly lease payments. The lease is classified as an operating lease because the risk and rewards incidental to ownership of the assets are not substantially transferred. There are no lease payments to be received after the reporting date.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2020

6. LOSS FROM CONTINUING OPERATIONS BEFORE INCOME TAX

The following items have been included in arriving at loss for the year:

	Group	
	2020	2019
	\$'000	\$'000
Advertising and marketing expenses	808	666
Amortisation of computer software (Note 17(c))	25	2
Audit fees paid/payable to:		
- Auditor of the Company	104	110
- Other auditors*	111	166
Changes in inventories of finished goods and work-in-progress	(135)	(135)
Clinical trials and related expenses	570	1,611
Depreciation of:		
- Property, plant and equipment (Note 18)	646	621
- Right-of-use assets (Note 19)	378	-
Employee compensation expense (Note 7)	6,282	6,381
Impairment loss on financial assets	-	3
Information technology support expenses	107	142
Insurance expenses	170	129
Inventory write-down	56	19
Professional and consultancy expenses	981	852
Raw materials and consumables used	715	317
Regulatory approval expenses	551	84
Rental expense and operating leases	35	245
Repairs and maintenance expenses	157	222
Telephone and utilities	273	315
Trademarks and patents related expense	300	306
Travelling and accommodation expenses	419	594

* Includes other PricewaterhouseCoopers firms outside Singapore

Notes To The Financial Statements

For The Financial Year Ended 30 June 2020

7. EMPLOYEE COMPENSATION EXPENSE

	Group	
	2020	2019
	\$'000	\$'000
Wages and salaries	4,859	4,624
Employer's contribution to defined contribution plans	349	342
Share based payment expense (Note 27(b)(ii))	538	708
Other staff benefits	536	707
Total employee compensation expense	6,282	6,381

8. OTHER EXPENSES

Other expenses comprise net currency exchange gain of \$384,000 (2019: net currency exchange loss of \$1,656,000).

9. FINANCE EXPENSE

	Group	
	2020	2019
	\$'000	\$'000
Interest expense:		
- Bank borrowings	213	232
- Lease liabilities	25	-
Total finance expense	238	232

10. INCOME TAXES

	Group	
	2020	2019
	\$'000	\$'000
Tax credit attributable to loss is made up of:		
Deferred tax credit (Note 25)	-	22

Notes To The Financial Statements

For The Financial Year Ended 30 June 2020

10. INCOME TAXES (CONTINUED)

The tax on the Group's loss before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	Group	
	2020	2019
	\$'000	\$'000
Loss before income tax	(10,499)	(13,268)
Tax calculated at tax rate of 17% (2019: 17%)	(1,785)	(2,256)
Effects of:		
- Different tax rates in other countries	(478)	(647)
- Expenses not deductible for tax purposes	368	875
- Income not subject to tax	(111)	(159)
- Deferred tax benefits not recognised	2,006	2,165
Income tax credit	-	22

The tax incentives pertain to Productivity and Innovation Credit Scheme for qualifying expenditures incurred on qualifying activities in Singapore.

Movements in research and development ("R&D") tax incentive receivable are as follows:

	Group	
	2020	2019
	\$'000	\$'000
Beginning of financial year	1,204	1,073
Research and development tax incentive		
- Income during the year (Note 5)	405	463
- Over provision in prior year (Note 5)	-	(255)
	405	208
Research and development tax incentive received	(739)	-
Currency translation differences	1	(77)
End of financial year	871	1,204

Notes To The Financial Statements

For The Financial Year Ended 30 June 2020

11. DISCONTINUED OPERATION

On 15 March 2019, the Group disposed of its wholly owned subsidiary, Chemical Analysis Pty Ltd ("CAPL"). Accordingly, the Group accounted and reported all laboratory testing activities of CAPL, prior to its disposal as part of "Discontinued operation" in the prior financial year in the Consolidated Statement of Comprehensive Income.

(a) The results of the discontinued operation is as follows:

	2019 \$'000
Revenue	4,078
Cost of sales	(3,227)
Gross profit	851
Expenses	
- Sales and marketing	(145)
- General and administrative	(806)
- Finance	(16)
Total expenses	(967)
Loss before income tax	(116)
Income tax credit	22
Loss from discontinued operation	(94)

For the purpose of this disclosure, the total expenses of discontinued operation include inter-company rental arrangement between continuing operations and discontinued operation prior to disposal (i.e. not eliminated). The effects of the elimination are presented below:

	2019 \$'000
Rental income – continuing operations (Note 5)	308
Rental expense – discontinued operation	(205)
Rental income after eliminating inter-company rental arrangement	103

The impact of the discontinued operation on the cash flows of the Group for the financial years ended 30 June 2019 was as follows:

	Group 2019 \$'000
Operating cash inflows	(762)
Investing cash outflows	11,375
Financing cash outflows	(373)
Total cash outflows	10,240

Notes To The Financial Statements

For The Financial Year Ended 30 June 2020

12. LOSS PER SHARE

(a) Basic loss per share

Basic loss per share is calculated by dividing the net loss attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	Group					
	Continuing operations		Discontinued operation		Total	
	2020	2019	2020	2019	2020	2019
Net (loss)/profit attributable to equity holders of the Company (\$'000)	(10,499)	(13,246)	-	10,255	(10,499)	(2,991)
Weighted average number of ordinary shares outstanding for basic loss per share ('000)	647,285	643,830	-	643,830	647,285	643,830
Basic (loss)/profit per share (cents per share)	(1.62)	(2.06)	-	1.59	(1.62)	(0.47)

(b) Diluted loss per share

For the purpose of calculating diluted loss per share, net loss attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential ordinary shares.

For share options, the weighted average number of shares in issue has been adjusted as if all dilutive share options were exercised. The number of shares that could have been issued upon the exercise of all dilutive share options less the number of shares that could have been issued at fair value (determined as the Company's average share price for the financial year) for the same total proceeds is added to the denominator as the number of shares issued for no consideration. No adjustment is made to the net loss.

For share awards, the weighted average number of shares in issue has been adjusted as if all dilutive share awards were vested. The number of shares that could have been issued upon the vesting of all dilutive share awards is added to the denominator as the number of shares issued for no consideration. No adjustment is made to the net loss.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2020

12. LOSS PER SHARE (CONTINUED)

(b) Diluted loss per share (continued)

	Group					
	Continuing operations		Discontinued operation		Total	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Net (loss)/profit attributable to equity holders of the Company (\$'000)	(10,499)	(13,246)	-	10,255	(10,499)	(2,991)
Weighted average number of ordinary shares outstanding for basic loss per share ('000)	647,285	643,830	-	643,830	647,285	643,830
Adjustments for:						
- Share awards	-	-	-	4,100	-	4,100
	647,285	643,830	-	647,930	647,285	647,930
Diluted (loss)/profit per share (cents per share)	(1.62)	(2.06)	-	1.59	(1.62)	(0.47)

The Company has 2,384,000 (2019: 4,100,000) share awards that could potentially dilute basic earnings per share in the future but were not included in the calculation of diluted loss per share for continuing operations above because they are anti-dilutive for the financial year presented, having the effect of decreasing the loss per share.

13. CASH AND CASH EQUIVALENTS

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Cash at bank and on hand	5,663	15,872	3,593	14,308

For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	Group	
	2020 \$'000	2019 \$'000
Cash and bank balances (as above)	5,663	15,872
Less: Bank deposits pledged	(1,193)	(1,163)
Cash and cash equivalents per consolidated statement of cash flows	4,470	14,709

Bank deposits are pledged as security for bank credit facilities.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2020

13. CASH AND CASH EQUIVALENTS (CONTINUED)

Disposal of subsidiary

On 15 March 2019, the Group disposed of its wholly owned subsidiary, Chemical Analysis Pty Ltd. The effects of the disposal on the cash flows of the Group were:

	Group
	2019
	\$'000
Carrying amounts of assets and liabilities as at date of disposal:	
Cash and cash equivalents	226
Trade and other receivables	650
Other current assets	172
Property, plant and equipment	839
Intangible assets	150
Total assets	2,037
Trade and other payables	928
Provisions	147
Deferred tax liabilities	42
Total liabilities	1,117
Net assets disposed of	920
Cash inflows arising from disposal:	
Net assets disposed of (as above)	920
Reclassification of currency translation reserve	185
Total assets	1,105
Transaction costs	204
Gain on disposal	10,349
Cash proceeds on disposal	11,658
Less: Cash and cash equivalents in subsidiary disposed of	(226)
Net cash inflow on disposal	11,432

Notes To The Financial Statements

For The Financial Year Ended 30 June 2020

14. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Trade receivables:				
- Non-related parties	149	45	-	-
- Subsidiaries	-	-	3,364	2,595
Goods and services tax receivable	122	75	11	10
Research and development tax incentive receivable (Note 10)	871	1,204	-	-
Other receivables:				
- Non-related parties	158	104	36	5
- Subsidiaries	-	-	31,766	26,045
	158	104	31,801	26,050
Less: Allowance for impairment	-	(3)	(19,361)	(17,784)
Other receivable - net	158	101	12,440	8,266
	1,300	1,425	15,816	10,871

The research and development ("R&D") tax incentive is a programme administered jointly by the Australian Taxation Office and Innovation Australia to provide a tax refund at a rate of 43.5% (2019: 43.5%) or reduction in tax liability as applicable for qualifying expenditure incurred in Australia by the subsidiaries.

Other receivables from subsidiaries as at balance sheet date are unsecured, interest free and repayable on demand.

15. INVENTORIES

	Group	
	2020 \$'000	2019 \$'000
Raw materials	705	631
Work-in progress	92	76
Finished goods	86	143
	883	850

The cost of inventories recognised as an expense and included in "Cost of sales" amounts to \$580,000 (2019: \$182,000).

Notes To The Financial Statements

For The Financial Year Ended 30 June 2020

16. OTHER CURRENT ASSETS

	Group		Company	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Prepayments	208	333	124	169
Deposits	89	29	82	2
	297	362	206	171

17. INTANGIBLE ASSETS

	Group		Company	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
<u>Composition:</u>				
Goodwill arising on consolidation (Note 17(a))	310	308	-	-
Technological know-how (Note 17(b))	-	-	-	-
Computer software (Note 17(c))	137	152	108	102
	447	460	108	102

(a) Goodwill arising on consolidation

	Group	
	2020	2019
	\$'000	\$'000
Beginning of financial year	308	327
Currency translation differences	2	(19)
End of financial year	310	308

Impairment test for goodwill

Goodwill arising on consolidation is entirely allocated to the Group's Specialty Pharmaceutical cash-generating unit ("SP CGU").

The recoverable amount of the SP CGU was determined based on value-in-use. Further details of the impairment testing are set out in Note 18.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2020

17. INTANGIBLE ASSETS (CONTINUED)

(b) Technological know-how

	Group	
	2020 \$'000	2019 \$'000
Beginning of financial year	-	377
Less: Amortisation	-	(305)
Disposal	-	(56)
Currency translation differences	-	(16)
End of financial year	-	-

Technological know-how is the approved processes, comprising of chemical processes, standard operating procedures, databases and operating manuals, of the Chemical Analysis business segment acquired from the business combination. These processes have been developed over the years, documented, proceduralised and carried out to meet stringent regulatory standards, and carries significant commercial value.

