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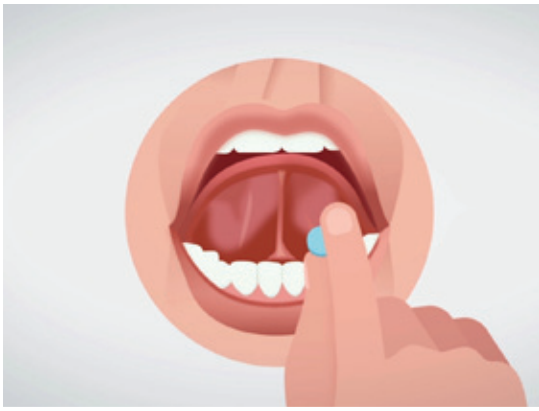
ANNUAL REPORT 2018

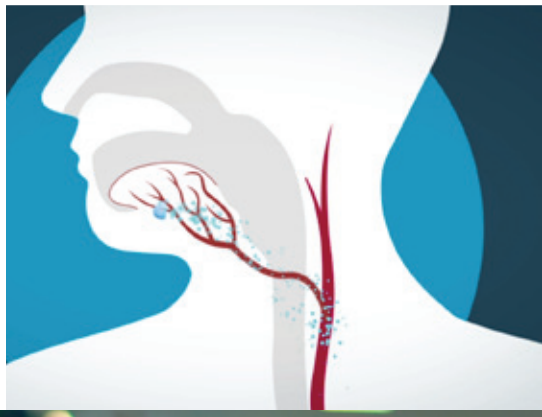
OUR PATENTED TECHNOLOGY:
WAFERIX

The WaferiX technology

iX Biopharma has developed a patented, fast-dissolving wafer formulation, WaferiX. The WaferiX technology consists of a small wafer prepared by proprietary formulation using the 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 intended to be placed under the tongue, which subsequently 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 nutraceuticals 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.





Products developed using WaferiX

WaferiX is a multiple platform drug carrier technology that can deliver a vast number of drugs and nutraceuticals. The technology is easily adaptable to other approved actives that require a faster delivery or reduction in the loss of drugs due to hepatic and gastrointestinal metabolism.

The Company currently uses the technology for its first registered pharmaceutical product, Wafesil, a new dose form of sildenafil for the treatment of male erectile dysfunction. The Company's principal pain treatment product, Wafermine, which is the world's first sublingual ketamine wafer also utilises the technology. In addition to the pharmaceutical drugs, WaferiX is also applied to the Company's consumer healthcare products, LumeniX, for faster and more effective skin lightening and anti-aging, and WafeRest, for the promotion of sleep.

OUR PRODUCTS UTILISING
WAFERIX TECHNOLOGY

PHARMACEUTICAL

Wafermine (ketamine)

- For moderate to severe pain
- Effective alternative and adjunct to opioids; has opioid-sparing effect
- Phase 2 multi-dose efficacy study reported positive top-line results in September 2018

Wafesil (sildenafil)

- New dose form of sildenafil for male erectile dysfunction
- Product registered for sale in Australia (approval granted by the TGA in June 2018)

BnoX (buprenorphine)

- For moderate to severe pain
- Buprenorphine is a suitable substitute drug for opioid addiction
- Successfully completed Phase 1 pharmacokinetic study

Xativa (cannabidiol)

- For treatment of epilepsy, multiple sclerosis, pain, post chemotherapy nausea and vomiting
- Developed for Bod Australia Limited, an ASX listed company for a Phase 1 study

NUTRACEUTICAL

LumeniX (glutathione)

- Inhibits dark melanin formation to brighten and beautify the skin
- Available for sale at **www.entity-health.com**

WafeRest (melatonin)

- Alleviates effects of jet lag and promotes sleep quality
- Available for sale at **www.entity-health.com**

Countries in which we hold patents with WaferiX

Patents granted include China, Canada, South Africa, Japan, South Korea, Australia, New Zealand, Indonesia, Malaysia, Singapore and the European Union (Germany, France, United Kingdom, Italy, Spain, Netherlands, Turkey, Switzerland, Sweden, Poland, Belgium, Austria, Norway, Denmark, Ireland and Finland).

CONTENTS

iX Biopharma is a Singapore public-listed specialty pharmaceutical and nutraceutical company, operating a fully integrated business model from drug development to laboratory testing, manufacturing and supply, with facilities in Australia. The Group is focused on the development and commercialisation of innovative therapies for improving the quality of life of those suffering from pain and other health conditions.

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 (formerly known as PheoniX), a sublingual sildenafil wafer, and Silcap (formerly known as XCalibur), have been registered in Australia.

The Group's nutraceuticals division, Entity Health Limited, recently launched its Entity line of nutraceutical products and is engaged in the development and commercialisation of nutraceutical products that address specific conditions and improve quality of life. In addition to the successful registration of Wafesil and Silcap, the Group has also applied for assessment by TGA for quality and safety of its nutraceutical products. To date, the Group has successfully obtained 15 product listings on the ARTG with 8 listings for domestic sales and 7 listings for export sales on the ARTG.

CORPORATE PROFILE

Sponsor Statement

This annual report has been prepared by the Company and its contents have been reviewed by the Company's sponsor, CIMB Bank Berhad, Singapore Branch (the "Sponsor"), for compliance with the relevant rules of the SGX-ST Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this document. This document has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this document, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this document. The contact person for the Sponsor is Mr Yee Chia Hsing, Head, Catalist. The contact particulars are 50 Raffles Place, #09-01 Singapore Land Tower, Singapore 048623, telephone: (65) 6337-5115.

CHAIRMAN'S STATEMENT

DEAR SHAREHOLDERS,

What an exhilarating year it has been! FY2018 saw the Group achieve several firsts and successes. In June, we obtained the approval and registration of Wafesil, formerly referred to as PheoniX, for the treatment of male erectile dysfunction in Australia. We followed that success closely in August 2018 with the approval and registration of Silcap, formerly known as XCalibur, also for the treatment of male erectile dysfunction in Australia. Our nutraceutical unit, Entity Health, saw a total of 15 product listings on the Australian Register of Therapeutic Goods ("ARTG"). The Group now has 17 products registered and listed on the ARTG which are available for commercialisation.

Following the early years in our Group's history when we were solely engaged in drug development, the exciting developments in the past year herald a new era for the Group. We are proud to be in the position to propel the Group beyond drug development and towards commercialisation. For our shareholders, this means we now have the extraordinary opportunity to generate income and create and return significant value.

Pharmaceutical business – Beyond drug development

During our initial public offering in 2015, we laid out our business plans for our pharmaceutical product pipeline to our shareholders. We are proud to report that, with the registration of Wafesil and the progress of Wafermine's clinical development, we are continuing to meet the major milestones established at that time.

Wafesil, our sublingual sildenafil drug for the treatment of male erectile dysfunction, is a new dose form of sildenafil delivered using our proprietary sublingual (under the tongue) drug delivery technology, WaferiX. With the approval of the Therapeutic Goods Administration ("TGA") in Australia, Wafesil is now the first sublingual sildenafil wafer product to receive regulatory approval globally. Wafesil is the Group's first pharmaceutical product and the first product utilising WaferiX to reach approval and registration. We are proud of the achievement because it confirms the robustness of the WaferiX technology and demonstrates our team's expertise in bringing our products from clinical development to regulatory approval and launch.

In addition to Wafesil, we secured the registration by TGA of Silcap, our sildenafil drug delivered using an oral capsule for the treatment of male erectile dysfunction. Silcap is a generic version of Viagra® and will compete in the growing generic male erectile dysfunction market. Unlike existing sildenafil options in the market which are delivered in tablet form, Silcap is delivered using a novel, small capsule and gives patients who dislike or are unable to swallow tablets an alternative dose form. Silcap is the first capsule sildenafil product to obtain marketing approval in Australia. We obtained TGA's approval for Silcap in August 2018, making Silcap the second drug that we successfully registered.

We are pleased to report that in FY2018, we also made substantial progress in the clinical development of Wafermine, our sublingual ketamine drug for pain management... In September, we announced positive top-line results of the KET010 study. We are very pleased that the study demonstrated a strong efficacy signal with Wafermine to treat moderate to severe pain in both post-operative acute pain models being evaluated.

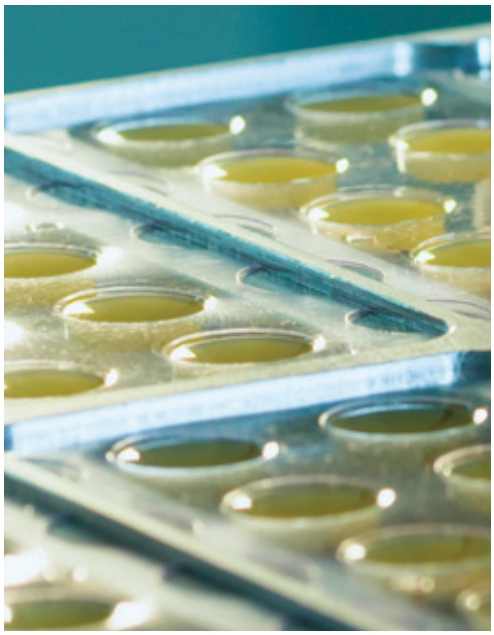
We are pleased to report that in FY2018, we also made substantial progress in the clinical development of Wafermine, our sublingual ketamine drug for pain management. During the year, we successfully completed the important KET010 study, our phase 2 randomized, double-blind, placebo-controlled study to demonstrate the efficacy of Wafermine in 125 patients experiencing acute pain on the day of bunionectomy or abdominoplasty surgery (Day 0 design). KET010 is conducted under an Investigational New Drug (IND) application with the U.S. Food & Drug Administration ("FDA").

In September, we announced positive top-line results of the KET010 study. We are very pleased that the study demonstrated a strong efficacy signal with Wafermine to treat moderate to severe pain in both post-operative acute pain models being evaluated. The safety and tolerability of Wafermine was further established. We are encouraged that the positive efficacy and safety findings of KET010 support advancing the programme into later stage clinical development. We are currently preparing for an End-of-Phase 2 meeting with the U.S. FDA to evaluate the KET010 results and determine the next steps in the further development of Wafermine.

Nutraceutical business – Feel the difference

Reflecting our commitment and ambition to deliver improved health outcomes at all stages of life, we made a bold and strategic decision last year to draw on our team's scientific, regulatory and cGMP manufacturing capabilities in Australia to develop a range of next-generation nutraceutical products. In the second quarter of FY2018, we brought the Entity nutraceutical line of products to market through the commencement of sales on our e-commerce store www.entity-health.com. In the third quarter of FY2018, we expanded our sales channels to physical retail stores in Australia. Entity nutraceuticals are now sold in 25 selected pharmacies and health food stores in Sydney, Melbourne and Perth.

cont. Chairman's Statement



We believe that Entity is the next-generation of health supplements. Entity's guiding principle is to deliver beneficial and perceptible change so that people taking Entity nutraceuticals can feel the difference and perform at their best, every day. Unlike the generic options in the market, Entity products are designed to target specific health conditions with effective, scientifically proven formulations.

The healthcare industry is going through a stage of transformative change. The proliferation of digital technologies has led to ordinary people gaining unprecedented levels of access to knowledge about their health and their conditions. People are now proactively implementing healthcare strategies at home to extend their health span and maintain their prime instead of simply seeking treatment in hospitals after the onset of serious conditions.

While the world has witnessed startling advances in molecular biology, scientific innovations and progress in genomic research that will in time lead to revolutions in the way patients experience hospital care, our options remain limited when determining a home-based health strategy. Innovative thought has not trickled down to consumer healthcare. Having identified their conditions, consumers are still unable to address them in a meaningful and targeted manner. Pharmacies continue to offer consumers a plethora of generic vitamins and minerals marketed by different brands and presented in multiple formats and packaging. These generic vitamins and minerals, first introduced at a time when science was at its infancy, oftentimes produce little effect or benefit on specific health conditions apart from replenishing nutritional deficiencies of a non-ideal diet. Many of us can sympathise with the frustrating consumer experience: first, we guess which generic product could target the condition we wish to address. Then, having consumed it faithfully but deriving no tangible benefit from it, we continue in the hope that the product is working as an insurance to stave off the onset of conditions or more serious ailments.