Management had determined the intangible asset's economic useful life to be 5 years, taking into consideration management's expectations of future developments in the industry and technologies.

(c) Computer software

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<i>Cost</i>				
Beginning of financial year	164	334	102	-
Additions	12	154	6	102
Disposals	-	(304)	-	-
Currency translation differences	(2)	(20)	-	-
End of financial year	174	164	108	102
<i>Accumulated amortisation</i>				
Beginning of financial year	12	173	-	-
Amortisation (Note 6)	25	62	-	-
Disposals	-	(210)	-	-
Currency translation differences	-	(13)	-	-
End of financial year	37	12	-	-
Net book value	137	152	108	102

Notes To The Financial Statements

For The Financial Year Ended 30 June 2020

18. PROPERTY, PLANT AND EQUIPMENT

	Freehold land	Building	Computers	Office	Plant and equipment	Furniture and fittings	Leasehold improvement	Motor vehicles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Group</i>									
<i>Cost</i>									
At 30 June 2019	2,708	1,834	174	58	4,658	123	237	280	10,072
Additions	-	-	15	3	990	1	-	-	1,009
Disposals	-	-	(2)	(2)	(1)	-	-	(45)	(50)
Currency translation differences	26	17	-	1	44	-	2	1	91
At 30 June 2020	2,734	1,851	187	60	5,691	124	239	236	11,122
<i>Accumulated depreciation</i>									
At 30 June 2019	-	160	116	53	1,858	86	105	58	2,436
Depreciation charge (Note 6)	-	52	29	3	471	21	41	29	646
Disposals	-	-	(2)	(2)	(1)	-	-	(21)	(26)
Currency translation differences	-	3	1	1	33	1	1	-	40
At 30 June 2020	-	215	144	55	2,361	108	147	66	3,096
<i>Net book value</i>									
At 30 June 2020	2,734	1,636	43	5	3,330	16	92	170	8,026

Notes To The Financial Statements

For The Financial Year Ended 30 June 2020

18. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Freehold land	Building	Computers	Office	Plant and equipment	Furniture and fittings	Leasehold improvement	Motor vehicles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Group</i>									
<i>Cost</i>									
At 30 June 2018	2,876	1,948	248	76	4,697	132	308	79	10,364
Additions	-	-	37	4	1,368	15	28	206	1,658
Disposals	-	-	(104)	(20)	(1,173)	(22)	(86)	-	(1,405)
Currency translation differences	(168)	(114)	(7)	(2)	(234)	(2)	(13)	(5)	(545)
At 30 June 2019	2,708	1,834	174	58	4,658	123	237	280	10,072
<i>Accumulated depreciation</i>									
Beginning of financial year	-	115	168	54	1,762	64	79	26	2,268
Depreciation charge	-	54	36	9	624	31	62	34	850
Disposals	-	-	(82)	(8)	(436)	(8)	(32)	-	(566)
Currency translation differences	-	(9)	(6)	(2)	(92)	(1)	(4)	(2)	(116)
At 30 June 2019	-	160	116	53	1,858	86	105	58	2,436
<i>Net book value</i>									
AT 30 June 2019	2,708	1,674	58	5	2,800	37	132	222	7,636

Notes To The Financial Statements

For The Financial Year Ended 30 June 2020

18. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Computers \$'000	Office equipment \$'000	Furniture and fittings \$'000	Leasehold improvement \$'000	Motor vehicles \$'000	Total \$'000
<u>Company</u>						
<i>Cost</i>						
At 30 June 2019	82	29	97	67	206	481
Additions	3	3	1	–	–	7
Disposals	(3)	(1)	–	–	–	(4)
At 30 June 2020	82	31	98	67	206	484
<i>Accumulated depreciation</i>						
At 30 June 2019	55	26	68	52	24	225
Depreciation charge	11	3	19	15	26	74
Disposals	(2)	(2)	–	–	–	(4)
At 30 June 2020	64	27	87	67	50	295
Net book value						
At 30 June 2020	18	4	11	–	156	189
<u>Company</u>						
<i>Cost</i>						
At 30 June 2018	76	27	96	67	–	266
Additions	6	2	1	–	206	215
At 30 June 2019	82	29	97	67	206	481
<i>Accumulated depreciation</i>						
At 30 June 2018	43	24	45	30	–	142
Depreciation charge	12	2	23	22	24	83
At 30 June 2019	55	26	68	52	24	225
Net book value						
At 30 June 2019	27	3	29	15	182	256

Notes To The Financial Statements

For The Financial Year Ended 30 June 2020

18. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Right-of-use assets acquired under leasing arrangements are presented together with the owned assets of the same class.

(a) *Carrying amounts*

ROU assets classified within Property, plant and equipment

	Group		Company	
	30 June 2020	1 July 2019	30 June 2020	1 July 2019
	\$'000	\$'000	\$'000	\$'000
Plant and equipment	353	471	–	–
Motor vehicles	170	222	156	182
	524	693	156	182

(b) *Depreciation charge during the year*

	Group	Company
	\$'000	\$'000
2020		
Plant and equipment	123	–
Motor vehicles	29	26
	152	26

(c) *Interest expense*

	Group	Company
	\$'000	\$'000
2020		
Interest expense on finance lease liabilities relating to ROU assets classified within Property, plant and equipment	20	5

During the financial year ended 30 June 2020, bank borrowings are secured on freehold land and building, certain plant and equipment and motor vehicles of the Group with carrying value of \$3,654,934 (2019: \$4,761,466) (Note 22).

Impairment tests

As the Group is still undergoing clinical trials for its pharmaceutical products and has not commenced large scale manufacturing and sale of these products, it has incurred operating losses since its commencement of research and development activities. As such, management has conducted an impairment testing for goodwill, intangible assets, property, plant and equipment (“PPE”) and right-of-use assets.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2020

18. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Impairment tests (continued)

SP CGU and Nutraceutical business segment are identified to be the cash-generating units ("CGUs") of the Group.

No impairment review was performed for the Nutraceutical CGU; this is on the basis that there is no goodwill, intangible assets or significant PPE allocated to the CGU, since the nature of its business is the distribution of nutraceutical products that are contract manufactured by the SP CGU.

For SP CGU, the recoverable amount was determined based on fair value less costs of disposal for freehold land and building and based on value-in-use for goodwill, intangible assets, other PPE and right-of-use assets. The cash flow forecast was based on expected revenue growth over a 10-year period. Management determined that a 10-year forecast is appropriate as key products of this business segment, which are still undergoing clinical trials and further development, will require more than 5 years to reach a steady state of sales.

Freehold land and building

For freehold land and building, management compared its net book value against the fair value determined by an external professional valuer to ascertain whether there had been any impairment indicator.

The impairment review carried out as at 30 June 2020 has revealed that the recoverable amount of freehold land and building is higher than the carrying amount. There is no indication of impairment.

Goodwill, intangible assets and other PPE and right-of-use assets

Critical assumptions used for the value-in-use calculations for SP CGU:

- Discount rate of 14% (2019: 14%)
- Terminal growth rate of 2% for goodwill (2019: 2%) and no terminal growth rate applied to depreciable intangible assets and PPE
- Annual revenue growth rates of above 100% for FY2021 to FY2023, between 31% to 92% for FY2024 to FY2025, and between 3% to 11% for FY2026 to FY2030 (2019: Annual revenue growth rates of above 100% for FY2020 and FY2022, between 48% to 90% for FY2023 to FY2024, and between 10% to 16% for FY2025 to FY2029)

Management determined the terminal growth rate based on the long-term average growth rates in the industry and its expectations of future market developments. The discount rate used was a pre-tax rate and reflected specific risks relevant to the segment. The annual revenue growth rate was determined based on management's forecast of the projected number of patients who will use the products and the respective products selling price.

The impairment review carried out as at 30 June 2020 revealed that the recoverable amount of the SP CGU is higher than the carrying amount. No impairment loss is recognised during the financial year. As at 30 June 2020, any reasonably possible change to the key assumptions applied is not likely to cause the recoverable amount to be below the carrying amount of the SP CGU.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2020

19. RIGHT-OF-USE ASSETS

Nature of the Group's leasing activities

The Group leases office space, staff accommodation, and office equipment for its business operations from non-related parties.

(a) Carrying amounts

	Office equipment \$'000	Leasehold properties \$'000	Total \$'000
<u>Group</u>			
<i>Cost</i>			
At 30 June 2019	–	–	–
Adoption of SFRS(I) 16 (Note 2.1)	60	579	639
At 1 July 2019 and 30 June 2020	60	579	639
<i>Accumulated depreciation</i>			
At 30 June 2019	–	–	–
Depreciation charge	21	357	378
At 30 June 2020	21	357	378
Net book value			
At 30 June 2020	39	222	261
<u>Company</u>			
<i>Cost</i>			
At 30 June 2019	–	–	–
Adoption of SFRS(I) 16	10	579	589
At 1 July 2019 and 30 June 2020	10	579	589
<i>Accumulated depreciation</i>			
At 30 June 2019	–	–	–
Depreciation charge	2	357	359
At 30 June 2020	2	357	359
Net book value			
At 30 June 2020	8	222	230

The Group also leases certain plant and equipment and motor vehicles from non-related parties. Further details are set out in Note 18.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2020

19. RIGHT-OF-USE ASSETS (CONTINUED)

	2020 \$'000
(b) <i>Interest expense</i> Interest expense on lease liabilities	25
(c) <i>Lease expense not capitalised in lease liabilities</i> Lease expense – low-value leases	35

(d) Total cash outflow for all the leases in 2020 was \$627,000.

(e) There were no additions to ROU assets during the financial year.

(f) Future cash outflow which are not capitalised in lease liabilities:

Extension options

The leases for certain office equipment and staff accommodation contain extension periods, for which the related lease payments had not been included in lease liabilities as the Group is not reasonably certain to exercise these extension option. The Group negotiates extension options to optimise operational flexibility in terms of managing the assets used in the Group's operations.

20. INVESTMENTS IN SUBSIDIARIES

	Company	
	2020 \$'000	2019 \$'000
<i>Equity investments at cost</i>		
Beginning of financial year	1,967	5,405
Additions	–	–(*)
Disposal	–	(3,438)
End of financial year	1,967	1,967
<i>Accumulated allowance for impairment</i>		
Beginning and end of financial year	1	1
<i>Net book value</i>		
Beginning and end of financial year	1,966	1,966

* On 16 November 2018, the Group incorporated a wholly-owned subsidiary, iXB Sdn. Bhd., in Malaysia with cost of investment amount to RM2.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2020

20. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Details of the Company's subsidiaries are as follows:

Name	Principal activities	Country of business/ incorporation	Equity holding	
			2020	2019
			%	%
<u>Held by the Company</u>				
iX Biopharma Pty Ltd ^(a)	Research and experimental development	Australia	100	100
iX Syrinx Pty Ltd ("Syrinx") ^(a)	Manufacturing and sale of pharmaceutical products	Australia	100	100
Arrow Property Trust ("APT") ^(b)	Owner of an industrial property that is leased exclusively to Syrinx	Australia	100	100
Kaizen Manufacturing Pty Ltd ("KMPL") ^(b)	Trustee of Arrow Property Trust	Australia	100	100
Entity Health Ltd ^(c)	Promotion and marketing of nutritional and supplements products	Hong Kong	100	100
iXB Sdn. Bhd. ^(d)	Research and development, marketing and distribution of health and nutritional products in Malaysia	Malaysia	100	100
<u>Held by Entity Health Ltd</u>				
Entity Health Pte Ltd ^(e)	Promotion and marketing of nutritional and supplements products	Singapore	100	100
Entity Health (China) Company Ltd ^(c)	Investment holding company	Hong Kong	100	100
Entity Health Pty Ltd ^(a)	Promotion and marketing of nutritional and supplements products	Australia	100	100
<u>Held by Entity Health (China) Company Ltd</u>				
Entity Health (Shanghai) Co Ltd ^(f)	Promotion and marketing of nutritional and supplements products	China	100	100

(a) Audited by PricewaterhouseCoopers Australia for the purpose of the Group financial statements

(b) Audited by PricewaterhouseCoopers LLP, Singapore for the purpose of the Group financial statements

(c) Audited by PricewaterhouseCoopers Hong Kong

(d) The entity was dormant during the financial year.

(e) Audited by PricewaterhouseCoopers LLP, Singapore

(f) Audited by Shanghai Tripod Certified Public Accountants

Notes To The Financial Statements

For The Financial Year Ended 30 June 2020

21. TRADE AND OTHER PAYABLES

	Group		Company	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Trade payables:				
- Non-related parties	848	466	397	25
- Subsidiaries	-	-	7	-
Advance deposits received from customers	17	6	-	-
Accrued operating expenses	1,846	1,585	1,215	971
Amount due to directors of the Company	90	153	90	153
Goods and services tax payable	19	9	-	-
Other payables	4	91	-	-
	2,824	2,310	1,709	1,149

Amount due to directors of the Company relates to accrued fees and bonus as at the financial year end.

22. BORROWINGS

	Group		Company	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Bank borrowings:				
- Current	216	211	25	23
- Non-current	3,438	3,620	55	80
Total borrowings	3,654	3,831	80	103

Bank borrowings of the Group are secured over land and building, certain plant and equipment and motor vehicles (Note 18).

(i) Borrowings secured over plant and equipment:

Group	2020	2019
Borrowings (\$'000)	212	391
Interest rates	Between 4.9% to 5.8% per annum	Between 4.9% to 5.8% per annum

Notes To The Financial Statements

For The Financial Year Ended 30 June 2020

22. BORROWINGS (CONTINUED)

- (i) Borrowings secured over plant and equipment: (continued)

The borrowings are repayable in fixed monthly instalments, with maturity dates on 30 November 2021 and 12 May 2022 (30 June 2019: 30 November 2021 and 12 May 2022).

- (ii) Borrowings secured over motor vehicles:

Group

	2020	2019
Borrowings (\$'000)	89	118
Interest rates	4.95% and 5.24% per annum	4.95% and 5.24% per annum

The borrowings are repayable in fixed monthly instalments up to July 2023 (30 June 2019: January 2020 and July 2023).

Company

	2020	2019
Borrowings (\$'000)	80	103
Interest rates	5.24% per annum	5.24% per annum

The borrowings are repayable in fixed monthly instalments up to July 2023.

- (iii) Borrowing secured over land and building:

Group

	2020	2019
Borrowing (\$'000)	3,353	3,322
Interest rates	5.75% per annum from 29 June 2018 to 30 June 2020, at floating interest rate thereafter	

The borrowing is repayable in fixed monthly instalments from 30 July 2021 and the remaining balance shall be fully payable on 30 June 2023.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2020

22. BORROWINGS (CONTINUED)

(a) Fair value of non-current borrowings

	Group		Company	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Bank borrowings	3,438	3,620	55	80

The fair values of current borrowings approximate their carrying values.

The fair values above are determined from the cash flow analyses, discounted at market borrowing rates of an equivalent instrument at the balance sheet date which the directors expect to be available to the Group as follows:

	Group		Company	
	2020	2019	2020	2019
	%	%	%	%
Bank borrowings	4.89 to 5.75	4.89 to 5.75	5.24	5.24

The fair values are within Level 2 of the fair values hierarchy. The fair values measurement hierarchy are defined in Note 29(g).

(b) Undrawn borrowing facilities

	Group		Company	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Expiring beyond one year	1,216	1,016	–	–

The available credit facilities with a bank comprise of asset finance leasing and business lending overdraft facilities in order to finance future acquisitions of plant and equipment.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2020

22. BORROWINGS (CONTINUED)

(c) Reconciliation of liabilities arising from financing activities:

	Non-cash changes						
	\$'000						
	1 July 2019	Principal and interest payments	Adoption of SFRS(I) 16	Additions during the year	Interest expense	Foreign exchange movement	
	\$'000	\$'000				30 June 2020	
						\$'000	
Borrowings	3,831	(426)	–	–	213	36	3,654
Lease liabilities	–	(400)	639	–	25	–	264

	Non-cash changes					30 June 2019
	1 July 2018	Principal and interest payments	Additions during the year	\$'000		
				Interest expense	Foreign exchange movement	
	\$'000	\$'000				\$'000
Borrowings	4,539	(814)	124	249	(267)	3,831

23. PROVISIONS

	Group	
	2020 \$'000	2019 \$'000
Provision for employees' long service leave		
- Current	12	10
- Non-current	60	36
Total provisions	72	46

Provisions for employees' long service leave relates to liability due to employees for leave entitlement earned after a certain period of continuous employment, in accordance with Australia labour regulations.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2020

23. PROVISIONS (CONTINUED)

Movements in provision for employee's long service leave are as follows:

	2020 \$'000	2019 \$'000
Beginning of financial year	46	132
Provision made	26	62
Provision reversed	-	(100)
Provision reversed due to the disposal of a subsidiary	-	(39)
Currency translation differences	-	(9)
End of financial year	72	46

24. DEFERRED GOVERNMENT GRANT

	Group	
	2020 \$'000	2019 \$'000
Beginning of financial year	-	17
Less: Accretion for the financial year	-	(16)
Currency translation differences	-	(1)
End of financial year	-	-

Deferred government grant relates to grant received from the State of Victoria under Pharmaceutical Sterile Manufacturing Facility Agreement for the establishment of bio-pharmaceutical fill and finish facility, with cold chain management and freeze drying capabilities. The grant was received for expenditure incurred to acquire certain plant and equipment and certain repairs and modification made in accordance with the terms and conditions of the grant agreement. The grants received for assets acquired are recognised over the estimated useful life of the assets.

25. DEFERRED INCOME TAXES

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2020

25. DEFERRED INCOME TAXES (CONTINUED)

Movement in deferred income tax account is as follows:

	Group		Company	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Beginning of financial year	-	90	-	-
Tax credit during the year (Note 10)	-	22	-	-
Disposal of a subsidiary	-	(113)	-	-
Currency translation differences	-	1	-	-
End of financial year	-	-	-	-

Deferred income tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group has unrecognised tax losses of \$56,377,000 (30 June 2019: \$47,440,000) at the balance sheet date, and the Company has unrecognised tax losses of \$40,246,000 (30 June 2019: \$35,024,000). The unrecognised tax losses can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unrecognised tax losses in their respective countries of incorporation. The tax losses have no expiry date.

The movement in deferred income tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) is as follows:

Group

Deferred income tax liabilities

	Fair value uplift – technological know-how	Accelerated tax depreciation	Total
	\$'000	\$'000	\$'000
2020			
Beginning of financial year	-	-	-
Currency translation differences	-	-	-
End of financial year	-	-	-
2019			
Beginning of financial year	113	145	258
Disposal of a subsidiary	(113)	(138)	(251)
Currency translation differences	-	(7)	(7)
End of financial year	-	-	-

Notes To The Financial Statements

For The Financial Year Ended 30 June 2020

25. DEFERRED INCOME TAXES (CONTINUED)

Deferred income tax assets

	Provisions \$'000	Total \$'000
2020		
Beginning of financial year	-	-
Tax credit during the year	-	-
Currency translation differences	-	-
End of financial year	-	-
2019		
Beginning of financial year	(167)	(167)
Tax credit during the financial year	22	22
Disposal of a subsidiary	138	138
Currency translation differences	7	7
End of financial year	-	-

26. SHARE CAPITAL

	No. of ordinary shares	Amount \$'000
<u>Group and Company</u>		
2020		
Beginning of financial year	644,594,057	71,525
Shares issued pursuant to iX Performance Share Plan (Note 27(b))	4,300,333	726
End of financial year	648,894,390	72,251
2019		
Beginning of financial year	642,695,724	71,129
Shares issued pursuant to iX Performance Share Plan (Note 27(b))	1,898,333	396
End of financial year	644,594,057	71,525

All issued ordinary shares are fully paid. There is no par value for these ordinary shares. Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company.

Pursuant to iX Performance Share Plan granted on 30 September 2016, the Company issued 4,300,333 ordinary shares to its employees through exercise of the share plans on 16 November 2019 (2019: 1,365,000 and 533,333 ordinary shares issued on 16 November 2018 and 14 December 2018 respectively). Refer to Note 27(b) for details of the share options exercised.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2020

27. OTHER RESERVES

	Group		Company	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Currency translation reserve (Note 27(a))	1,333	1,703	-	-
Share based payment reserve (Note 27(b))	320	508	320	508
	1,653	2,211	320	508

(a) Currency translation reserve

	Group		Company	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Beginning of financial year	1,703	441	-	-
Net currency translation differences of financial statements of foreign subsidiaries	(370)	1,447	-	-
Reclassification on disposal of a subsidiary	-	(185)	-	-
End of financial year	1,333	1,703	-	-

(b) Share based payment reserve

(i) Share Option Scheme and Share Plan

The iX Employee Share Option Scheme (the "Share Option Scheme") and the iX Performance Share Plan (the "Share Plan") for directors and employees of the Group were approved by members of the Company at the Extraordinary General Meeting on 17 June 2015.

During the financial year, no options were granted under the Share Option Scheme and on 16 November 2019, 2,717,333 share awards, where 333,333 shares to be vested immediately and 2,384,000 shares to be vested 12 months from the date of award were granted under the Share Plan.

The fair value of the share awards granted on 16 November 2019, determined based on share price on grant date, was \$0.22.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2020

27. OTHER RESERVES (CONTINUED)

(b) Share based payment reserve (continued)

(i) Share Option Scheme and Share Plan (continued)

Movements in the number of unissued ordinary shares under awards during the financial year are as follows:

	Beginning of financial year '000	Awarded '000	Expired '000	Forfeited '000	Issued '000	End of financial year '000
2020						
<u>Share awards</u>						
iX Performance						
Share Plan	4,100	2,717	–	(133)	(4,300)	2,384
2019						
<u>Share awards</u>						
iX Performance						
Share Plan	1,365	4,633	–	–	(1,898)	4,100

The table below sets out the vested and non-vested share awards outstanding as at 30 June 2020 and 30 June 2019.