We believe that Entity is the next-generation of health supplements. Entity's guiding principle is to deliver beneficial and perceptible change so that people taking Entity nutraceuticals can feel the difference and perform at their best, every day. Unlike the generic options in the market, Entity products are designed to target specific health conditions with effective, scientifically proven formulations. Where we have the potential to significantly improve the performance of our products, we leverage our breakthrough delivery technology, WaferiX, so that the active ingredients can be better and more rapidly absorbed. Entity's immediate challenge and opportunity is to persuade consumers that they can attain the next level of well-being by upgrading from their generic supplements and making the switch to Entity nutraceuticals.

The diversity in the Entity range allows us to serve a variety of consumers meaningfully. Entity's products help to promote our customers' well-being by targeting the following areas: Energy and Vitality, Skin Care, Brain Health, Bone & Joint Health, Prenatal Care, Lifestyle and Sleep Management. During this soft launch period following commencement of sales, LumeniX, our sublingual skin brightening formula, and LiviUp, our hangover supplement, drew the most demand.

All Entity products are made in Australia and have obtained product listings on the ARTG, indicating their safety and quality.

WaferiX technology

Our WaferiX drug delivery technology is a proprietary wafer formulation that allows pharmacologically active compounds to be administered sublingually. The sublingual delivery platform enables active pharmacological compounds to be delivered safely, rapidly and conveniently into the blood stream. Our Group's expanded product portfolio now relies on WaferiX to deliver, in our pharmaceutical drugs, ketamine (Wafermine), sildenafil (Wafesil) and buprenorphine (BnoX); and in our nutraceutical products, glutathione (LumeniX) and melatonin (WafeRest).

During the year, we added China and Europe to the list of territories where we have been granted patent protection for WaferiX. We are now able to exclusively use and obtain protection for WaferiX in 16 countries in Europe and in China, in addition to Singapore, Australia, New Zealand, Malaysia, Japan, Indonesia, South Korea, Canada and South Africa.

Marketing strategy

We have updated our strategic plan to reflect our Group's transformed portfolio and identified key priorities to drive sustainable growth.

Notably, we are adopting a laser sharp focus to establish our businesses in Australia as a priority to other regions. Australia has a population of 24.7 million people and a burgeoning healthcare industry. To maximise Entity's growth potential, we believe that Entity is best served by establishing itself as a home-grown Australian brand, leveraging on its development and manufacture in Victoria, Australia, in our cGMP R&D and manufacturing facility. This will help to raise its profile and credibility with consumers from other parts of the world who associate high quality health supplements with Australian brands. In particular, Australian brands are seen by Chinese consumers to produce quality health products that are among the best in the world, manufactured to some of the highest standards based on stringent regulations maintained by the TGA. We believe that this perception of quality is undoubtedly one of the reasons for the soaring Chinese investment in the Australian healthcare sector, which totalled A$5.5 billion between 2015 to 2017. Together with the growing phenomenon of people taking supplements as part of their home health strategies, one of the factors influencing an exceptional 100% growth in the sales of vitamin and mineral supplements in Australia in the past 10 years certainly includes the spiking regional demand for Australian supplements.

At the same time, as our development programme for Wafermine approaches the pivotal phase and results of studies on Wafermine progressively demonstrate its potential to be a blockbuster for our Group, we intend to pursue strategic collaborations to further its development. In addition to Wafermine, we believe that the products in our

portfolio utilising our WaferiX technology, such as Wafesil and LumeniX, are attractive propositions for partners as they have great market potential. LumeniX, for instance, sold out its first production run for Australia and has garnered acclaim amongst consumers and healthcare professionals since sales commenced. Strategic partnerships will help us to access markets outside of Australia more effectively and allow us to unlock the substantial values of our innovative products.

Financials

During the financial year, Entity Health brought in a new revenue stream for our nutraceutical business ($0.16 million) on top of those from Chemical Analysis business (A$6.06 million as compared to A$6.03 million for last year). Together with revenue from specialty pharmaceutical business, the Group achieved a consolidated revenue of $6.53 million this financial year compared to $6.38 million last financial year.

During FY2018, we continued to invest in our existing products pipeline and developed new products, incurring $8.03 million in our R&D programmes. The primary and associated expense of $6.18 million related to the KET010 study to demonstrate the efficacy of Wafermine in patients experiencing acute, post-operative pain after undergoing bony surgery (bunionectomy) or soft-tissue surgery (abdominoplasty). Demonstration of efficacy, safety and tolerability in both these pain surgery models are required in Phase 3 studies to obtain approval for the indication of acute pain with the US FDA. For the same reporting period, the Group also successfully developed and listed 15 nutraceutical products on the ARTG which are ready for marketing launch in Australia and Singapore.

As part of our efforts to accelerate our new Entity Health line of business, we expanded our manufacturing resources and stepped up our marketing efforts. Other than an increased cost in patent and trade marks filings which are necessary to protect our IP Rights, we managed to contain our general and administrative expenses.

The management continues to be vigilant in cost control and closed the year with a cash balance of $21.07 million. With a total liabilities to total assets ratio of less than 35% and working capital ratio in excess of 3 times, the balance sheet of the Group remains strong. The Group is well-placed to commence commercialising its registered and listed products in Australia and Singapore.

Going forward

While we are buoyed by our achievements during the year, we are also mindful of the work that lies ahead of us. Going forward, we aim to deliver sustainable growth and profit by successfully launching our pharmaceutical products into the Australian market and improving the performance of the Entity business. To do so, our operating model will shift from being focused solely on research and development, as was the case in the past, to encompass manufacturing, sales and marketing. For a start, we target to scale our manufacturing capacity for commercial production and build on our sales and marketing capabilities. I look forward to executing our sharpened strategy in the current financial year and beyond.

I would like to thank all our employees for their commitment to the Group in FY2018. It is their hard work, zeal and alignment behind our vision and strategy that enables us to deliver on our promises. To my fellow Board members, thank you for your guidance and counsel in the past year. As Mr. Ko Kheng Hwa will be retiring as a director of the Board after the Annual General Meeting, I would like to take this opportunity to highlight and thank him for his outstanding service to, and stewardship of, the Group which is characterised by valuable strategic thinking and energy. Finally, I would also like to thank our valued shareholders and existing and new customers for your confidence and trust in us. I am certain that with your support, we will build on the momentum generated in FY2018 and make continued progress.

EDDY LEE
Chairman & CEO

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PHARMACEUTICAL
BUSINESS OVERVIEW

Our pharmaceutical business has a portfolio of innovative medicines which leverage our proprietary sublingual technology, WaferiX, for the treatment of pain and male erectile dysfunction.

Successful registration of drugs

Towards the end of FY2018, our clinical development efforts paid off with the receipt of approvals by Therapeutic Goods Administration ("TGA") in Australia for two products: Wafesil, formerly referred to as PheoniX, our sublingual sildenafil drug for the treatment of male erectile dysfunction, which is a new dose form of sildenafil delivered using WaferiX; and Silcap, formerly known as XCalibur, our sildenafil drug delivered using an oral capsule for the treatment of male erectile dysfunction. These successful registrations in Australia demonstrate the ability of our scientific and regulatory teams to complete the development cycle of our pipeline products, from R&D to registration and launch. In FY2019, our focus is to launch Wafesil and Silcap into the Australian market to reach as many patients as possible. Through a blend of education and promotion, we aim to help healthcare professionals deliver better patient outcomes and to drive preference for our products.

Our fully integrated business model

In urgent need

We continued to advance the clinical trial programme of Wafermine, our sublingual ketamine drug for the treatment of pain during the year, against a backdrop of urgent and growing unmet global need for the treatment of pain.

The tide of discontent continues to rise against the misuse of opioids in the U.S. and worldwide. According to the National Institutes of Health, a part of the U.S. Department of Health and Human Services, more than 115 people in the U.S. die after overdosing on opioids every day. The misuse of and addiction to opioids is a serious crisis that affects public health as well as social and economic welfare. The U.S. Centers for Disease Control and Prevention estimates that the total "economic burden" of prescription opioid misuse alone in the U.S. is US$78.5 billion a year, including the costs of healthcare, lost productivity, addiction treatment, and criminal justice involvement. Researchers have raced to identify viable effective analgesics to replace opioid use for the treatment of pain or as an adjuvant to opioids to lower the dose of opioids administered to patients. Ketamine has now emerged as a promising alternative or adjunct to opioids for pain management. Not only is ketamine being used more in inpatient and outpatient settings to manage pain, ketamine has also captured headlines as a possible treatment for severe depression and post-traumatic stress syndrome.

The top-line results of our key Phase 2 clinical study for Wafermine demonstrated strong analgesic efficacy across both abdominoplasty and bunionectomy cohorts. The study also confirmed the safety and tolerability of Wafermine. Consequently, we are currently working towards an End-of-Phase 2 meeting with the U.S. Food and Drug Administration ("FDA") to determine the next phase in the clinical development of Wafermine.

"We are very pleased with the results of our Phase 2 efficacy study on Wafermine, which confirmed the drug's safety and tolerability and demonstrated strong efficacy signals in both the bony and soft tissue surgery groups. iX is now preparing for the End of Phase 2 meeting with the US FDA as a critical milestone for Phase 3 development and product out-licensing."

Dr. Janakan Krishnarajah
Chief Medical Officer
on Wafermine KET010 Study Results

Wafermine

Wafermine, our lead product in clinical development, is the Group's ground-breaking innovation. The active compound of Wafermine is ketamine, which can be used for the relief of moderate to severe pain when administered at sub-anaesthetic doses. This makes Wafermine the world's first sublingual ketamine used for pain relief – a breakthrough in pain management.

The sublingual delivery avoids the requirement (and associated logistical issues) of administering ketamine intravenously as is the current typical clinical practice, yet still delivers the drug rapidly and predictably to the bloodstream.

Wafermine may be used as an effective alternative to, or in conjunction with, opioids that are commonly used in pain management. With the use of Wafermine, patients may be able to avoid developing opioid tolerance and dependency, along with a reduced risk of opioid-induced respiratory depression.

During the year we conducted the important KET010 study under an Investigational New Drug (IND) application with the U.S. FDA. KET010 is a phase 2 randomized, double-blind, placebo-controlled multi-dose efficacy study to demonstrate the efficacy of Wafermine in patients experiencing acute post-operative pain. Patients either underwent bony surgery (bunionectomy) or soft-tissue surgery (abdominoplasty). Demonstration of efficacy in both these pain surgery models is expected to be required in Phase 3 studies to obtain approval for the indication of acute pain with the U.S. FDA.

The study completed recruitment and dosing in July 2018 with top-line results announced in September 2018. We are very excited to report that Wafermine demonstrated strong analgesic efficacy when compared to placebo in both the bunionectomy and abdominoplasty models.

The primary measure for analgesic efficacy in the study is known as SPID12 or the Summed Pain Intensity Difference from 0 to 12 hours. This measure is calculated from the change in pain intensity scores reported by the patient from baseline on a time-weighted basis. A positive value for SPID12 indicates worsening of pain intensity as reported by the patient. A negative value indicates reduction in pain intensity. It can be seen that the Wafermine 75mg group in both the abdominoplasty and bunionectomy cohorts showed strong analgesic efficacy as compared to placebo with standardised effect sizes of 0.76 and 0.73, respectively. The standardised effect size is a mathematically-derived measure of the magnitude of the pain suppressing effect with scores between 0.7 and 0.8 indicating a strong effect.