	2020 '000	2019 '000
<u>Share awards</u>		
Vested and unissued awards	–	1,500
Non-vested awards	2,384	2,600
	2,384	4,100

Notes To The Financial Statements

For The Financial Year Ended 30 June 2020

27. OTHER RESERVES (CONTINUED)

(b) Share based payment reserve (continued)

(ii) Movement for share based payment reserve

The movement for share based payment reserve is as follows:

	Group and Company	
	2020	2019
	\$'000	\$'000
Beginning of financial year	508	196
Share based payment scheme		
- Value of employees' services (Note 7)	538	708
- Share awards issued (Note 26)	(726)	(396)
End of financial year	320	508

28. COMMITMENTS

Capital commitments

Capital expenditures of \$196,000 (2019: \$127,000) for property, plant and equipment were contracted for at the balance sheet date but not recognised in the financial statements.

Operating lease commitments - where the Group is a lessee

The Group leases office premises and a residential apartment from non-related parties under non-cancellable operating lease agreements.

The future minimum lease payments under non-cancellable operating leases contracted for at the balance sheet date but not recognised as liabilities, are as follows:

	2019
	\$'000
<u>The Group and Company</u>	
Not later than one year	380
Between one and five years	245
	<u>625</u>

As disclosed in Note 2.1, the Group has adopted SFRS(I) 16 on 1 July 2019. These lease payments have been recognised as right-of-use assets and lease liabilities in the balance sheet of the Group and the Company as at 30 June 2020, except for short-term and low value leases.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2020

29. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's activities expose it to market risk, credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise any adverse effects from the unpredictability of financial markets on the Group's financial performance.

Risk management framework

The Board of Directors oversees how management monitors and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The framework is reviewed regularly to reflect changes in market conditions and the Group's activities.

(a) Market risk

Market risk is the risk that changes in market conditions such as changes in exchange rates will affect the Group's income or the carrying value of its financial instruments. The Group does not have any significant price and interest rate risks.

(i) Currency risk

The Group operates in Asia Pacific with operations in Singapore, Australia, and China. Entities in the Group regularly transact in currencies other than their respective functional currencies ("foreign currencies").

Currency risk arises within entities in the Group when transactions are denominated in foreign currencies other than functional currency such as the United States Dollars ("USD") and Australian Dollars ("AUD"). To date, the Group has not hedged any of its currency exposure.

In addition, the Group is exposed to currency translation risk arising from the net assets of its foreign operations. Currency exposure to the net assets of the Group's foreign operations in Australia is managed primarily through borrowings denominated in the relevant foreign currencies. The Group's net assets are not hedged as their currency positions are considered to be long-term in nature.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2020

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(i) Currency risk (continued)

The Group's currency exposure based on the information provided to key management is as follows:

	USD \$'000	AUD \$'000
<u>Group</u>		
2020		
Financial assets		
Cash and cash equivalents	781	4,504
Trade and other receivables	280	14,761
Other current assets	-	-
	1,061	19,265
Financial liabilities		
Trade and other payables	(324)	(34,820)
Borrowings	-	(3,825)
Lease liabilities	-	(32)
	(324)	(38,677)
Net financial assets/ (liabilities)	737	(19,412)
Less: Financial (assets)/ liabilities denominated in the respective entities' functional currencies		
Cash and cash equivalents	-	(1,919)
Trade and other receivables	-	(480)
	-	(2,399)
Trade and other payables	-	34,759
Borrowings	-	3,825
Lease liabilities	-	32
	-	38,616
	-	36,217
Currency exposure of net financial assets net of those denominated in the respective entities' functional currencies	737	16,805

Notes To The Financial Statements

For The Financial Year Ended 30 June 2020

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(i) Currency risk (continued)

The Group's currency exposure based on the information provided to key management is as follows (continued):

	USD \$'000	AUD \$'000
<u>Group</u>		
2019		
Financial assets		
Cash and cash equivalents	4,213	11,491
Trade and other receivables	–	10,761
Other current assets	–	21
	<u>4,213</u>	<u>22,273</u>
Financial liabilities		
Trade and other payables	(5)	(29,111)
Borrowings	–	(4,034)
	<u>(5)</u>	<u>(33,145)</u>
Net financial assets/(liabilities)	4,208	(10,872)
Less: Financial (assets)/liabilities denominated in the respective entities' functional currencies		
Cash and cash equivalents	–	(1,490)
Trade and other receivables	–	(664)
Other current assets	–	(21)
	<u>–</u>	<u>(2,175)</u>
Trade and other payables	–	29,105
Borrowings	–	4,034
	<u>–</u>	<u>33,139</u>
	<u>–</u>	<u>30,964</u>
Currency exposure of net financial assets net of those denominated in the respective entities' functional currencies	<u>4,208</u>	<u>20,092</u>

Notes To The Financial Statements

For The Financial Year Ended 30 June 2020

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(i) Currency risk (continued)

The Company's currency exposure based on the information provided to key management is as follows:

	USD \$'000	AUD \$'000
<u>Company</u>		
2020		
Financial assets		
Cash and cash equivalents	740	2,585
Trade and other receivables	280	14,281
	1,020	16,866
Financial liability		
Trade and other payables	(18)	(40)
	(18)	(40)
Net financial assets/Currency exposures	1,002	16,826
	USD \$'000	AUD \$'000
<u>Company</u>		
2019		
Financial assets		
Cash and cash equivalents	4,213	10,001
Trade and other receivables	–	10,097
	4,213	20,098
Financial liability		
Trade and other payables	(5)	(2)
	(5)	(2)
Net financial assets/Currency exposures	4,208	20,096

Notes To The Financial Statements

For The Financial Year Ended 30 June 2020

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(i) Currency risk (continued)

If the AUD and USD change against the SGD by 1% (30 June 2019: 6%) and 3% (30 June 2019: 1%) respectively, with all other variables including tax rate being held constant, the effects arising from the net financial asset positions will be as follows:

	Increase/(decrease)	
	2020	2019
	Loss after tax	Loss after tax
	\$'000	\$'000
<u>Group</u>		
AUD against SGD		
- Strengthened	(139)	(1,001)
- Weakened	139	1,001
USD against SGD		
- Strengthened	(18)	(35)
- Weakened	18	35
	Increase/(decrease)	
	2020	2019
	Loss after tax	Loss after tax
	\$'000	\$'000
<u>Company</u>		
AUD against SGD		
- Strengthened	(140)	(1,001)
- Weakened	140	1,001
USD against SGD		
- Strengthened	(25)	(35)
- Weakened	25	35

Notes To The Financial Statements

For The Financial Year Ended 30 June 2020

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Group. The major classes of financial assets of the Group are cash at bank and trade and other receivables. For trade receivables and accrued income, the Group adopts the policy of dealing only with customers of appropriate credit standing and history. The Group's credit terms extended to customers may differ as credit terms are granted based on, amongst others, on the size of the projects or contracts, customers' creditworthiness and payment history, and length of dealing with the customer. For instance, for new customers the Group may request for payments to be made in advance for a certain portion or the entire value of the sales contract before commencing any work until the customers have demonstrated a prompt payment track record, following which the Group may extend the appropriate credit terms.

The Group monitors all outstanding trade receivables and accrued income closely and specific provision is made when the recoverability of an outstanding debt is in doubt. The amount of such provision is dependent on the duration for which the trade receivables and accrued income are overdue as well as on management's assessment of the likelihood that such trades may be unrecoverable. The Group may also write off outstanding trade receivables and accrued income when it is certain that a customer is unable to meet its financial obligations.

For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet.

The movements in credit loss allowance are as follows:

	Trade receivables ^(a)	
	2020	2019
	\$'000	\$'000
Group		
At 1 July	3	-
Loss allowance recognised in profit or loss during the year on:		
- Reversal of unutilised amounts	(3)	-
- Assets acquired/originated	-	3
	(3)	3
Receivables written off as uncollectible	-	-
Exchange differences	-	-
At 30 June	-	3

^(a) Loss allowance measured at 12-month expected credit loss

Notes To The Financial Statements

For The Financial Year Ended 30 June 2020

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (continued)

Cash and cash equivalents, other receivables and deposits are subject to immaterial credit loss.

(i) Trade receivables

The Group uses a provision matrix to measure the lifetime expected credit loss allowance for trade receivables.

In measuring the expected credit losses, trade receivables are grouped based on shared credit risk characteristics and days past due.

In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables.

Trade receivables are written off when the assets become uncollectible.

The Group's credit risk exposure in relation to trade receivables under SFRS(I) 9 as at 30 June 2020 and 30 June 2019 are set out in the provision matrix as follows:

		<div> <div>←</div> <div>Past due</div> <div>→</div> </div>		
	Current	Less than 3 months	3 to 6 months	Total
	\$'000	\$'000	\$'000	\$'000
<u>Group</u>				
As at 30 June 2020				
Pharmaceutical products				
Expected loss rate	0%	0%	0%	
Trade receivables	46	25	2	73
Loss allowance	-	-	-	-
Nutraceutical products				
Expected loss rate	0%	0%	0%	
Trade receivables	76	-	-	76
Loss allowance	-	-	-	-

Notes To The Financial Statements

For The Financial Year Ended 30 June 2020

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (continued)

Cash and cash equivalents, other receivables and deposits are subject to immaterial credit loss.

(i) Trade receivables (continued)

The Group's credit risk exposure in relation to trade receivables under SFRS(I) 9 as at 30 June 2020 and 30 June 2019 are set out in the provision matrix as follows: (continued)

		<div> <div>←</div> <div>Past due</div> <div>→</div> </div>		
	Current	Less than	3 to 6	Total
	\$'000	3 months	months	\$'000
		\$'000	\$'000	\$'000
<u>Group</u>				
As at 30 June 2019				
Pharmaceutical products				
Expected loss rate	0%	0%	0%	
Trade receivables	21	1	–	22
Loss allowance	–	–	–	–
Nutraceutical products				
Expected loss rate	0%	25%	0%	
Trade receivables	11	12	–	23
Loss allowance	–	3	–	3

(ii) Receivables from subsidiaries, other receivables and other current assets (excluding prepayments)

For receivables from subsidiaries, other receivables due from non-related parties and deposits, the general 3-stage approach is applied. Credit loss allowance is based on 12-month expected credit loss if there is no significant increase in credit risk since initial recognition of the assets. The Group has assessed credit risk based on the subsidiaries' underlying assets and operations, including future business plans and cash flow projections. The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical payment experience and the corresponding historical credit loss rates, and adjusted for forward-looking macroeconomic factors.

These financial assets are assessed as credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Where there has been a significant increase in credit risk since initial recognition, lifetime expected credit loss has been calculated and recognised.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2020

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (continued)

(ii) *Receivables from subsidiaries, other receivables and other current assets (excluding prepayments) (continued)*

	Receivables from subsidiaries	
	2020 \$'000	2019 \$'000
<u>Company</u>		
At 1 July	17,784	13,780
Loss allowance recognised in profit or loss during the year on:		
- Assets acquired/originated	1,577	4,004
At 30 June	19,361	17,784

Other receivables due from non-related parties and deposits for the Group are subject to immaterial credit loss.

(c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulties in meeting the obligations associated with its financial liabilities.

The Group's liquidity needs include working capital requirements, expenditures relating to research and development activities, regulatory compliance activities, business development activities and repayment of outstanding debts.

The Group's liquidity risk management includes maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. At the balance sheet date, assets held by the Group and the Company for managing liquidity risk are primarily cash at bank as disclosed in Note 13.

Management monitors the liquidity reserve (comprising undrawn borrowing facilities (Note 22(b)) and cash and cash equivalents (Note 13) of the Group on the basis of expected cash flows. This is generally carried out at the local level in the operating companies of the Group in accordance with the practice and limits set by the Group.

Further details of the Group's liquidity risk management is set out in Note 33.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2020

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk (continued)

The table below analyses non-derivative financial liabilities of the Group into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000
<u>Group</u>			
30 June 2020			
Trade and other payables	2,784	–	–
Borrowings	225	432	3,010
Lease liabilities	251	17	3
30 June 2019			
Trade and other payables	2,204	–	–
Borrowings	424	3,736	89
<u>Company</u>			
30 June 2020			
Trade and other payables	1,709	–	–
Borrowings	28	56	2
Lease liabilities	230	3	3
30 June 2019			
Trade and other payables	1,149	–	–
Borrowings	28	28	59

(d) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payments, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2020

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Capital risk (continued)

Management monitor capital based on a gearing ratio. The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as borrowings and lease liabilities plus trade and other payables less cash and cash equivalents. Total capital is calculated as total equity plus net debt.

	Group		Company	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Net debt/(cash)	1,080	(9,731)	(1,572)	(13,054)
Total equity	10,168	20,499	20,087	26,503
Total capital	11,248	10,768	18,515	13,449
Gearing ratio	10%	N.A ⁽¹⁾	N.A ⁽¹⁾	N.A ⁽¹⁾

⁽¹⁾ The Group and the Company's cash position exceeds the total of trade and other payables, and borrowings. The Group is in a net cash position for the financial year ended 30 June 2019, and the Company is in a net cash position for the financial years ended 30 June 2020 and 2019.

(e) Financial instruments by category

The aggregate carrying amounts of financial assets and financial liabilities at amortised cost are as follows:

	Group	Company
	\$'000	\$'000
30 June 2020		
Financial assets, at amortised cost	5,952	19,445
Financial liabilities, at amortised cost	6,703	2,021
	Group	Company
	\$'000	\$'000
30 June 2019		
Financial assets, at amortised cost	16,047	25,171
Financial liabilities, at amortised cost	6,035	1,252

(f) Offsetting financial assets and financial liabilities

There were no financial instruments that are subject to enforceable master netting arrangements or similar agreements.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2020

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

(g) Fair value measurements

The fair value of financial liability for disclosure purpose is classified by level of the following fair value measurement hierarchy:

- (i) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (ii) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- (iii) inputs for the assets or liability that are not based on observable market data (unobservable inputs) (Level 3).

There were no transfers of the financial liability between each level during the financial years ended 30 June 2020 and 30 June 2019.

See Note 22(a) for disclosure of the fair value of borrowings.

30. RELATED PARTY TRANSACTIONS

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties:

	Group	
	2020 \$'000	2019 \$'000
Professional fees paid to related parties	104	315

Related parties comprise corporations which are related by common directors of the Company and a subsidiary.

Outstanding balances as at 30 June 2020, comprising of amount due from subsidiaries and amount due to directors of the Company and its subsidiaries, are set out in Note 18 and Note 21 respectively.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2020

30. RELATED PARTY TRANSACTIONS (CONTINUED)

(i) *Key management personnel compensation*

Compensation paid/payable to key management personnel of the Group is as follows:

	Group	
	2020	2019
	\$'000	\$'000
Wages, salaries and other short-term employee benefits	1,902	1,811
Employer's contribution to defined contribution plans	9	15
Share based payment expense	189	391
	2,100	2,217

31. SEGMENT INFORMATION

Management has determined the operating segments based on the reports that are used to make strategic decisions, allocate resources, and assess performance.

The Management considers the Group's business based on its business segments, which comprise of the Specialty Pharmaceutical and Nutraceutical segments.

Specialty Pharmaceutical primary business activities are the development, manufacturing and sale of pharmaceutical and nutraceutical products. Nutraceutical primary business activities are the sale of nutraceutical products.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2020

31. SEGMENT INFORMATION (CONTINUED)

The segment information for the reportable segments is as follows:

Continuing business

Group	Specialty Pharmaceutical \$'000	Nutraceutical \$'000	Total continuing operations \$'000
2020			
Revenue			
Total segment sales	787	389	1,176
Less:			
Inter-segment sales	(191)	–	(191)
Sales to external parties	596	389	985
Adjusted EBITDA	(4,247)	(1,895)	(6,142)
Depreciation	593	–	593
Amortisation	25	–	25

Group	Specialty Pharmaceutical \$'000	Nutraceutical \$'000	Total continuing operations \$'000
2019			
Revenue			
Total segment sales	480	278	758
Less:			
Inter-segment sales	(87)	–	(87)
Sales to external parties	393	278	671
Adjusted EBITDA	(4,956)	(1,854)	(6,810)
Depreciation	538	–	538
Amortisation	2	–	2

Notes To The Financial Statements

For The Financial Year Ended 30 June 2020

31. SEGMENT INFORMATION (CONTINUED)

(a) Reconciliations

(i) *Segment profits*

The revenue from external parties reported to the Management is measured in a manner consistent with that in the statement of comprehensive income.

The Management assesses the performance of the business segments based on a measure of earnings before interest, tax, depreciation and amortisation and other non-recurring income or expenses ("Adjusted EBITDA").

Interest income and finance expense are not allocated to segments as deposits and borrowings are managed on an overall Group basis and not allocated to specific business segments.

This measurement basis excludes the effects of expenditure from the business segments that are non-recurring such as restructuring costs and impairment loss, that are not expected to recur regularly in every period and which are separately analysed.

A reconciliation of Adjusted EBITDA to loss from continuing operations before income tax is as follows:

	2020 \$'000	2019 \$'000
Adjusted EBITDA is reconciled to loss before income tax as follows:		
Reportable segments	(6,142)	(6,810)
Unallocated corporate expenses	(3,408)	(3,641)
	(9,550)	(10,451)
Research and development tax incentive	405	208
Depreciation	(1,024)	(621)
Amortisation	(25)	(2)
Currency exchange gains/(losses) – net	384	(1,656)
Share based payment expense	(538)	(708)
Finance expense	(238)	(232)
Interest income	87	194
Loss from continuing operations before income tax	(10,499)	(13,268)

Notes To The Financial Statements

For The Financial Year Ended 30 June 2020

31. SEGMENT INFORMATION (CONTINUED)

(b) Geographical information

The Group's two business segments operate in three geographical areas:

- Singapore - the Company is headquartered and has operations in Singapore. The operations in this area are principally the researching and experimental development on biotechnology life and medical science;
- Australia - the operations in this area are principally sales and manufacturing of pharmaceutical and nutraceutical products and services; and
- China - the operations in this area are principally sales of pharmaceutical and nutraceutical products and services.

	Sales ⁽¹⁾	
	2020	2019
	\$'000	\$'000
Singapore	50	88
Australia	627	583
China	308	-
	985	671
	Non-current assets ⁽²⁾	
	2020	2019
	\$'000	\$'000
Australia	8,208	7,738

⁽¹⁾ External sales by geographical segment are determined based on the locations the revenue originated.

⁽²⁾ Non-current assets by geographical segment are based on the locations of the respective assets.

There were no significant revenues derived from a single external customer for the financial years ended 30 June 2020 and 30 June 2019.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2020

31. SEGMENT INFORMATION (CONTINUED)

(c) Changes in accounting policy

- (i) The adoption of the new leasing standard described in Note 2.1 had the following impact on the adjusted EBITDA in the current year:

	Adjusted EBITDA before adoption of SFRS(I) 16 \$'000	Rental expenses under SFRS(I) 1-17, when the Group is a lessee \$'000	Adjusted EBITDA after adoption of SFRS(I) 16 \$'000
Specialty Pharmaceutical	(4,267)	20	(4,247)
Nutraceutical	(1,895)	–	(1,895)
	(6,162)	20	(6,142)

- (ii) The recognition of ROU assets and lease liabilities on the balance sheet resulted in an increase in depreciation and finance expenses in the consolidated statement of comprehensive income in the current year as follows:

	Depreciation \$'000	Finance expense \$'000
Specialty Pharmaceutical	18	3
Nutraceutical	–	–
	18	3

Comparative segment information has not been restated. As a consequence, the segment information disclosed for the items above is not entirely comparable to the information disclosed for the prior year.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2020

32. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Amendments to SFRS(I) 3 *Business Combinations* (effective for annual periods beginning on or after 1 July 2020)

The amendments provide new guidance on the assessment of whether an acquisition meets the definition of a business under SFRS(I) 3. To be considered a business, an acquisition would have to include an input and a substantive process that together significantly contribute to the ability to create outputs. A framework is introduced to evaluate when an input and substantive process are present. To be a business without outputs, there will now need to be an organised workforce.

The definition of the term 'outputs' is narrowed to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits.

It is also no longer necessary to assess whether market participants are capable of replacing missing elements or integrating the acquired activities and assets.

Entities can apply a 'concentration test' that, if met, eliminates the need for further assessment. Under this optional test, where substantially all of the fair value of gross assets acquired is concentrated in a single asset (or a group of similar assets), the assets acquired would not represent a business.

These amendments are applied to business combinations and asset acquisitions with acquisition date on or after 1 July 2020. Early application is permitted. The Group does not expect any significant impact arising from applying these amendments.

33. EVENTS OCCURRING AFTER BALANCE SHEET DATE

On 28 July 2020, the Company entered into a conditional subscription agreement for a placement of 44,491,299 shares in the Company for net cash proceeds of approximately \$10.18 million.

The listing and quotation notice has been obtained from SGX-ST on 20 August 2020. The approval for the allotment and issuance of the placement shares has been obtained from the shareholders of the Company at the extraordinary general meeting held on 4 September 2020.

The net cash proceeds were subsequently received on 8 September 2020, and the placement shares were issued on 8 September 2020.

34. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of iX Biopharma Ltd. on 16 September 2020.