SPID12: Abdominoplasty

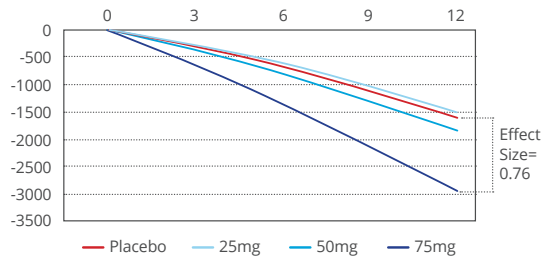

Figure 1: Primary Efficacy Measure- Summed Pain Intensity Difference (SPID12) for abdominoplasty cohort of KET010

SPID12: Bunionectomy

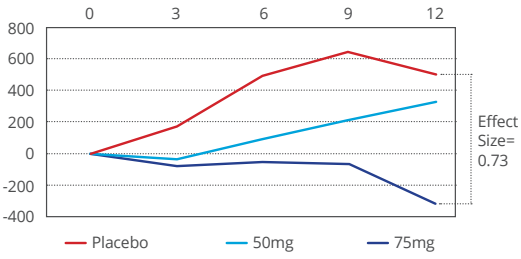

Figure 2: Primary Efficacy Measure- Summed Pain Intensity Difference (SPID12) for bunionectomy cohort of KET010

Wafermine was well tolerated by participants with adverse events typically being of only mild or moderate severity and of short duration. Most adverse events were self-limiting and were completely resolved in subjects prior to leaving the clinical trial facility.

Following these successful results from the KET010 study, preparations are being made towards an End-of-Phase 2 meeting with the U.S. FDA where the Phase 3 Wafermine program will be discussed.

Wafermine is also currently supplied to hospitals and registered pharmacies in Australia under Schedule 5A of the Therapeutic Goods Regulations 1990 of Australia ("TGR"). To date, over 100,000 wafers have been supplied.

Wafesil

Wafesil achieved a significant milestone for the Company becoming iX Biopharma's first registered pharmaceutical product. Wafesil received marketing approval by the TGA in June 2018 and is now registered for the treatment of male erectile dysfunction in Australia.

Wafesil is a new dose form of sildenafil delivered using iX Biopharma's proprietary drug delivery technology, WaferiX, which consists of a fast-dissolving wafer placed sublingually (under the tongue), allowing sildenafil to be administered safely, conveniently and rapidly into the blood stream. Wafesil is the Group's first pharmaceutical product utilising WaferiX to reach approval and registration, thereby validating our proprietary drug delivery technology. Wafesil is also the first sublingual sildenafil wafer product to receive regulatory approval globally. Male erectile dysfunction is a common condition with approximately 20% of Australian men greater than 40 years suffering from it. The risk increases with age and with those having pre-existing cardiovascular disease. An estimated 1 million Australians currently suffer from erectile dysfunction with this number expected to increase significantly over time. Wafesil now provides physicians a novel and exciting therapeutic option to treat this growing problem.

Wafesil is available in dosage strengths of 25mg and 50mg in pack sizes of 4, 8 and 12 wafers and will be supplied to the market via wholesaler and pharmacy channels.

Silcap

Silcap received regulatory marketing approval by the TGA in July 2018 and is registered for use for the treatment of male erectile dysfunction in Australia. Silcap represents iX Biopharma's second registered pharmaceutical product and complements our novel sildenafil product, Wafesil, by providing an alternative option to generic versions of Viagra® in the market.

Silcap is delivered in a novel, small capsule unlike existing sildenafil options in the market which are delivered in tablet form. Silcap will appeal to patients who prefer to swallow capsules or are unable to swallow tablets and has the potential advantage of faster disintegration in the stomach over tablets.

Silcap is available in dosage strengths of 25mg and 50mg in pack sizes of 4, 8 and 12 capsules and will be supplied to the market via wholesaler and pharmacy channels.

BnoX

BnoX, our latest product developed for pain management, is a sublingual buprenorphine wafer formulated for the treatment of moderate to severe pain. With the spotlight currently on the global opioid epidemic, there is now an increasing recognition that buprenorphine can be a critical and emerging compound for pain management.

Buprenorphine has been shown to provide longer-lasting pain relief with fewer side effects compared to other opioids. It also exhibits a ceiling effect – higher doses do not result in unwanted additional opioid effects, including euphoria and respiratory depression. Patients are therefore less likely to develop addiction and tolerance, while the risk of death is also greatly reduced.

Buprenorphine is known for its poor bioavailability (reported to be 10% or less) when ingested orally. Using our WaferiX technology, we have demonstrated in a Phase 1 Pharmacokinetic study (BUP001) that BnoX facilitates more rapid and greater absorption of buprenorphine than the currently marketed sublingual buprenorphine tablet, Temgesic®. The results of BUP001 were published in the prestigious American medical journal, Pain Medicine, in January 2018.

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

Wafernyl

Wafernyl is formulated for the treatment of breakthrough cancer pain. It contains fentanyl, a synthetic opioid that is significantly more potent than morphine, and offers fast, effective and safe pain relief to patients suffering from cancer, post-operative and traumatic pain. Administered sublingually, Wafernyl works as effectively as similar drugs administered intravenously, but has a better side-effect profile, is non-invasive and is easier to administer and store.

In light of the burgeoning opioid crisis epidemic and consequent reluctance of regulatory agencies, including the U.S. FDA, to approve new opioid products, the Group has decided to discontinue development of this product.


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NUTRACEUTICAL
BUSINESS OVERVIEW

At the end of November 2017, we launched our range of next-generation nutraceutical products under the brand Entity by commencing the sale of the Entity supplements on www.entity-health.com, serving customers in Singapore. During the half year following the roll-out, sales of Entity nutraceuticals have increased steadily, reflecting our efforts to make Entity nutraceuticals more readily available to consumers through offering global delivery of online purchases and partnerships with third-party resellers.

In addition to online sales, we also made great strides in offline retail in Australia. Commencing in April 2018, Entity nutraceuticals are now sold in 25 pharmacies in Melbourne, Sydney and Perth. These pharmacies include TerryWhite ChemMart and Priceline pharmacies, which are part of the largest pharmacy groups in Australia. During the year, we applied for, and successfully obtained, 15 product listings on the Australian Register of Therapeutic Goods with 8 listings for domestic sales and 7 listings for export sales. As Entity continues to gain the support of Australian healthcare professionals for its innovative range of supplements, we look to grow the number of quality pharmacies which stock Entity nutraceuticals. The overwhelmingly positive sentiment from the healthcare community paves the way and puts Entity firmly in the trajectory to achieve its target of nationwide distribution in pharmacy chains across Australia.

Entity nutraceuticals are developed and formulated by Australian scientists and manufactured in our Therapeutic Goods Administration ("TGA") approved, cGMP compliant facility located in Victoria, Australia. Entity's priority and opportunity is to establish itself as an Australian brand and leverage on the cachet Australian brands have with consumers worldwide who associate them with high-quality health supplements.

Our operating environment

Modern advances in science and medicine have profoundly altered the human experience. Illnesses that once would have been fatal, can now be cured. People now expect to live longer than ever before. In many parts of the world, the average life span is now 80 and climbing. The number of people in the world aged 60 or over will reach about 1.4 billion people by 2030, according to projections by the United Nations, up from less than 1 billion today.

The modern world understands more about underlying causes of medical conditions than ever before. It is now known that diet, lifestyle choices and ageing can speed up the onset of unwelcome biological processes like inflammation, oxidative stress and mitochondrial dysfunction. These in turn result in people suffering from a cascade of serious conditions like metabolic syndrome, chronic diseases and disability.

Increased knowledge and awareness has led to a paradigm shift of focus from the treatment to the prevention of health conditions. Healthcare is rapidly moving away from the hospitals and into people's homes and daily lives.

The healthcare industry is entering a phase of breath-taking progress and change. Advances in molecular biology, scientific innovations, progress in genomic research and digital transformations will lead to revolutions in the way healthcare is delivered and experienced. However, the explosion of innovation has not trickled down to the supplements segment of healthcare. The consumer health category continues to be dominated by brands that produce generic vitamins and minerals that were first introduced at a time when science was at its infancy. Combined with physical activity, such vitamin and mineral supplements can form a part of a person's basic strategy against the onset of disease by providing nutrients that otherwise may be consumed in less-than-recommended amounts in the modern diet. However, apart from replenishing nutritional deficiencies of a non-ideal diet, many of these supplements often produce no effect or benefit and have no proven action on specific health conditions.

As the pace of innovation quickens, the population will become more knowledgeable about managing their health conditions. We anticipate that people will increasingly reject guesswork in favour of a more targeted and condition-specific approach when choosing which supplements to incorporate as part of their healthcare strategy. They will gravitate towards safe and natural prophylactic solutions that are evidence based and scientifically backed, clinically supported and results orientated. It is in this uncharted space that Entity is gunning for market dominance.

Entity nutraceuticals

Entity nutraceuticals are designed to be the next-generation of health supplements, uniquely positioned between nutrition and therapy.

Entity nutraceuticals are derived from food or formed with naturally occurring compounds which are selected to deliver not just nutritional, but also health and medical benefits to the body. Entity supplements have proven clinical efficacy, are each tailored to a specific need and for a targeted purpose, are based on the latest scientific research, and are designed to bring visible and perceptible changes to improve people's quality of life.

Entity nutraceuticals offer people the possibility of achieving improved health outcomes through increased effectiveness, safety and cost-effectiveness, and integration with conventional medical care. Entity nutraceuticals can form a gentle yet effective next line strategy for the prevention, regeneration and treatment of health and lifestyle-induced conditions. Unlike pharmaceutical drugs, Entity nutraceuticals contain natural and safe pharmacological actives. These actives retain their original molecular structure and do not undergo artificial engineering or modification during their production. This allows them to provide a broad spectrum of beneficial pharmacological effect on the body, with coverage for cure, prophylaxis and well-being of the living cells in the body. The actives in Entity nutraceuticals are provided at levels which replenish functional compounds in the body necessary for optimum function, and most importantly, effectively and safely address the conditions they are designed to target.

Entity's range of products are classified into the following categories: Energy and Vitality, Skin Care, Brain Health, Bone and Joint Health, Prenatal Care, Lifestyle and Sleep Management.

SKINCARE

LumeniX

- Contains glutathione, the master of all antioxidants
- Inhibits dark melanin to brighten and beautify the skin
- Delivered using WaferiX for rapid absorption and onset of action

ENERGY & VITALITY

MetaboliX

- Contains nicotinamide, a precursor of NAD, the molecule of youth
- Boosts energy production, repairs cells and combats aging
- Also available as MetaboliX Plus which has the added benefit of relieving bone and joint inflammation

LIFESTYLE

LiviUp

- Contains dihydromyricetin to enhance alcohol metabolism and detoxification of the liver
- Reduces facial flushing and symptoms of hangover such as headache and nausea after drinking alcohol

LIFESTYLE

RevitaliX

- Contains a powerful combination of red and black maca, known as the Peruvian ginseng
- Promotes relaxation, reduces stress and anxiety

"Entity products are meticulously designed to target specific health conditions. Uniquely positioned between nutrition and therapy, they deliver perceptible and tangible results. That's why we see them as the next generation supplements."

Dr. Iain Cook
Chief Scientist on Entity

BUSINESS STRATEGY

Science and innovation remain at the heart of our long-term strategy, which is to develop best-in-class pharmaceutical and nutraceutical solutions that offer better outcomes.

As we implement our strategy, we have identified key priorities to drive sustainable growth in the areas of market emphasis, partnerships, brand positioning and innovation.

Grow market share in Australia

Australia has a population of 24.7 million people and a burgeoning healthcare industry. According to data compiled jointly by KPMG Australia and the University of Sydney Business School and released in January 2018, Australian products embody a "clean, green and healthy" image to the Chinese population and Australian brands are seen by Chinese consumers to produce among the best quality health products in the world, manufactured to some of the highest standards in the world based on stringent regulations maintained by the Therapeutic Goods Administration ("TGA"). The perception of quality is undoubtedly one of the reasons for the soaring Chinese investment in the Australian healthcare sector, which totalled A$5.5 billion between 2015 to 2017. By comparison, Chinese investment in the larger US' healthcare sector during the same period was US$4.5 billion. Following the registration of Wafesil and Silcap on the Australian Register of Therapeutic Goods ("ARTG"), our marketing strategy will target approximately 20% of Australian men over 40 years who suffer from male erectile dysfunction, through education of general practitioners and sales to pharmacies which prescribe and dispense erectile dysfunction drugs to patients. Apart from Australia, we also intend to explore the registration of Wafesil and Silcap in Asia and the European Union.

On the nutraceuticals front, Entity nutraceuticals are developed and formulated by Australian scientists and manufactured in our TGA approved, cGMP compliant research and development and manufacturing facility located in Victoria, Australia. We believe that a key priority is for us to establish Entity as a homegrown Australian health supplements brand.

According to Complementary Medicines Australia, an estimated 70% of Australians use some form of complementary medicines, including health supplements and functional food, to support their health and well-being goals. Over the years, Australia has also built a strong reputation globally for being the home to several high-quality health supplement companies with outstanding reputations. Notwithstanding the apparent maturity of Australians when it comes to the retail of health supplements, Australia's vitamin and dietary supplement sector doubled its value in the last 10 years.

To achieve our objective of gaining recognition as an Australian brand, we will focus on establishing Entity's presence in retail pharmacies and health food stores across Australia. Entity nutraceuticals are now sold in 25 pharmacies in Melbourne, Sydney and Perth, including in TerryWhite ChemMart and Priceline pharmacies and other upmarket retail shops. We are working to increase store coverage and optimise production planning and fulfilment processes, in view of eventual nationwide distribution through wholesaler and pharmacy channels. We believe that driving recognition of Entity as an Australian brand allows us to leverage on the credence given to Australian healthcare companies and allows us to build exposure of our brand to the Asia Pacific region through tourists, student visitors and foreign residents.

Secure brand positioning for Entity nutraceuticals

The key to the success of Entity nutraceuticals will be driven by our scientific expertise and our ability to deliver value to our customers. Entity's range of nutraceuticals is developed based on clinical research and scientific validation by the team of scientific and medical experts underpinning our Group's pharmaceutical unit. Entity nutraceuticals provide consumers with a clearly differentiated proposition compared with the vitamins and minerals in the market:

"Australia is seen as the gold standard for healthcare products in the Asia Pacific region. We will focus on Australia as Entity's primary market and develop a national launch program with some of the premium pharmacy groups in the coming year."

Eva Tan
Commercial Director
on Marketing Strategy

consumers who choose Entity products can experience visible and perceptible change to their conditions, and consequently derive a tangible benefit and genuine improvement to their quality of life.

We are working to secure a brand positioning for Entity to strengthen its position as a premium, next-generation brand of nutraceuticals. Our focus is to effectively communicate Entity's attributes and differences to consumers. Brand strategies will be carried out through creative messaging in appropriate channels to reach our target customers. Through a multi-prong brand strategy, Entity can then articulate the value it brings to consumers, grow its market share and lay the foundations for it to become a trusted leader in preventative and regenerative healthcare and a producer of premium, science-based nutraceuticals.

Collaborate with third parties to expand reach and maximise value

The Group's development programme for Wafermine is entering the pivotal late clinical phase. We believe that Wafermine holds huge commercial potential given its potential for use as an alternative to, or in conjunction with, opioids that are commonly used in pain management. According to the U.S. Department of Health and Human Services, opioid overdoses accounted for more than 42,000 deaths and an estimated 40% of opioid overdose deaths involved a prescription opioid in 2016. The results of our Phase 2 clinical studies have continued to confirm and validate our research and we now plan to initiate out-licensing activities for Wafermine to unlock the substantial value associated with out-licensing our programme at this stage.

In addition to Wafermine, our pharmaceutical product portfolio includes BnoX, which was specially developed for out-licensing at the early clinical phase. Our technology, WaferiX, is also well-positioned for out-licensing following our receipt of the patent grants in critical markets such as the European Union and China.

We believe that collaborations with suitable partners are fundamental to the Group's future growth outside of Australia. They provide us with the opportunity to leverage on the expertise of our out-licensing partners, share the financial risks involved in drug development and commercialisation of our products and allow us to allocate more resources to other value-driven programmes.

Further strengthen innovation

The Group's background is in innovation, and with the addition of Entity, we are taking steps to continue the legacy. We believe that our research has the ability to uncover new ways to improve people's lives. The focus of our R&D is to enhance consumer health outcomes with effective and scientifically-backed formulations or by improving the delivery of known actives that are not delivered efficiently.

Entity's LumeniX for skin brightening and WafeRest for sleep management utilise our WaferiX technology to improve the delivery of glutathione and melatonin respectively. Glutathione and melatonin are molecules that, although known to have clinical benefit, generally suffer from low bioavailability as they are small molecules that break down in the GI tract after being swallowed. WaferiX allows the molecules to be delivered efficiently through the blood vessels in the oral mucosa, minimising loss as delivery bypasses the GI tract. Absorption of the actives is rapid, effective and predictable. We use WaferiX as a delivery platform so that the potential of previously under-performing actives can be realised to achieve improved consumer benefit. Apart from LumeniX and WafeRest, each of Entity's other products contain unique formulations that improve on existing solutions in the market and are brought to market after extensive research and consumer testing. We will continue to research into formulations that will help conditions in areas with unmet needs.

"Throughout our soft launch in Australia, I've received very encouraging feedback from the pharmacy and health food stores – pharmacists and customers who've tried our products feel a genuine improvement, whether in managing their chronic health conditions or lifestyle needs."

Grammy Ngai
Pharmacist
on Consumer Feedback

FINANCIAL REVIEW

The financial year ended 30 June 2018 (FY2018) has been a very busy and productive year for the Group. Several major activities undertaken during the financial year underscored our financial results for FY2018:

- conducting a major clinical trial, KET010 - a Phase 2 randomised double - blind placebo - controlled multi-dose efficacy clinical study of Wafermine, our premier pharmaceutical pipeline product;
- successful formulation and commercialisation of 15 nutraceutical products to-date;
- successful soft-launch of Entity Health via global e-commerce portal and 25 pharmacies in major cities in Australia;
- scaling up manufacturing capacity and regulatory support for wider commercialisation of the Group's pharmaceutical and nutraceutical products; and
- continuous upgrading of laboratory infrastructure and improving productivity.

OPERATING RESULTS

Revenue and Gross Profit

The Group recorded revenues of S$6.53 million and S$6.38 million for FY2018 and FY2017 respectively.

In FY2018 Chemical Analysis segment recorded a revenue of S$6.29 million (A$6.06 million), marginally lower than S$6.33 million (A$6.03 million) for FY2017 due to a weaker Australian Dollar.

The Group's nutraceuticals division, Entity Health, recorded a new revenue stream of $156,000 for FY2018. It launched 12 new nutraceutical products via its e-commerce portal (www.entity-health.com) in late November 2017 in Singapore and has also partnered with third party resellers such as Lazada and Aladdin Street (a premium Halal e-commerce platform) to make Entity products available on their platforms.

In April 2018, Entity Health started sales and delivered internationally via its own and third-party e-commerce platforms. In the same quarter, it initially targeted 15 pharmacies in major Australian cities for its initial soft-launch of its products. Since its launch in Australia, the Group has received enthusiastic feedback from healthcare professionals who recognise Entity's innovative approach to preventative healthcare. At end of FY2018, the Group expanded its sales reach from 15 pharmacy stores in Australia to 25. Entity is sold in busy cosmopolitan locations such as Nova Pharmacy in QV Melbourne and Priceline Pharmacy in Town Hall, Sydney.

Of the 5 products sold in Australian retail stores, LumeniX, the Group's proprietary skin brightening formula, and LiviUp, a hangover supplement, have received the highest acclaim from healthcare professionals. LumeniX has since sold out its first production run for Australia. Meanwhile, the online sales of the MetaboliX range and the skincare range continued to perform well, increasing by 82.7% in the last quarter of FY2018 over the preceding quarter.

Cost of sales, comprising mainly of personnel and consumable expenses relating to provision of chemical analysis services and manufacturing, was S$5.16 million for FY2018 as compared to S$4.14 million in FY2017. The higher cost of sales was mainly due to costs incurred in Chemical Analysis for the development and implementation of IT systems to improve productivity. During the year, the Group also geared up its manufacturing resources in preparation for supply of its nutraceutical products in November 2017.

Accordingly, the Group recorded a gross profit of S$1.38 million or 21% of revenue in FY2018 versus S$2.24 million or 35% of revenue in FY2017.

Other income - Research and Development (R&D) Incentive

The Group conducts its R&D activities through its wholly-owned subsidiaries in Australia and has 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 offset for eligible R&D expenditure incurred in Australia by these subsidiaries. The Group recognised a lower R&D incentive of S$1.21 million compared to S$1.87 million in FY2018 due to mix of the eligible expenditure qualified for R&D incentive.

Expenses

R&D expense

The Group undertook R&D activities in product developments, including formulation and manufacturing for clinical trials.

In FY2018, R&D expense was S$8.03 million as compared to S$5.12 million in FY2017. The higher R&D expense was mainly due to the Group conducting our breakthrough Phase 2 randomised double-blind placebo-controlled multi-dose efficacy clinical study

"We have successfully registered two drugs, Wafesil and Silcap, in Australia. This demonstrates our expertise in the complete product development cycle, from formulation, manufacturing, clinical development to regulatory approval. Looking ahead, the Group will emphasize on marketing its pharmaceutical and nutraceutical products to reach as many patients and consumers as possible."

Desiree Chua
Senior Business Development Manager on Wafesil and Silcap Registration

"Wafermine and BnoX address large market gaps in pain management therapy, as a result of iX's novel sublingual delivery technology. Over 100,000 wafers have been prescribed throughout Australia under a TGA Schedule 5A special access scheme."

Dr. Stephen Lim
Chief Pharmacist
on Clinical Use of Wafermine and BnoX

of Wafermine, KET010. The study was designed to enrol 125 patients who underwent either bony surgery (i.e. bunionectomy) or soft-tissue surgery (i.e. abdominoplasty).

Sales and marketing

The Group had increased its sales and marketing headcount and activities since the fourth quarter of FY2017 in preparation for commercialisation of its nutraceutical products under Entity Health. Entity Health commenced its e-commerce platform in late November 2017 in Singapore.

Since its initial soft launches of its e-commerce portal in November 2017 (and subsequently in Australia in April 2018), the Group has been gathering data and feedback regarding the penetration of Entity products in the market place, optimising production capacity and improving logistical capabilities to meet demand. In Australia, the Group supported its soft launch with outdoor display panels that are strategically positioned near bus stops and train stations in high traffic locations such as Town Hall and Central Station in Sydney and Melbourne Central Business District. These prominent outdoor display panels drew consumer attention and drove traffic to the nearby pharmacies carrying Entity products. The Group also conducted pharmacist product trainings and commenced in-store advertising through product posters and point-of-sale merchandise.

For FY2018, sales and marketing expenses increased from S$1.24 million to S$2.08 million as the Group's sales and marketing activities scaled up for new product launches in Singapore (e-commerce platform) and Australia (pharmacy stores).

General and administrative (G&A)

G&A expense during the financial year was S$6.60 million and was comparable to S$6.36 million recorded in FY2017. The increased expense was mainly due to higher regulatory costs (including trademarks and patents) of S$0.20 million.

Others

Others consist solely of currency exchange gain/loss.

In FY2018, currency exchange loss was S$1.09 million as compared to a net gain of S$1.06 million in FY2017. These arose mainly from currency fluctuations of the US and Australian dollars against the Singapore dollar for the Group's foreign currency denominated cash deposits and receivables from its subsidiaries.