Statistics of Shareholdings

As at 4 September 2020

Issued and Fully Paid-Up Capital	:	S\$72,251,000
Number of Shares in Issue	:	648,894,390
Class of Share	:	Ordinary Shares
Treasury Shares	:	Nil
Voting Rights	:	One vote per Ordinary Share

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS AS AT 4 SEPTEMBER 2020

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	6	0.00	284	0.00
100 - 1,000	64	0.01	38,648	0.01
1,001 - 10,000	520	0.54	3,528,569	0.54
10,001 - 1,000,000	1,002	11.90	77,211,824	11.90
1,000,001 AND ABOVE	49	87.55	568,115,065	87.55
TOTAL	1,641	100.00	648,894,390	100.00

TWENTY LARGEST SHAREHOLDERS

No.	Shareholder's Name	No. of Shares	% of Shares
1	EDDY LEE YIP HANG	165,119,020	25.45
2	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	94,662,005	14.59
3	CITIBANK NOMS SPORE PTE LTD	51,548,884	7.94
4	RAFFLES NOMINEES (PTE) LIMITED	27,211,620	4.19
5	JASPAL SINGH NARULLA	24,081,188	3.71
6	PHILLIP SECURITIES PTE LTD	21,090,269	3.25
7	DBS NOMINEES PTE LTD	19,290,680	2.97
8	TANG CHOY LENG JANE MRS JANE LEE CHOY LENG	17,460,982	2.69
9	WETWATERS 8 (S) PTE LTD	11,700,000	1.80
10	OCBC SECURITIES PRIVATE LTD	10,682,100	1.65
11	ANG BOON TECK SUNNY	10,265,539	1.58
12	YEOH WEE LIAT	9,205,396	1.42
13	MOHAN BHAGCHAND MULANI	8,318,000	1.28
14	ALBERT HO SHING TUNG	7,799,999	1.20
15	YEO CHUNG SUN	7,389,000	1.14
16	HSBC (SINGAPORE) NOMINEES PTE LTD	5,884,024	0.91
17	RAJAN MENON	5,200,000	0.80
18	RAMCHANDRA HEGDE OR MYNA RAMCHANDRA HEGDE	4,605,100	0.71
19	UOB KAY HIAN PTE LTD	4,438,500	0.68
20	MAYBANK KIM ENG SECURITIES PTE.LTD	4,272,700	0.66
TOTAL		510,225,006	78.62

Statistics of Shareholdings

As at 4 September 2020

SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS

Name	Direct Interest	%	Deemed Interest	%
Eddy Lee Yip Hang	165,119,020	25.45	17,460,982 ¹	2.69
Anson Properties Pte. Ltd.	62,381,336 ²	9.61	–	–
Jaspal Singh Narulla	24,081,188	3.71	16,380,000 ³	2.53

Notes:

1. Mr. Eddy Lee Yip Hang is deemed interested in the shares of the Company held by his wife, Ms. Tang Choy Leng Jane by virtue of Section 164 of the Companies Act.
2. Anson Properties Pte. Ltd. ("**APPL**") is 100.0% owned by HRT Corporation Pte. Ltd. ("**HRT Corporation**"). Ms. Phuah Bee Lee owns 100.0% of equity interest in HRT Corporation. Accordingly, Ms. Phuah Bee Lee and HRT Corporation are deemed to be interested in the Shares held by APPL. APPL's direct interest includes 30,000,000 and 31,200,000 Shares held in the name of CGS-CIMB Securities (Singapore) Pte. Ltd. and Citibank Nominees Singapore Pte Ltd, respectively.
3. Mr. Jaspal Singh Narulla ("Mr. Narulla") is deemed interested in the shares of the Company held by Wetwaters 8 (S) Pte. Ltd., Jaspal Narulla Family Investments Pte. Ltd. and Narulla One (S) Pte. Ltd. (the "Companies") by virtue of his shareholding interest in the Companies.

SHAREHOLDING HELD IN THE HANDS OF PUBLIC

As at 4 September 2020, approximately 54.53% of the shareholdings of the Company is held in the hands of the public and therefore Rule 723 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited has been complied with.

Additional Information on Directors Seeking Re-election

at 2020 Annual General Meeting

Pursuant to Rule 720(5) of the Catalist Rules, the information as set out in Appendix 7F to the Catalist Rules relating the Directors who are retiring and seeking re-election in accordance with the Company's Constitution at the forthcoming AGM, is set out below:

Mr. Eddy Lee Yip Hang	
Age	66
Date of appointment	17 January 2008
Job Title	Chairman and Chief Executive Officer A member of Nominating Committee (NC)
Date of last re-election as Director (if applicable)	19 October 2018
Country of principal residence	Singapore
The Board's comments on the re-appointment (including rationale, selection criteria, and the search and nomination process)	<p>The re-election of Mr. Eddy Lee Yip Hang (Mr. Lee) as the Executive Director was recommended by the NC and the Board has accepted the recommendation, after taking into consideration of Mr. Lee's qualifications, expertise, past experiences and overall contribution since he was appointed as a Director of the Company.</p> <p>Mr. Lee will, upon re-election, continue to serve as the Chairman of the Board, Chief Executive Officer and a member of the Nominating Committee.</p>
Whether appointment is executive, and if so, the area of responsibility	Yes, as the Chairman of the Board and Chief Executive Officer of the Group, Mr. Lee is responsible for the development and execution of the Group's strategic vision and expansion plans.
Professional qualification	Bachelor of Business, Curtin University

Mr. Low Weng Keong	Mr. Patrick Donald Davies
68	52
18 June 2015	2 December 2019
Non-executive and Independent Director	Non-executive and Lead Independent Director
Chairman of Audit Committee (AC), and a member of Remuneration Committee (RC), Nominating Committee (NC) and Risk Management Committee (RMC)	Chairman of Remuneration Committee (RC) and a member of Audit Committee (AC) and Nominating Committee (NC)
24 October 2017	No applicable
Singapore	Australia
<p>The re-election of Mr. Low Weng Keong (Mr. Low) as the Non-Executive and Independent Director was recommended by the NC and the Board has accepted the recommendation, after taking into consideration of Mr. Low's qualifications, expertise, past experiences and overall contribution since he was appointed as a Director of the Company.</p> <p>Mr. Low will, upon re-election, continue to serve as the Chairman of AC and a member of RC, NC and RMC.</p>	<p>The re-election of Mr. Patrick Donald Davies (Mr. Davies) as the Non-Executive and Independent Director was recommended by the NC and the Board has accepted the recommendation, after taking into consideration of Mr. Davies' qualifications, expertise, past experiences and overall contribution since he was appointed as a Director of the Company.</p> <p>Mr. Davies will, upon re-election, continue to serve as the Chairman of RC and a member of AC and NC.</p>
No	No
<p>Fellow and Life member of CPA Australia</p> <p>Fellow of the Institute of Chartered Accountants in England & Wales</p> <p>Fellow of the Institute of Singapore Chartered Accountants</p> <p>Associate of the Chartered Institute of Taxation (United Kingdom)</p> <p>Accredited Tax Advisor of the Singapore Institute of Accredited Tax Professionals</p>	<p>Bachelor of Economics, University of Adelaide</p> <p>Master of Business Administration, Australian Graduate School of Management</p> <p>Membership of the Australian Chartered Accountants (since lapsed)</p>

Additional Information on Directors Seeking Re-election

at 2020 Annual General Meeting

Mr. Eddy Lee Yip Hang

Working experience and occupation(s) during the past 10 years CEO of the Company

Shareholding interest in the Company and its subsidiaries 165,119,020.

Mr. Lee is also deemed to be interested in the 17,460,982 shares of the Company held by his wife, Ms. Tang Choy Leng Jane, by virtue of Section 164 of the Companies Act.

Relationship (including immediate family relationship) with any existing director, existing executive officer, the Company and/or substantial shareholder of the Company or any of its principal subsidiaries Mr. Lee is a substantial shareholder.

Conflict of interest (including any competing business) None

Undertaking (in the format set out in Appendix 7H under Rule 720(1) has been submitted to the Company Yes

Mr. Low Weng Keong

Mr. Low retired as a senior partner of Ernst & Young, Singapore in 2005 and was a past global chairman and president of CPA Australia.

Mr. Low currently serves as an independent director of various companies. Please refer to his present directorships provided below for further information

Mr. Patrick Donald Davies

Neuren Pharmaceuticals Limited (NUE:ASX) (Non-Executive Chairman, 2020 – Present;

Non-Executive Director, 2018- 2020)

Smarter Communities Limited (Non-Executive Chairman, 2018- present)

Harbour Holdings Limited (Non-Executive Director, 2018 – present)

Interpharma Investments Limited, (Non-Executive Chairman, 2020 – present)

CB Norwood Pty Ltd (Non-Executive Director, 2016 – present)

Green Cross Health Limited (Director, 2012 – 2017)

National Pharmaceuticals Services Association (Director, 2008 -2018)

International Partnership for Innovative Healthcare Delivery (an initiative of the World Economic Forum) (Member of the Board of Overseers, 2009 - 2011)

EBOS Group Limited (Chief Executive Officer, 2014 - 2018)

Symbion Pty Ltd (Chief Executive Officer, 2008 - 2014)

1,170,252

None

None

None

None

None

Yes

Yes

Additional Information on Directors Seeking Re-election

at 2020 Annual General Meeting

Mr. Eddy Lee Yip Hang

Other Principal Commitments^a including directorships –
Present

Group Companies	iX Biopharma Ltd (Director) iX Biopharma Pty Ltd (Director) Entity Health Limited (Director) Entity Health Pte Ltd (Director) Entity Health (China) Company Limited (Director) Entity Health (Shanghai) Company Limited (Director)
Other Companies	None

Other Principal Commitments including directorships - Past
(for the last 5 years):

Group Companies	None
Other Companies	None

Responses to questions (a) to (k) under Appendix 7F of the Negative Confirmation
Catalist Rules

^a Principal Commitments^a has the same meaning as defined in the Code and includes all commitments which involve significant time commitment such as full-time occupation, consultancy work, committee work, nonlisted company board representations and directorships and involvement in non-profit organisations.

Mr. Low Weng Keong**Mr. Patrick Donald Davies**

iX Biopharma Ltd (Director)

iX Biopharma Ltd (Director)

UOL Group Limited (Director)

Riverstone Holdings Limited (Director)

Haw Par Corporation Limited (Director)

Singapore Institute of Accredited Tax Professionals (Director)

Aquarius Investment Advisors Pte. Ltd. (Director)

Neuren Pharmaceuticals Limited (NUE:ASX) (Non-Executive Chairman)

Smarter Communities Limited (Non-Executive Chairman)

Harbour Holdings Limited (Non-Executive Director)

Interpharma Investments Limited, (Non-Executive Chairman)

CB Norwood Pty Ltd (Non-Executive Director)

None

None

NTUC Education and Training Fund (Member of Board of Trustees) (2016 – 2019)

Confederation of Asian and Pacific Accountants Limited (Board member) (2013 – 2019)

Bracell Limited (formerly known as Sateri Holdings Limited (Director) (2013 – 2016)

Green Cross Health Limited (Director, 2012 – 2017)

National Pharmaceuticals Services Association (Director, 2008 -2018)

EBOS Group Limited (Chief Executive Officer, 2014 - 2018)

Negative Confirmation

Negative Confirmation

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of iX Biopharma Ltd. (the “**Company**”) will be held by way of electronic means on Friday, 16 October 2020 at 10.00 a.m. for the purpose of transacting the following business:

ORDINARY BUSINESS

1. To receive and adopt the Directors’ Statement and the Audited Financial Statements of the Company for the financial year ended 30 June 2020 together with the Auditors’ Report thereon. **(Resolution 1)**
2. To re-elect Mr. Patrick Donald Davies, as a Director of the Company, who is retiring pursuant to Regulation 84 of the Company’s Constitution.
(See Explanatory Note 1) **(Resolution 2)**
3. To re-elect Mr. Eddy Lee Yip Hang, as a Director of the Company, who is retiring by rotation pursuant to Regulation 85 of the Company’s Constitution.
(See Explanatory Note 2) **(Resolution 3)**
4. To re-elect Mr. Low Weng Keong, as a Director of the Company, who is retiring by rotation pursuant to Regulation 85 of the Company’s Constitution.
(See Explanatory Note 3) **(Resolution 4)**
5. To approve the Directors’ fees of S\$334,000 for the financial year ending 30 June 2021, to be paid quarterly in arrears (2020: S\$334,000). **(Resolution 5)**
6. To re-appoint Messrs PricewaterhouseCoopers LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 6)**
7. To transact any other ordinary business which may properly be transacted at an annual general meeting.

SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

8. Authority to allot and issue shares

That pursuant to Section 161 of the Companies Act, Chapter 50 (the “**Companies Act**”) and Rule 806 of the Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), authority be and is hereby given to the Directors of the Company to:

- (a) (i) allot and issue shares in the Company (“**Shares**”) whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require Shares to be issued, including but not limited to, the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

Notice of Annual General Meeting

- (b) notwithstanding the authority conferred by this Ordinary Resolution may have ceased to be in force, issue Shares in pursuance of any Instrument made or granted by the Directors of the Company while this Resolution was in force, provided that:
 - (1) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed 100% of the Company's total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a pro-rata basis to existing shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed 50% of the Company's total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
 - (2) subject to such calculation as may be prescribed by the SGX-ST, for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, at the time this Resolution is passed after adjusting for:
 - (a) new Shares arising from the conversion or exercise of the Instruments or any convertible securities or share options or vesting of share awards outstanding and subsisting at the time this Resolution is passed; and
 - (b) any subsequent bonus issue, consolidation or subdivision of Shares;
 - (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by SGX-ST) and the Company's Constitution; and
 - (4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until (i) the conclusion of the next Annual General Meeting of the Company or (ii) the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

(See Explanatory Note 4)

(Resolution 7)

9. Authority to allot and issue Shares under the iX Employee Share Option Scheme

That pursuant to Section 161 of the Companies Act, Chapter 50 and the provisions of the iX Employee Share Option Scheme (the "**Share Option Scheme**"), authority be and is hereby given to the Directors of the Company to allot and issue from time to time such number of Shares in the capital of the Company as may be required to be issued pursuant to the exercise of options granted under the Share Option Scheme, provided always that the aggregate number of additional ordinary Shares to be allotted and issued pursuant to the Share Option Scheme and the iX Performance Share Plan collectively shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time.

(See Explanatory Note 5)

(Resolution 8)

Notice of Annual General Meeting

10. Authority to allot and issue Shares under the iX Performance Share Plan

That pursuant to Section 161 of the Companies Act, Chapter 50 and the provisions of the iX Performance Share Plan (the “**Share Plan**”), authority be and is hereby given to the Directors of the Company to allot and issue from time to time such number of Shares in the capital of the Company as may be required to be issued pursuant to the vesting of awards under the Share Plan, provided always that the aggregate number of additional ordinary Shares to be allotted and issued pursuant to the Share Option Scheme and the Share Plan collectively shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time.

(See Explanatory Note 6)

(Resolution 9)

By Order of the Board

Lee Wei Hsiung / Wang Shin Lin, Adeline
Company Secretaries

1 October 2020
Singapore

Explanatory Notes:

1. Mr. Patrick Donald Davies will, upon re-election as a Director of the Company, remain as the Lead Independent Director, Chairperson of the Remuneration Committee and continue as a member of the Audit Committee and Nominating Committee. Mr. Patrick Donald Davies is considered independent for the purposes of Rule 704(7) of the Catalist Rules and does not have any relationships, including immediate family relationships with the Directors of the Company, the Company or its substantial shareholders. Key information on Mr. Patrick Donald Davies required pursuant to Rule 720(5) of the Catalist Rules can be found under “Additional Information on Directors Seeking Re-election at 2020 Annual General Meeting” of the Company’s Annual Report 2020.
2. Mr. Eddy Lee Yip Hang will, upon re-election as a Director of the Company, remain as Executive Chairman and CEO and continue as a member of the Nominating Committee. Key information on Mr. Eddy Lee Yip Hang required pursuant to Rule 720(5) of the Catalist Rules can be found under “Additional Information on Directors Seeking Re-election at 2020 Annual General Meeting” of the Company’s Annual Report 2020.
3. Mr. Low Weng Keong will, upon re-election as a Director of the Company, remain as Chairperson of the Audit Committee and continue as a member of the Nominating Committee, Remuneration Committee and Risk Management Committee. Mr. Low Weng Keong is considered independent for the purposes of Rule 704(7) of the Catalist Rules and does not have any relationships, including immediate family relationships with the Directors of the Company, the Company or its substantial shareholders. Key information on Mr. Low Weng Keong required pursuant to Rule 720(5) of the Catalist Rules can be found under “Additional Information on Directors Seeking Re-election at 2020 Annual General Meeting” of the Company’s Annual Report 2020.
4. Ordinary Resolution 7 proposed in item 8 above, if passed, will empower the Directors of the Company, from the date of this Annual General Meeting until the date of the next Annual General Meeting, or the date by which the next Annual General Meeting is required by law to be held or the date such authority is revoked by the Company in a general meeting, whichever is the earliest, to allot and issue Shares and convertible securities in the Company. The aggregate number of Shares (including any Shares issued pursuant to the convertible securities) which the Directors may allot and issue under this Resolution will not exceed 100% of the Company’s total number of issued Shares (excluding treasury shares and subsidiary holdings), of which up to 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company may be issued other than on a pro-rata basis to existing shareholders.

Notice of Annual General Meeting

5. Ordinary Resolution 8 proposed in item 9 above, if passed, will empower the Directors of the Company, from the date of this Annual General Meeting until the date of the next Annual General Meeting, or the date by which the next Annual General Meeting is required by law to be held, whichever is the earlier, to allot and issue Shares in the Company, collectively of up to a number not exceeding in total 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time pursuant to the exercise of Options under the Share Option Scheme.
6. Ordinary Resolution 9 proposed in item 10 above, if passed, will authorise and empower the Directors of the Company, from the date of this Annual General Meeting until the date of the next Annual General Meeting, or the date by which the next Annual General Meeting is required by law to be held, whichever is the earlier, to allot and issue Shares in the Company, collectively of up to a number not exceeding in total 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time pursuant to the grant of share awards under the Share Plan.

Notes

1. The AGM is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of this Notice of AGM will NOT be sent to members of the Company. Instead, this Notice will be sent to members by electronic means via publication on SGXNET at <https://www.sgx.com/securities/company-announcements> and the Company's website at <https://www.ixbiopharma.com/news>.
2. Alternative arrangements relating to attendance at the AGM via electronic means (in particular, arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the AGM in advance of the AGM, addressing of substantial and relevant questions at the AGM and voting by appointing the Chairman of the AGM as proxy at the AGM, are set out in the accompanying announcement by the Company dated 1 October 2020. This announcement may be accessed on SGXNET at <https://www.sgx.com/securities/company-announcements> and the Company's website at <https://www.ixbiopharma.com/news>.
3. Due to the current COVID-19 restriction orders in Singapore, a member will not be able to attend the AGM in person. A member (whether individual or corporate) must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM. The accompanying proxy form for the AGM may be accessed on SGXNET at <https://www.sgx.com/securities/company-announcements> and the Company's website at <https://www.ixbiopharma.com/news>.
4. Where a member (whether individual or corporate) appoints the Chairman of the AGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstention from voting, in respect of a Resolution in the form of proxy, failing which the appointment of the Chairman of the AGM as a proxy for that Resolution will be treated as invalid.

CPF or SRS investors who wish to appoint the Chairman of the AGM as proxy should approach their respective agent banks or SRS operators to submit their votes by 5 p.m. on 6 October 2020.

5. The Chairman of the AGM, as proxy, need not be a member of the Company.
6. The instrument appointing the Chairman of the AGM as proxy (the "**Proxy Form**") must be submitted to the Company in the following manner:
 - (a) if submitted by post, be deposited at the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road, #11-02, Singapore 068898; or
 - (b) if submitted electronically, be submitted via email to the Company at ixbiopharma-agm@complete-corp.com.sg,

in any case, not later than 10 a.m. on 13 October 2020 (being 72 hours before the time fixed for the AGM) and in default the Proxy Form for the AGM shall not be treated as valid.

A member who wishes to submit a Proxy Form must first download, complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

7. The Proxy Form must be signed by the appointor or his attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be either under its common seal or signed on its behalf by a duly authorised officer or attorney. Where the Proxy Form is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the Proxy Form, failing which the Proxy Form may be treated as invalid.

Notice of Annual General Meeting

8. The Company shall be entitled to reject the Proxy Form if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the Proxy Form (such as in the case where the appointor submits more than one Proxy Form).
9. In the case of a member whose Shares are entered against his/her name in the Depository Register, the Company may reject any Proxy Form as proxy lodged if such member, being the appointor, is not shown to have Shares entered against his/her name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by CDP to the Company.
10. All questions must be submitted no later than 10 a.m. on 13 October 2020 via any of the following means:
 - (a) at the registration website at <https://complete-corp.com.sg/ix-biopharma-agm>;
 - (b) by email to ixbiopharma-agm@complete-corp.com.sg; or
 - (c) in hard copy by sending personally or by post to the Company's principal place of business at 1 Kim Seng Promenade, #14-01, Great World City East Tower, Singapore 237994.

Members submitting questions are required to provide their particulars as follows:

- (a) Full name (for individuals) / company name (for corporates) as per CDP/SRS account records;
 - (b) National Registration Identity Card Number or Passport Number (for individuals)/ Company Registration Number (for corporates);
 - (c) Number of shares in the capital of the Company held;
 - (d) Contact Number; and
 - (e) Email Address.
11. In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed Proxy Forms and questions by post, members are strongly encouraged to submit completed Proxy Forms and questions electronically via email.
12. The Management and Board of Directors of the Company will endeavour to address all substantial and relevant questions received from members and publish the responses to those questions on SGXNET at <https://www.sgx.com/securities/company-announcements> and the Company's website at <https://www.ixbiopharma.com/news> before the deadline to submit the proxy forms.

Personal Data Privacy:

By submitting an instrument appointing the Chairman of the AGM as proxy to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines.

This notice has been prepared by the Company and its contents have been reviewed by the Company's sponsor, CIMB Bank Berhad, Singapore Branch ("Sponsor") in accordance with Rule 226(2)(b) of the Catalyst Rules.