FINANCIAL POSITION

Except for items reviewed below, the balance sheet as at 30 June 2018 (YE2018) remained comparable to that as at 30 June 2017 (YE2017).

As at YE2018, the Group's cash and cash equivalents was S$21.07 million, compared to S$31.09 million as at YE2017. The decrease of S$10.02 million was mainly due to cash outflows in operating activities of S$10.42 million (which included S$4.52 million paid for R&D) but was offset by receipt of S$1.81 million in R&D incentive.

Trade and other receivables were S$2.03 million, a decrease of S$0.94 million mainly due to lower accrued R&D incentive receivable.

Inventories of S$0.53 million comprised raw materials of S$0.47 million and finished goods of S$0.06 million, principally related to our new nutraceutical products.

Trade and other payables increased from S$3.50 million to S$6.78 million substantially due to progress billings and accrual for cost of clinical trial undertaken during the last quarter of FY2018.

Property, plant and equipment was S$8.10 million as compared to S$8.19 million as at YE2017. The decrease was attributed to S$1.12 million in additions which were mainly for laboratory testing and manufacturing equipment which was offset by depreciation of S$0.86 million and unrealised currency translation loss of S$0.35 million. Intangible assets decreased from S$1.40 million to S$0.87 million, due to amortisation of S$0.55 million offset by additions of new software of S$0.07 million.

CASH FLOW

During FY2018, the Group recorded a net cash used in operating activities of S$8.36 million as compared to S$4.16 million in FY2017, which was mainly due to the timing and progress of clinical trials, receipts from R&D tax incentive and sales & marketing activities in preparation of nutraceutical products launch.

In FY2018, the Group invested S$1.19 million in new software and plant & equipment principally for laboratory testing and manufacturing purposes.

Net cash used in financing activities of S$0.25 million in FY2018 was mainly due to the repayment of interest and borrowings as compared to S$4.59 million net cash from financing activities in FY2017, which was mainly derived from issuance of new shares.

BOARD OF DIRECTORS

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 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.

ALBERT HO SHING TUNG
Non-Executive Director

Albert Ho was appointed to the Board on 1 March 2013 and serves as a member of the Audit, Remuneration and Risk Management Committees.

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.

KO KHENG HWA
Lead Independent Director

Ko Kheng Hwa was appointed to the Board on 18 June 2015 and serves as Chairman of the Remuneration Committee and a member of the Audit and Nominating Committees. He is also an Independent Director of Ho Bee Land Limited, a company listed on the Singapore Exchange. He is an expert/senior advisor to several companies including the Boston Consulting Group International, Inc and technology growth companies.

Mr. Ko has more than 30 years of leadership, industry and international experience. Public sector leadership positions previously held include Managing Director of Economic Development Board, CEO of JTC Corporation, CEO of National Computer Board and Board Member of Agency for Science, Technology and Research (A*STAR) and SPRING Singapore (now Enterprise Singapore). Business sector appointments previously held include CEO of Singbridge International Singapore Pte Ltd, a Temasek-linked company and Chairman of Pacific Internet Ltd (formerly listed on NASDAQ).

Mr. Ko holds a B.A. (Honours) in Engineering from Cambridge University and Master of Science in Management from Massachusetts Institute of Technology. He completed the Advanced Management Programme at Harvard Business School. He is a Fellow of the Institution of Engineers Singapore and the Singapore Computer Society.

Mr. Ko will be retiring pursuant to Regulation 85 of the Company's Constitution and will not be seeking re-election.

LOW WENG KEONG
Independent Director

Low Weng Keong was appointed to the Board on 18 June 2015 and serves as the Chairman of the Audit Committee and a member of the Nominating, Remuneration and Risk Management Committees. Mr Low is an independent director of UOL Group Limited and Riverstone Holdings Limited, both 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 a Director of the Confederation of Asian and Pacific Accountants and the Singapore Institute of Accredited Tax Practitioners. He is also a member of the Board of Trustees of the NTUC Education and Training Fund.

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).

CLAUDIA TEO KWEE YEE
Independent Director

Claudia Teo was appointed to the Board on 18 June 2015 and serves as the Chairman of the Nominating and Risk Management Committees and a member of the Audit and Remuneration Committees.

Ms. Teo is a partner and head of the Corporate and Financial Services practice group of Eversheds Harry Elias LLP ("EHE"), 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.

She is also a director and a member of the Investment/Governance & Risk committee, of Ren Ci Hospital & Medicare Centre, a Singapore charity healthcare institution.

Ms. Teo completed her Bachelor of Laws at 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 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 iX Group.

Mr. Chew has over 20 years of experience holding senior positions in accounting, audit and treasury. He spent more than 9 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, 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 Medical Officer

Dr. Janakan Krishnarajah joined iX Biopharma in April 2016. As Chief Medical Officer, he is responsible for the development and implementation of iX Biopharma's clinical trial programmes.

Prior to joining iX, Dr. Krishnarajah was the CEO and Medical Director of Linear Clinical Research, a leading Australian early-phase clinical trials facility. He has extensive experience in phase I-IV clinical trials and has acted as Principal or Co-Investigator in over 100 Phase I/II clinical trials. He is a reviewing panel member of the Clinical Drug Trials Committee at Sir Charles Gairdner Hospital in Western Australia.

Dr. Krishnarajah graduated with a Bachelor of Medicine, Bachelor of Surgery (Hons) from The University of Western Australia in 2001. He is a Consultant Physician with specialist interests in Clinical Pharmacology and Internal Medicine.

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 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 Limited on 7 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 interest is 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 system from Curtin University.

EVA TAN
Commercial Director

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

Prior to joining iX, she was a corporate lawyer at WongPartnership, 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 Ltd 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.

DESIREE CHUA
Senior Manager,
Business Development

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. 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

iX Biopharma is fully committed to its environmental initiatives along its entire value chain, from product development to supply of goods. As we ship our products to various destinations, we are in continuous pursuit of optimising our fulfilment system to reduce emissions from transportation of goods.

People

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

We strongly believe in being inclusive with regard to hiring policies. iX Biopharma employs the best talent, without discrimination on race, gender or age.

At iX Biopharma, we also actively recognise our employee's contributions via awards and recognition.

Product

As a pharmaceutical company, we comply with all relevant and material regulations and applicable industrial standards. All of our products are continuously assessed for health and safety impacts 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 feedbacks and recall events.

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.

Progress Update

We engaged external consultants to facilitate a Sustainability Reporting Workshop in February 2018. The overall purpose was to reinforce commitment and identify key stakeholders and material topics on environmental, social and governance factors to be communicated in the upcoming Sustainability Report. Our management then discussed, identified and confirmed the list of material topics and performance indicators to be reported.

We are currently collating the performance data for the identified indicators and aim to publish our inaugural sustainability report by end of this calendar year.

CORPORATE GOVERNANCE REPORT

The Board of Directors (the "Board" or "Directors") and the management ("Management") of iX Biopharma Ltd. (the "Company", and together with its subsidiaries, the "Group") is committed to comply with the principles of the Code of Corporate Governance 2012 (the "Code") issued on 2 May 2012. 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 2018 ("FY2018"), the Company has generally adhered to the principles and guidelines set out in the Code, except where otherwise stated. Where there have been deviations from the 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").

BOARD MATTERS

THE BOARD'S CONDUCT OF AFFAIRS

Principle 1: Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with the Management to achieve this objective and the Management remains accountable to the Board.

The Board currently comprises one executive director and four non-executive directors, of which, three of the non-executive directors are independent from the Management.

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.

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. All Directors objectively make decisions at all times as fiduciaries in the interests of the Company.

The Board conducts regular meetings, and additional meetings for particular matters will be convened as and when they are deemed necessary. Where a physical meeting is not possible, timely communication with and participation by members of the Board can be achieved through electronic means such as telephone and video conferences.

To assist in the execution of its responsibilities, the Board has formed four committees, namely, the Audit Committee ("AC"), the Remuneration Committee ("RC"), the Nominating Committee ("NC") and the Risk Management Committee ("RMC") (collectively, the "Board Committees"). These Board Committees function within written terms of reference, which are reviewed on a regular basis. 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.

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The number of Board and Board Committees meetings held and the attendance of each Board member during FY2018 are shown below:

Director	Board	Audit Committee	Nominating Committee	Remuneration Committee	Risk Management Committee
No. of meetings held	4	4	1	1	1
No. of meetings attended					
Eddy Lee Yip Hang	4	N/A	1	N/A	N/A
Albert Ho Shing Tung	4	4	N/A	1	1
Ko Kheng Hwa	4	4	1	1	N/A
Low Weng Keong	4	4	1	1	1
Claudia Teo Kwee Yee	4	4	1	1	1

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 COMPOSITION AND GUIDANCE

Principle 2: There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from the Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.

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 Code for independent directors to make up at least half of the Board where the Chairman of the Board ("Chairman") and the Chief Executive Officer ("CEO") is the same person. The independent directors are Mr. Ko Kheng Hwa, Mr. Low Weng Keong and Ms. Claudia Teo Kwee Yee.

The Board of Directors and Board Committees as at 30 June 2018 comprises:

Name of Directors	Board of Directors	Audit Committee	Nominating Committee	Remuneration Committee	Risk Management Committee
Eddy Lee Yip Hang	Executive Chairman and Chief Executive Officer	–	Member	–	–
Albert Ho Shing Tung	Non-Executive Director	Member	–	Member	Member
Ko Kheng Hwa	Non-Executive Independent Director	Member	Member	Chairman	–
Low Weng Keong	Non-Executive Independent Director	Chairman	Member	Member	Member
Claudia Teo Kwee Yee	Non-Executive Independent Director	Member	Chairman	Member	Chairman

CORPORATE GOVERNANCE REPORT

In accordance with the Code, the Board considers an "independent" director as one who has no relationship with the Company, its related companies, its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgment with a view to the best interests of the Group. As defined in the Code, a "10% shareholder" means any person who has an interest or interests in one or more voting shares in the Company and the total votes attached to that share or those shares is not less than 10% of the total votes attached to all the voting shares (excluding treasury shares) in the Company. With a significant 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 (9) years from the date of appointment.

The Board comprises Directors who as a group 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 in pages 18 and 19 of this Annual Report.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3: There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.

Mr. Eddy Lee Yip Hang is both the Chairman and CEO of the Company. The Board believes that there is no need for the role of Chairman and the CEO to be separated as there is a good balance of power and authority with all Board Committees chaired by the independent Directors.

The Board has appointed Mr. Ko Kheng Hwa as the Lead Independent Director of the Company, who 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.

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.

BOARD MEMBERSHIP

Principle 4: There should be a formal and transparent process for the appointment and re-appointment of directors to the Board.

The NC comprises three independent Directors, Ms. Claudia Teo Kwee Yee, Mr. Ko Kheng Hwa and Mr. Low Weng Keong, as well as the Chairman and CEO, Mr. Eddy Lee Yip Hang. Ms. Claudia Teo Kwee Yee is the Chairman of the NC. No alternate directors have been appointed to the Board.

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;

CORPORATE **GOVERNANCE REPORT**

- 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.

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 FY 2018 and has determined that Ms. Claudia Teo Kwee Yee, Mr. Ko Kheng Hwa and Mr. Low Weng Keong are independent.

The Company's Constitution requires newly appointed Directors to hold office until the next Annual General Meeting ("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.

The NC noted that Mr Ko Kheng Hwa will be retiring and not seeking re-election at the forthcoming AGM. It recommends that Mr. Eddy Lee Yip Hang who is to retire by rotation be nominated for re-election at the forthcoming AGM, in accordance with Regulation 85 of the Company's Constitution. Mr Eddy Lee Yip Hang will, upon re-election as a Director of the Company, remain as Chairman and CEO of the Company and a member of NC.

Although Mr. Low Weng Keong, Mr. Albert Ho Shing Tung and Mr. Ko Kheng Hwa 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.

No Director was involved in his or her own evaluation.

The dates of initial appointment and last re-election of each director, together with his or her current directorships in listed companies are set out below. The details of the Directors' academic and professional qualifications and other principal commitments are set out in pages 18 and 19.

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Director	Current appointment	Date of initial appointment	Date of last re-election	Directorships in other listed companies (present and in the preceding three years)
Eddy Lee Yip Hang	Executive Director	17.01.2008	25.10.2016	–
Albert Ho Shing Tung	Non-Executive Director	01.03.2013	24.10.2017	Independent Non-Executive Director at Riverstone Holdings Limited
Ko Kheng Hwa	Non-Executive Lead Independent Director	18.06.2015	25.10.2016	Independent Non-Executive Director at Ho Bee Land Limited
Low Weng Keong	Non-Executive Independent Director	18.06.2015	24.10.2017	Present Independent Non-Executive Director at UOL Group Limited Lead Independent Non-Executive Director at Riverstone Holdings Limited Previous Bracell Limited
Claudia Teo Kwee Yee	Non-Executive Independent Director	18.06.2015	24.10.2017	–

Where new appointments are required, the NC will consider recommendations for new directors, taking into account the Board's desired composition including skills mix and diversity by reviewing their qualifications and work experience. In view of the foregoing, the Board is of the view that there is an adequate process for the appointment of new directors.

BOARD PERFORMANCE

Principle 5: There should be a formal annual assessment of the effectiveness of the Board as a whole and its board committees and the contribution by each director to the effectiveness of the Board.

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, 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.

Going forward, 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.

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ACCESS TO INFORMATION

Principle 6: In order to fulfil their responsibilities, directors should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

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.

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.

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.

REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 7: There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

The RC comprises three independent directors, Mr. Ko Kheng Hwa, 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. Ko Kheng Hwa is the Chairman of the RC.

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 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.

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.

CORPORATE GOVERNANCE REPORT

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 8: The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company; and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.

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 FY2018 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 chairman of each Board Committee.

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	S$71,500	–
Lead Independent		S$6,000
Chairperson		
Audit Committee		S$12,000
Nominating Committee		S$6,000
Remuneration Committee		S$6,000
Risk Management Committee		S$6,000

Based on the remuneration framework, the RC has recommended that directors' fees of S$334,000 shall be paid quarterly in arrears for the financial year ending 30 June 2019.

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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" in pages 40 and 41 set out in this Annual Report.

DISCLOSURE ON REMUNERATION

Principle 9: Each company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration in the company's Annual Report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management, and performance.

The Board, after weighing the advantages and disadvantages of such disclosure, is of the view that full disclosure of the actual remuneration of each director, the CEO and key management personnel pursuant to Rule 1204(15) and Rule 1204(12) of the Catalist Rules and Guideline 9.2 of the Code would not be in the interests of the Company as such information is confidential and sensitive in nature. The Board is also of the view that a disclosure of the aggregate total remuneration paid to the key management personnel (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 remuneration bands of the Directors and top one key management personnel (other than the Chairman and CEO) of the Group for FY2018 are as follows:

Remuneration Bands	**Fees %**	**Base/ Fixed Salary %**	**Bonus %**	**Other Benefits %**	**Share-based Compensation %**	**Total %**
Directors S$750,001 to S$1,000,000 per annum						
Eddy Lee Yip Hang	–	37	9	36[(1)]	18[(2)]	100
Below S$250,000 per annum						
Albert Ho Shing Tung	100	–	–	–	–	100
Ko Kheng Hwa	100	–	–	–	–	100
Low Weng Keong	100	–	–	–	–	100
Claudia Teo Kwee Yee	100	–	–	–	–	100
Key Management S$250,001 to S$500,000 per annum						
Chew Sien Lup	–	67	8	–	25[(2)]	100

Notes:

1. The Other Benefits comprises personal income tax, housing and car benefits.

2. The amount represents the amortised value relating to share awards granted to Mr. Eddy Lee Yip Hang and Mr. Chew Sien Lup and accounted as expense by the Company in accordance with Singapore Financial Reporting Standards ("FRS") 102 during the financial year.

During FY2018, the Company announced total awards of 1,398,000 shares to certain employees and executives under iX Performance Share Plan. The Company has not granted any options under iX Employee Share Option Scheme.

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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 key management personnel (who are not Directors or the CEO).

Ms. Tang Choy Leng Jane, a human resource and administrative executive of the Company, and Miss Sophie Lee, a business development executive of iX Syrinx Pty Ltd, are the spouse and daughter of Mr. Eddy Lee Yip Hang respectively. During FY2018, Ms. Tang was paid a fixed salary of more than S$100,000 and less than S$150,000 whilst Miss Lee was paid a fixed salary of more than S$50,000 and less than $100,000. Save for Ms. Tang and Miss Lee, there were no other employees who are immediate family members of any Director or the CEO whose remuneration exceeded S$50,000 in FY2018.

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.

ACCOUNTABILITY AND AUDIT

ACCOUNTABILITY

Principle 10: The Board should present a balanced and understandable assessment of the Company's performance, position and prospects.

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. Information are disseminated to shareholders through SGXNET and are also available on the Company's website at www.ixbiopharma.com.

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.

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 11: The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the Company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

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.

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Risk Management Committee

During the year, the Board established the RMC to assist it 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 Chairman 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.

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 27 of the Notes to the Financial Statements as set out in this Annual Report.

Risk management practices will be formalised within the next 18 months under an Enterprise Risk Management ("ERM") Framework from which the Group will identify, prioritise, assess, manage and monitor 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 2018. These controls are and will be continually assessed for improvement.

CORPORATE GOVERNANCE REPORT

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 12: The Board should establish an Audit Committee ("AC") with written terms of reference which clearly set out its authority and duties.

The AC comprises three independent directors, Mr. Low Weng Keong, Mr. Ko Kheng Hwa and Ms. Claudia Teo Kwee Yee, and a non-independent non-executive Director, Mr. Albert Ho Shing Tung. Mr. Low Weng Keong is the Chairman 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.

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.

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 January 2018 and are relevant to its operations.

CORPORATE **GOVERNANCE REPORT**

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 FY2018.

The AC met for four times and carried out the following during FY2018:

- 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 auditors once without the presence of the Management.

During the review of the financial statements for FY2018, 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.

Key Audit Matter	**How the AC Reviewed The Matter and What Decision Was Made**
Valuation of goodwill, intangible assets and property, plant and equipment	The AC has considered the approach and methodology applied to the value in-use ("VIU") model in impairment assessment. 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. 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 FY2018. Refer to page 72 of this Annual Report for the details on the CGUs.

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

INTERNAL AUDIT

Principle 13: The Board should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

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 COMMUNICATION WITH SHAREHOLDERS

Principle 14: Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangement.

Principle 15: Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

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 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.

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*.

All shareholders of the Company will receive notices of all general meetings including the forthcoming 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.

The Company does not have a policy on payment of dividend. The Board would consider a dividend policy at an appropriate time.

The Board has not declared or recommended any dividend for FY2018, as the Company has been incurring net operating losses from its product development and, more recently, commercialisation activities.

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.

CONDUCT OF SHAREHOLDER MEETINGS

Principle 16: Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

Shareholders of the Company will be informed of general meetings and given the opportunity to participate at general meetings. The Company's external auditors will also be in attendance at the forthcoming AGM and are available to assist the Directors in addressing any relevant queries by shareholders. The Board is of the view that shareholders have sufficient opportunity to express their views and address their questions to the Board and Management.

CORPORATE GOVERNANCE REPORT

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. Resolutions proposed at general meetings on substantive issues are proposed as separately drafted resolutions to allow shareholders to consider and cast their votes properly on issues which are distinct.

A member who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend and vote at the Annual General Meeting, 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 (2) 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.

The Company will put all resolutions to vote by poll at general meetings and the detailed results of the number of votes cast for and against each resolution and the respective percentages will be announced via SGXNET.

The Chairman of each of the Audit, Nominating, Remuneration and Risk Management Committees, or members of the respective Committees standing in for them, are present at each Annual General Meeting, 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.

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 made available to shareholders during office hours upon request.

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 FY2018.

INTERESTED PERSON TRANSACTIONS

There is no interested person transaction which was more than S$100,000 entered into in FY2018.

Name of interested person	Aggregate value of all interested person transactions during FY2018 (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 FY2018 under shareholders' mandate pursuant to Rule 920 of the Catalist Rule (excluding transactions less than $100,000)
–	–	–

The Group does not have a general mandate for recurrent interested person transactions.

APPOINTMENT OF AUDITORS

The Company confirms that it has complied with the Rules 712 and 715 of the Catalist Rules in engaging PricewaterhouseCoopers LLP, which is registered with the Accounting and Corporate Regulatory Authority, as the external auditors of the Company.

CORPORATE GOVERNANCE REPORT

The AC assesses the independence of the external auditors annually. The aggregate amount of fees paid to the external auditors of the Group for FY2018 is disclosed under Note 6 of the Notes to the Financial Statements. There were no non-audit fees paid / payable to the Company's auditors during FY2018. The AC has further recommended that the Board proposes, and the Board has proposed, the re-appointment of PricewaterhouseCoopers LLP as the external auditors at the forthcoming AGM.

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 FY2018.

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 Directors and other officers are prohibited from dealing in the Company's securities at least two weeks before and up to the announcement of the Group's quarterly results and one month before and up to the announcement of the Group's full year results. 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 observe all applicable insider trading laws at all times even when dealing in securities within the permitted trading period. The Company has complied with Rule 1204(19) of the Catalist Rules.

USE OF PROCEEDS

(a) Initial Public Offer

Pursuant to the IPO, the Company received total proceeds of S$30.13 million ("IPO Proceeds"). As at 30 June 2018, the IPO Proceeds has been utilised as follows:

	Amount allocated in Offer Document	Amount as at 25 June 2018 after re-allocation	Amount utilised	Balance
	S$'000	S$'000	S$'000	S$'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	26,200	15,286	(11,049)	4,237
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	(187)	9,227
General working capital and other general corporate expenses	1,413	2,913	(1,853)	1,060
Listing expenses	2,517	2,517	(2,517)	–
Total	**30,130**	**30,130**	**(15,606)**	**14,524**

CORPORATE GOVERNANCE REPORT

Details of working capital used:

	S$'000
Professional fees	485
Payroll and directors' fees	927
Trademark and patents	67
Rental, office expenditure and other operating expenses	374
Total	1,853

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) Private Placement

Pursuant to the private placement of 14,358,000 shares on 21 April 2016, the Company received net proceeds of S$4.85 million ("Placement Proceeds"). As at 30 June 2018, the Placement Proceeds has been utilised as follows:

	Amount allocated S$'000	Amount utilised S$'000	Balance S$'000
Registration of the Company's products with appropriate agencies for approval to sell the products, and for marketing of the Company's products	3,849	(2,979)	870
Acquisition of new product packaging equipment	1,000	(785)	215
Total	**4,849**	**(3,764)**	**1,085**

The above utilisation of the Company's Placement Proceeds is in accordance with the intended use as stated in the Company's announcement dated 14 April 2016.

(c) Rights Issue

Pursuant to the rights issue of 24,584,284 shares on 21 July 2016, the Company received net proceeds of S$5.03 million ("Rights Proceeds"). As at 30 June 2018, the Rights Proceeds has been utilised as follows:

	Amount allocated S$'000	Amount utilised S$'000	Balance S$'000
Development of the Company's pipeline products (including undertaking clinical trials and registration of such products with appropriate agencies for marketing approval) and for marketing of the Company's products	4,028	(2,732)	1,296
Acquisition of new product packaging equipment	1,000	–	1,000
Total	**5,028**	**(2,732)**	**2,296**

The above utilisation of the Company's Rights Proceeds is in accordance with the intended use as stated in the Company's Offer Information Statement dated 24 June 2016.