This Notice has not been examined or approved by the SGX-ST and the SGX-ST assume no responsibility for the contents of this notice, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this notice.

The contact person for the Sponsor is Mr. Yee Chia Hsing, Head, Catalyst. The contact particulars are 50 Raffles Place, #09-01 Singapore Land Tower, Singapore 048623, telephone: (65) 6337-5115.

IX BIOPHARMA LTD.

(Incorporated in the Republic of Singapore)

(Company Registration No.: 200405621W)

PROXY FORM ANNUAL GENERAL MEETING

(Please see notes overleaf before completing this Form)

This Proxy Form has been made available on SGXNet and the Company's corporate website at the URL <https://www.ixbiopharma.com/news>. A printed copy of this Proxy Form will NOT be despatched to members of the Company.

IMPORTANT:

1. Alternative arrangements relating to attendance at the Annual General Meeting ("AGM") via electronic means (including arrangements by which the AGM can be electronically accessed via "live" audio-visual webcast ("LIVE WEBCAST") or "live" audio only stream ("AUDIO ONLY MEANS")), submission of questions in advance of the AGM, addressing of substantial queries and relevant comments, prior to, or at, the AGM and voting by appointing the Chairman of the AGM as proxy at the AGM, are set out in the Company's announcement on 1 October 2020 which forms part of the Notice of AGM.
2. Due to the current COVID-19 restriction orders in Singapore, a member will not be able to attend the AGM in person. A member will also not be able to vote online at the resolutions to be tabled for approval at the AGM. If a member (whether individual or corporate) wishes to exercise his/her/its votes, he/she/it must submit this Proxy Form to appoint the Chairman of the AGM to vote on his/her/its behalf. A member (whether individual or corporate and including a Relevant Intermediary*) appointing the Chairman of the AGM as proxy must give specific instructions as to his/her/its manner of voting, or abstentions from voting, in this Proxy Form, failing which the appointment will be treated as invalid.
3. An investor who holds shares under the Central Provident Fund Investment Scheme ("CPF Investor") and/or the Supplementary Retirement Scheme ("SRS Investor") who wish to vote at the AGM should approach their respective agent banks to submit their votes at least seven working days before the date of the AGM (i.e. by 5 p.m. on 6 October 2020). CPF Investors and/or SRS Investors are requested to contact their respective agent banks for any queries they may have with regard to appointment as to the appointment of the Chairman of the AGM as proxy for the AGM.
4. This Proxy Form is not valid for use by CPF and SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
5. Please read the notes to this Proxy Form.

*I/We, _____ (Name) _____ (NRIC/ Passport No.)
of _____ (Address)

being a *member/members of iX Biopharma Ltd. ("**Company**"), hereby appoint the Chairman of the AGM as my/our* proxy to vote for me/us* on my/our* behalf at the AGM to be held by way of electronic means (via LIVE WEBCAST and AUDIO ONLY MEANS) on 16 October 2020 at 10 a.m.. *I/We direct *my/our proxy to vote for, against and/or abstain from voting on the resolution to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, this Proxy Form shall be disregarded and the proxy shall abstain from voting on any matter arising at the AGM and at any adjournment thereof.

No.	Resolutions relating to:	No. of Votes "For"***	No. of Votes "Against"***	No. of Votes "Abstaining"***
ORDINARY RESOLUTIONS:				
1	Adoption of Directors' Statement and the Audited Financial Statements for the financial year ended 30 June 2020 together with the Auditors' Report thereon.			
2	Re-election of Mr. Patrick Donald Davies as a Director of the Company.			
3	Re-election of Mr. Eddy Lee Yip Hang as a Director of the Company.			
4	Re-election of Mr. Low Weng Keong as a Director of the Company.			
5	Approval for payment of Directors' fees of S\$334,000 for the financial year ending 30 June 2021, to be paid quarterly in arrears.			
6	Re-appointment of Messrs PricewaterhouseCoopers LLP as Auditors and to authorise the Directors to fix their remuneration.			
7	Authority to allot and issue shares.			
8	Authority to allot and issue shares under the iX Employee Share Option Scheme.			
9	Authority to allot and issue shares under the iX Performance Share Plan.			

* Delete accordingly.

** Voting will be conducted by poll. If you wish the Chairman of the AGM as your proxy to exercise all your votes for or against or abstain from voting in respect of all your Shares the above Resolution, please tick (✓) within the relevant box provided. Alternatively, if you wish the Chairman of the AGM as your proxy to exercise some and not all of your votes for or against and/or abstain from voting for the Resolution and/or if you wish the Chairman of the AGM as your proxy to abstain from voting in respect of the Resolution, please indicate the number of votes "For", the number "Against" and/or the number "Abstaining" in the boxes provided for the Resolution. In the absence of specific directions, the appointment of the Chairman of the AGM as your proxy will be treated as invalid.

Dated this _____ day of _____ 2020

Total Number of Shares Held in:	
(a) Depository Register	
(b) Register of Members	

Signature of Shareholder(s),
or Common Seal of Corporate Shareholder



IMPORTANT: PLEASE READ THE NOTES BELOW CAREFULLY BEFORE COMPLETING THIS FORM

Notes

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (maintained by CDP), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members (maintained by or on behalf of the Company), you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing the Chairman of the AGM as proxy shall be deemed to relate to all the Shares held by you (in both the Depository Register and the Register of Members).
2. A member will not be able to attend the AGM in person and must appoint the Chairman of the AGM as proxy to attend, speak and vote on the member's behalf at the AGM and at any adjournment thereof. A member will also not be able to vote online on the resolutions to be tabled for approval at the AGM. If a member (whether individual or corporate and including a Relevant Intermediary*) wishes to exercise his/her/its votes, he/she/it must submit this Proxy Form to appoint the Chairman of the AGM to vote on his/her/its behalf. A member (whether individual or corporate including a Relevant Intermediary*) appointing the Chairman of the AGM as proxy must give specific instructions as to his/her/its manner of voting, or abstentions from voting, in this Proxy Form, failing which the appointment will be treated as invalid. This Proxy Form may be accessed via SGXNET and the Company's website at <https://www.ixbiopharma.com/news>.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed Proxy Forms by post, members are strongly encouraged to submit completed Proxy Forms electronically via email.

3. The Chairman of the AGM, as proxy, need not be a member of the Company.
4. CPF Investors and SRS Investors who wish to vote at the AGM should approach their respective agent banks to submit their votes at least seven working days before the date of the AGM (i.e. by 5 p.m. on 6 October 2020). CPF Investors and SRS Investors should not directly appoint the Chairman as proxy to direct the vote.
5. Relevant Intermediaries shall also appoint the Chairman of the AGM to act as proxy and direct the vote at the AGM. Together with the instrument appointing a proxy, the Relevant Intermediaries shall provide to the Company a list of attendees who would like to attend the AGM by way of a "live" webcast and/or audio only means with such information that may be requested by the Company.

* A Relevant Intermediary is:

- (a) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
 - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore, and who holds shares in that capacity; or
 - (c) the Central Provident Fund Board established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Central Provident Fund Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
6. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative to attend the AGM, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore ("**Companies Act**").
 7. The instrument appointing the Chairman of the AGM as proxy must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing the Chairman of the AGM as proxy is executed by a corporation, it must be executed either under its seal, executed as a deed in accordance with the Companies Act or under the hand of an attorney or an officer duly authorised, or in some other manner approved by the Directors. Where the instrument appointing the Chairman of the AGM as proxy is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged at the Company's Share Registrar, Tricor Barbinder Share Registration Services, at 80 Robinson Road, #11-02, Singapore 068898.
 8. The instrument appointing the Chairman of the AGM as proxy (the "**Proxy Form**") must be submitted to the Company in the following manner:
 - (a) if submitted by post, be deposited at the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road, #11-02, Singapore 068898; or
 - (b) if submitted electronically, be submitted via email to the Company at ixbiopharma-agm@complete-corp.com.sg, in any case, not later than 10 a.m. on 13 October 2020 (being 72 hours before the time fixed for the AGM) and in default the Proxy Form for the AGM shall not be treated as valid.

General:

The Company shall be entitled to reject the instrument appointing the Chairman of the AGM as proxy if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the AGM as proxy. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing the Chairman of the AGM as proxy lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by CDP to the Company.

Personal Data Privacy:

By submitting an instrument appointing the Chairman of the AGM as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 1 October 2020.

**Affix
Postage
Stamp**

The Share Registrar
IX BIOPHARMA LTD.
80 Robinson Road
#11-02
Singapore 068898

Corporate Information

Board of Directors

Eddy Lee Yip Hang
Chairman & CEO

Albert Ho Shing Tung
Non-Executive Director

Patrick Donald Davies
Lead Independent Director

Low Weng Keong
Independent Director

Claudia Teo Kwee Yee
Independent Director

Audit Committee

Low Weng Keong, *Chairperson*
Albert Ho Shing Tung
Patrick Donald Davies
Claudia Teo Kwee Yee

Nominating Committee

Claudia Teo Kwee Yee, *Chairperson*
Eddy Lee Yip Hang
Low Weng Keong
Patrick Donald Davies

Remuneration Committee

Patrick Donald Davies, *Chairperson*
Low Weng Keong
Claudia Teo Kwee Yee
Albert Ho Shing Tung

Risk Management Committee

Claudia Teo Kwee Yee, *Chairperson*
Albert Ho Shing Tung
Low Weng Keong

Joint Company Secretaries

Lee Wei Hsiung (ACIS)
Wang Shin Lin, Adeline (ACIS)

Registered Office

80 Robinson Road #02-00
Singapore 068898
Tel: +65 6235 2270
Fax: +65 6235 2170
Email: info@ixbiopharma.com

Principal Place of Business

1 Kim Seng Promenade, #14-01
Great World City East Lobby
Singapore 237994
Tel: +65 6235 2270
Fax: +65 6235 2170
Email: info@ixbiopharma.com

Share Registrar

Tricor Barbinder
Share Registration Services
(A division of Tricor Singapore Pte. Ltd.)
80 Robinson Road #02-00
Singapore 068898

Company Sponsor

CIMB Bank Berhad, Singapore Branch
50 Raffles Place
#09-01 Singapore Land Tower
Singapore 048623

Independent Auditor

PricewaterhouseCoopers LLP
7 Straits View, Marina One East Tower
Level 12, Singapore 018936
Partner-in-charge:
Soh Kok Leong
(a practising member of the Institute of Singapore
Chartered Accountants)
Year of Appointment: Financial Year ended 30 June 2020

Principal Bankers

United Overseas Bank Limited
80 Raffles Place UOB Plaza 1
Singapore 048624

National Australia Bank Limited
800 Bourke Street
Melbourne, Victoria 3008, Australia



ix Biopharma Ltd.

Co. Reg. No.: 200405621W
1 Kim Seng Promenade #14-01
Great World City East Lobby
Singapore 237994
T: +65 6235 2270
F: +65 6235 2170
E: info@ixbiopharma.com