DIRECTORS' **STATEMENT**

For the financial year ended 30 June 2018

The directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 30 June 2018 and the balance sheet of the Company as at 30 June 2018.

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 47 to 93 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 2018 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
Ko Kheng Hwa

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' 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	165,119,020	162,416,020	17,460,982	15,080,030
Albert Ho Shing Tung[1]	7,799,999	7,799,999	130,000	130,000
Low Weng Keong	1,170,252	729,152	–	–
Ko Kheng Hwa	479,544	479,544	–	–
Claudia Teo Kwee Yee[2]	–	–	70,000	–

(1) Mr. Albert Ho Shing Tung's direct interest of 7,799,999 shares are held in the name of Raffles Nominees (Pte) Ltd.
(2) 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 2018 were the same as those as at 30 June 2018.

DIRECTORS' **STATEMENT**

For the financial year ended 30 June 2018

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.

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
Ko Kheng Hwa

During the financial year, no options were granted under the Share Option Scheme and on 10 November 2017, 1,398,000 share awards were granted under the Share Plan.

As of 30 June 2018, the Company has not granted any options under the Share Option Scheme since its inception.

DIRECTORS' STATEMENT

For the financial year ended 30 June 2018

Share Options and Share Plan (continued)

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

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

Name of participant	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	Aggregate number 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	–	2,239,000	–
(ii) other participants	932,000	–	1,265,333	1,365,000
Total	3,171,000	–	3,504,333	1,365,000

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 award 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	–	1,365,000
Total	1,398,000	4,902,333	3,504,333	1,365,000

DIRECTORS' **STATEMENT**

For the financial year ended 30 June 2018

Share Options and Share Plan (continued)

(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 30.06.2018	Vesting period
iX Performance Share Plan	1,365,000	12 months from the award date

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
Ko Kheng Hwa

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 2018 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
17 September 2018

Albert Ho Shing Tung
Director

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 Financial Reporting Standards in Singapore ("FRSs") 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 2018 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 2018;
- the consolidated balance sheet of the Group as at 30 June 2018;
- the balance sheet of the Company as at 30 June 2018;
- 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.

Our Audit Approach (continued)

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 2018. 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 and property, plant and equipment ("PPE") As at 30 June 2018, iX Biopharma Ltd ("the Group") had a carrying value of $327,000 in goodwill, $538,000 in depreciable intangible assets and $8,096,000 in PPE. Management is required to perform an impairment assessment of goodwill annually and assess whether there is any indication that the intangible assets and PPE may be impaired. This is a key audit matter due to the significant judgement involved in establishing the reasonableness of the key inputs used by management in the cash flow projection. Changes in the key inputs can trigger potential impairment of goodwill, intangible assets and PPE. The key estimates and assumptions are disclosed in Note 17 and Note 3(a) to the accompanying financial statements respectively.	Our audit procedures included detailed evaluation of the Group's cash flow forecast by performing the procedures which includes: ● assessing and comparing the key inputs used in the forecast model being the revenue growth rate, the discount rate and the terminal growth rate, by reference to external source of information and financial budget approved by management; ● comparing the current year results with the prior year forecast to consider whether any forecast included assumptions that with hindsight had been optimistic and where there were deviation from past forecast, understand the circumstances leading to it, and assessed how the revised forecast and projections were updated to reflect management's planned course of actions; and ● considered management's assessment of the timing and likelihood of the commercialisation of certain products used in the cash flow forecast, and whether revision to the timing of commercialisation would impact the recoverable amount. We noted that the key inputs used in the cash flow forecast are reasonable. We have stress-tested the cash flow forecast by considering the extent of change in these key inputs and we did not note any trigger for impairment. 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 FRSs, 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.

- 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.

INDEPENDENT AUDITOR'S **REPORT**

To the members of iX Biopharma Ltd.

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

- 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 is Peter Low Eng Huat.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 17 September 2018

CONSOLIDATED STATEMENT OF **COMPREHENSIVE INCOME**

For the financial year ended 30 June 2018

	Note	**2018**	2017
		$'000	$'000
			(Restated)[#]
Revenue	4	**6,533**	6,381
Cost of sales		**(5,156)**	(4,141)
Gross profit		**1,377**	2,240
Other income	5	**1,524**	2,073
Expenses			
- Research and development		**(8,031)**	(5,118)
- Sales and marketing		**(2,078)**	(1,235)
- General and administrative		**(6,595)**	(6,358)
- Others	8	**(1,085)**	1,059
- Finance	9	**(267)**	(242)
Total expenses		**(18,056)**	(11,894)
Loss before income tax	6	**(15,155)**	(7,581)
Income tax credit	10	**61**	191
Total loss		**(15,094)**	(7,390)
Other comprehensive loss:			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation - Gains/(losses) - net of tax	25(a)	**582**	(187)
Total comprehensive loss		**(14,512)**	(7,577)
Loss per share for loss attributable to equity holders of the Company (cents per share)			
Basic loss per share	11(a)	**(2.4)**	(1.2)
Diluted loss per share	11(b)	**(2.4)**	(1.2)

 # Prior-year figures have been restated to better reflect the nature of the accounts in comparison to the current year; more information can be found in Note 30.

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

BALANCE SHEET
- GROUP

As at 30 June 2018

	Note	GROUP 2018 $'000	GROUP 2017 $'000
ASSETS			
Current assets			
Cash and cash equivalents	12	**21,066**	31,088
Trade and other receivables	13	**2,033**	2,973
Other current assets	15	**486**	521
Inventories	14	**528**	–
		24,113	34,582
Non-current assets			
Deposits - operating lease		**–**	79
Intangible assets	16	**865**	1,398
Property, plant and equipment	17	**8,096**	8,191
		8,961	9,668
Total assets		**33,074**	44,250
LIABILITIES			
Current liabilities			
Trade and other payables	19	**6,776**	3,501
Borrowings	20	**285**	271
Provision	21	**71**	101
		7,132	3,873
Non-current liabilities			
Provision	21	**61**	65
Deferred government grant	22	**17**	35
Borrowings	20	**4,254**	4,480
Deferred income tax liabilities	23	**90**	172
		4,422	4,752
Total liabilities		**11,554**	8,625
NET ASSETS		**21,520**	35,625
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	24	**71,129**	70,131
Other reserves	25	**637**	646
Accumulated losses		**(50,246)**	(35,152)
Total equity		**21,520**	35,625

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

BALANCE SHEET **- COMPANY**

As at 30 June 2018

	Note	COMPANY 2018 $'000	COMPANY 2017 $'000
ASSETS			
Current assets			
Cash and cash equivalents	12	**18,880**	28,527
Trade and other receivables	13	**5,220**	2,957
Other current assets	15	**305**	166
		24,405	31,650
Non-current assets			
Deposits - operating lease		**–**	79
Property, plant and equipment	17	**124**	180
Investments in subsidiaries	18	**5,404**	5,404
		5,528	5,663
Total assets		**29,933**	37,313
LIABILITY			
Current liability			
Trade and other payables	19	**1,416**	1,276
		1,416	1,276
Total liability		**1,416**	1,276
NET ASSETS		**28,517**	36,037
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	24	**71,129**	70,131
Other reserves	25	**196**	787
Accumulated losses		**(42,808)**	(34,881)
Total equity		**28,517**	36,037

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

CONSOLIDATED STATEMENT OF **CHANGES IN EQUITY**

For the financial year ended 30 June 2018

		← Attributable to equity holders of the Company →					
	Note	Share capital	Shares to be issued	Share based payment reserve	Currency translation reserve	Accumulated losses	Total equity
		$'000	$'000	$'000	$'000	$'000	$'000
2018							
Beginning of financial year		**70,131**	**–**	**787**	**(141)**	**(35,152)**	**35,625**
Loss for the year		**–**	**–**	**–**	**–**	**(15,094)**	**(15,094)**
Other comprehensive income for the year	25(a)	**–**	**–**	**–**	**582**	**–**	**582**
Total comprehensive loss for the year		**–**	**–**	**–**	**582**	**(15,094)**	**(14,512)**
Share based payment scheme							
- Value of employees' services	25(b)(ii)	**–**	**–**	**407**	**–**	**–**	**407**
Shares issued pursuant to iX Performance Share Plan	24	**998**	**–**	**(998)**	**–**	**–**	**–**
Total transactions with owners, recognised directly in equity		**998**	**–**	**(591)**	**–**	**–**	**407**
End of financial year		**71,129**	**–**	**196**	**441**	**(50,246)**	**21,520**
2017							
Beginning of financial year		64,998	465	444	46	(27,762)	38,191
Loss for the year		–	–	–	–	(7,390)	(7,390)
Other comprehensive loss for the year	25(a)	–	–	–	(187)	–	(187)
Total comprehensive loss for the year		–	–	–	(187)	(7,390)	(7,577)
Share based payment scheme							
- Value of employees' services	25(b)(ii)	–	–	892	–	–	892
- Reversal of share based payment	25(b)(ii)	–	–	(444)	–	–	(444)
Shares issued pursuant to the rights issue, net of transaction costs	24	5,028	(465)	–	–	–	4,563
Shares issued pursuant to iX Performance Share Plan	24	105	–	(105)	–	–	–
Total transactions with owners, recognised directly in equity		5,133	(465)	343	–	–	5,011
End of financial year		70,131	–	787	(141)	(35,152)	35,625

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

CONSOLIDATED STATEMENT OF **CASH FLOWS**

For the financial year ended 30 June 2018

	Note	2018 $'000	2017 $'000
Cash flows from operating activities			
Total loss after tax		**(15,094)**	(7,390)
Adjustments for:			
- Deferred government grant income	5	**(17)**	(35)
- Depreciation and amortisation expense	6	**1,407**	1,281
- Income tax credit	10	**(61)**	(191)
- Interest income	5	**(223)**	(136)
- Interest expense	9	**267**	242
- Provision expense	21	**(27)**	(24)
- Research and development tax incentive	5	**(1,207)**	(1,868)
- Share based payment expense	25(b)(ii)	**407**	448
- Loss on disposal of property, plant and equipment		**8**	–
- Unrealised currency exchange losses/(gains) - net		**978**	(989)
		(13,562)	(8,662)
Changes in working capital, net effect from acquisition of subsidiaries:			
- Trade and other receivables		**196**	(95)
- Other current assets		**98**	(21)
- Trade and other payables		**3,378**	396
- Inventories		**(528)**	–
Cash used in operations		**(10,418)**	(8,382)
Interest received		**247**	94
Research and development tax incentive received	10	**1,809**	4,130
Net cash used in operating activities		**(8,362)**	(4,158)
Cash flows from investing activities			
Additions to property, plant and equipment	17	**(1,118)**	(982)
Additions to intangible assets	16(c)	**(68)**	(137)
Net cash used in investing activities		**(1,186)**	(1,119)
Cash flows from financing activities			
Proceeds from issuance of ordinary shares		**–**	4,698
Transaction costs paid pursuant to issuance of shares	23(a)	**–**	(135)
Repayment of borrowings		**(289)**	(263)
Proceeds from borrowings		**308**	529
Interest paid		**(267)**	(242)
Net cash (used in)/provided by financing activities		**(248)**	4,587
Net decrease in cash and cash equivalents		**(9,796)**	(690)
Cash and cash equivalents			
Beginning of financial year		**30,688**	30,927
Effects of currency translation on cash and cash equivalents		**(226)**	451
End of financial year	12	**20,666**	30,688

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

CONSOLIDATED STATEMENT OF **CASH FLOWS**

For the financial year ended 30 June 2018

Reconciliation of liabilities arising from financing activities

	1 July 2017 $'000	**Principal and interest payments $'000**	**Non-cash change $'000**		**30 June 2018 $'000**
			Interest expense	**Foreign exchange movement**	
Borrowings	4,751	(248)	267	(231)	4,539

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2018

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.

The principal activities of the subsidiaries are disclosed in Note 18.

2. Significant accounting policies

2.1 Basis of preparation

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

The preparation of financial statements in conformity with FRS 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 2018

On 1 July 2017, the Group adopted the new or amended FRS and Interpretations of FRS ("INT FRS") 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 FRS and INT FRS.

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

FRS 7 Statement of cash flows

The amendments to FRS 7 Statement of cash flows (Disclosure initiative) sets out required disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

The Group has included the additional required disclosures in Consolidated Statement of Cash Flows to the Financial Statement.

NOTES TO
THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2018

2. Significant accounting policies (continued)

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) Rendering of service - Consultancy and Chemical Analysis services

Revenue from consultancy and chemical analysis services is recognised when the services are rendered. Where services are provided in stages, revenue is recognised using the percentage-of-completion method based on the actual service provided as a proportion of the total services to be performed.

(b) Sale of goods

Revenue from the sale of goods is recognised 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.

(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

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2018

2. Significant accounting policies (continued)

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:

	Useful lives
Buildings	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

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.

(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.

NOTES TO
THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2018

2. Significant accounting policies (continued)

2.6 Intangible assets (continued)

(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.

(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 loses. 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 2018

2. Significant accounting policies (continued)

2.7 Impairment of non-financial assets (continued)

(b) Intangible assets
Property, plant and equipment
Investments in subsidiaries

Intangible assets, property, plant and equipment 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, and 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.

2.9 Loans and receivables

Cash at bank
Trade and other receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in any active market. They are presented as current assets, except for those expected to be realised later than 12 months after the balance sheet date which are presented as non-current assets.

"Trade and other receivables" (Note 13) and "cash and cash equivalents" (Note 12) on the balance sheet form part of loans and receivables. Loans and receivables are initially recognised at their fair values plus transaction costs and are subsequently carried at amortised cost using the effective interest method, less accumulated impairment losses.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or significant delay in payments are objective evidence that these financial assets are impaired.

NOTES TO
THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2018

2. Significant accounting policies (continued)

2.9 Loans and receivables (continued)

Cash at bank
Trade and other receivables (continued)

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

The impairment allowance is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

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 2018

2. Significant accounting policies (continued)

2.14 Leases

When the Group is the lessee

The Group leases office, motor vehicle and a residential apartment under operating leases from non-related parties.

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.

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.

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.

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 2018

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2018

2. Significant accounting policies (continued)

2.18 Employee compensation (continued)

(c) Share-based compensation (continued)

(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.

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 ("$"), 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 on disposal or partial disposal of the entity 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 2018

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.

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, depreciable intangible assets and property, plant and equipment

Goodwill is tested for impairment annually and whenever there is indication that the goodwill may be impaired. Depreciable intangible assets and property, plant and equipment 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 16 and Note 17.

(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.

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For the financial year ended 30 June 2018

4. Revenue

	Group	
	2018	2017
	$'000	$'000
Sale of goods	**246**	49
Rendering of services	**6,287**	6,332
Total revenue	**6,533**	6,381

5. Other income

	Group	
	2018	2017
	$'000	$'000
Interest income – bank deposits	**219**	118
Interest income – others	**4**	18
Deferred government grant (Note 22)	**17**	35
Research and development tax incentive (Note 10)	**1,207**	1,868
Others	**77**	34
Total other income	**1,524**	2,073

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% (2017: 43.5%) or reduction in tax liability as applicable for qualifying expenditure incurred in Australia by the subsidiaries.

6. Loss before income tax

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

	Group	
	2018	2017
	$'000	$'000
		(Restated)
Raw materials and consumables used	**780**	746
Employee compensation expense (Note 7)	**9,823**	8,939
Depreciation of property, plant and equipment (Note 17)	**856**	727
Amortisation of technological know-how (Note 16(b))	**467**	472
Amortisation of computer software (Note 16(c))	**84**	82
Audit fees paid/payable to:		
- Auditor of the Company	**79**	79
- Other auditors*	**93**	86
Clinical trials and related expenses	**4,918**	2,235
Professional and consultancy expenses	**808**	1,099
Rental expense and operating leases	**332**	282
Trademarks and patents related expense	**484**	323

* *Includes other PricewaterhouseCoopers firm outside Singapore*

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7. Employee compensation expense

	Group	
	2018	2017
	$'000	$'000
Wages and salaries	**7,945**	6,753
Employer's contribution to defined contribution plans	**662**	586
Share based payment expense (Note 25(b)(ii))	**407**	448
Other staff benefits	**809**	1,152
Total employee compensation expense	**9,823**	8,939

8. Other expenses

	Group	
	2018	2017
	$'000	$'000
Currency exchange losses/(gains) – net	**1,085**	(1,059)
Total other expenses	**1,085**	(1,059)

9. Finance expense

	Group	
	2018	2017
	$'000	$'000
Interest on bank borrowings	**267**	238
Interest - others	**–**	4
Total finance expense	**267**	242

10. Income taxes

	Group	
	2018	2017
	$'000	$'000
Tax credit attributable to loss is made up of:		
Deferred tax credit (Note 23)	**(61)**	(191)
Income tax credit	**(61)**	(191)

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For the financial year ended 30 June 2018

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	
	2018	2017
	$'000	$'000
Loss before income tax	**(15,155)**	(7,581)
Tax calculated at tax rate of 17% (2017: 17%)	**(2,576)**	(1,289)
Effects of:		
- different tax rates in other countries	**(854)**	(449)
- tax incentives	**–**	(171)
- expenses not deductible for tax purposes	**792**	399
- income not subject to tax	**–**	–
- deferred tax benefits not recognised	**2,577**	1,319
Income tax credit	**(61)**	(191)

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	
	2018	2017
	$'000	$'000
Beginning of financial year	**1,739**	3,843
Research and development tax incentive		
- R&D tax incentive income during the year (Note 5)	**1,104**	1,727
- R&D tax incentive income under provision in prior year (Note 5)	**103**	141
	1,207	1,868
Research and development tax incentive received	**(1,809)**	(4,130)
Currency translation differences	**(64)**	158
End of financial year	**1,073**	1,739

Comprise of:

	Group	
	2018	2017
	$'000	$'000
Research and development tax incentive receivable (Note 13)	**1,073**	1,739

NOTES TO
THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2018

11. 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	
	2018	2017
	$'000	$'000
		(Restated)
Net loss attributable to equity holders of the Company	**(15,094)**	(7,390)
Weighted average number of ordinary shares outstanding for basic loss per share	**641,548,952**	638,406,375
Basic loss per share (cents per share)	**(2.4)**	(1.2)

* The weighted average number of shares have been restated to reflect the effect of bonus element pursuant to the rights issue. Refer to Note 24 for details.

(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 on 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 on 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.

For the financial year ended 30 June 2018, the Company has 1,365,000 share awards (2017: 3,171,000) that could potentially dilute basic earnings per share in the future but were not included in the calculation of diluted loss per share above because they are antidilutive for the financial year presented, having the effect of decreasing the loss per share.

12. Cash and cash equivalents

	Group		Company	
	2018	2017	**2018**	2017
	$'000	$'000	**$'000**	$'000
Cash at bank and on hand	**21,066**	31,088	**18,880**	28,527

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For the financial year ended 30 June 2018

12. Cash and cash equivalents (continued)

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

	Group	
	2018	2017
	$'000	$'000
Cash and bank balances (as above)	**21,066**	31,088
Less: Bank deposits pledged	**(400)**	(400)
Cash and cash equivalents per consolidated statement of cash flows	**20,666**	30,688

Bank deposits are pledged as security for a foreign exchange facility.

13. Trade and other receivables

	Group		Company	
	2018	2017	**2018**	2017
	$'000	$'000	**$'000**	$'000
Trade receivables				
- Non-related parties	**832**	916	**–**	–
- Related companies	**–**	–	**1,365**	1,038
Accrued income - trade	**–**	13	**–**	–
GST receivable	**94**	263	**26**	31
Research and development tax incentive receivable (Note 10)	**1,073**	1,739	**–**	–
Other receivables				
- Non-related parties	**34**	42	**34**	42
- Related companies	**–**	–	**17,575**	14,054
	34	42	**17,609**	14,096
Less: Allowance for impairment	**–**	–	**(13,780)**	(12,208)
Other receivable - net	**34**	42	**3,829**	1,888
	2,033	2,973	**5,220**	2,957

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% (2017: 43.5%) or reduction in tax liability as applicable for qualifying expenditure incurred in Australia by the subsidiaries.

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

Related companies are subsidiaries of the Company.

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For the financial year ended 30 June 2018

14. Inventories

	Group	
	2018	2017
	$'000	$'000
Raw materials	**459**	–
Work-in-progress	**8**	–
Finished goods	**61**	–
	528	–

The cost of inventories recognised as an expense and included in "Cost of sales" amounts to $115,000 (2017: nil).

15. Other current assets

	Group		Company	
	2018	2017	**2018**	2017
	$'000	$'000	**$'000**	$'000
Prepayments	**342**	185	**189**	103
Deposits	**144**	336	**116**	63
	486	521	**305**	166

16. Intangible assets

	Group	
	2018	2017
	$'000	$'000
Composition:		
Goodwill arising on consolidation (Note 16(a))	**327**	343
Technological know-how (Note 16(b))	**377**	871
Computer software (Note 16(c))	**161**	184
	865	1,398

(a) Goodwill arising on consolidation

	Group	
	2018	2017
	$'000	$'000
Beginning of financial year	**343**	325
Currency translation differences	**(16)**	18
End of financial year	**327**	343

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For the financial year ended 30 June 2018

16. Intangible assets (continued)

(a) Goodwill arising on consolidation (continued)

Impairment tests for goodwill

Goodwill of the Company is entirely allocated to Specialty Pharmaceutical business segment.

The recoverable amount of the Specialty Pharmaceutical business segment was determined based on value-in-use. Refer to Note 17 for details of the critical assumptions used for impairment testing. The value-in-use computed for impairment testing as of 30 June 2018 was in excess of the carrying value of goodwill.

(b) Technological know-how

	Group	
	2018	2017
	$'000	$'000
Beginning of financial year	**871**	1,277
Less: Amortisation (Note 6)	**(467)**	(472)
Currency translation differences	**(27)**	66
End of financial year	**377**	871

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	
	2018	2017
	$'000	$'000
Cost		
Beginning of financial year	**279**	289
Additions	**68**	137
Disposals	**–**	(162)
Currency translation differences	**(13)**	15
End of financial year	**334**	279
Accumulated amortisation		
Beginning of financial year	**95**	98
Amortisation (Note 6)	**84**	82
Disposals	**–**	(91)
Currency translation differences	**(6)**	6
End of financial year	**173**	95
Net book value	**161**	184

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17. Property, plant and equipment

	Freehold land	Building	Computers	Office equipment	Plant and equipment	Furniture and fittings	Leasehold improvement	Motor vehicles	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group									
2018									
Cost									
Beginning of financial year	3,016	2,043	222	76	4,016	124	166	83	9,746
Additions	–	–	51	2	909	9	147	–	1,118
Disposals	–	–	(18)	–	(42)	–	–	–	(60)
Currency translation differences	(140)	(95)	(7)	(2)	(186)	(1)	(5)	(4)	(440)
End of financial year	2,876	1,948	248	76	4,697	132	308	79	10,364
Accumulated depreciation									
Beginning of financial year	–	63	149	36	1,225	36	29	17	1,555
Depreciation charge (Note 6)	–	57	41	19	648	29	52	10	856
Disposals	–	–	(16)	–	(36)	–	–	–	(52)
Currency translation differences	–	(5)	(6)	(1)	(75)	(1)	(2)	(1)	– (91)
End of financial year	–	115	168	54	1,762	64	79	26	2,268
Net book value									
End of financial year	**2,876**	**1,833**	**80**	**22**	**2,935**	**68**	**229**	**53**	**8,096**
2017									
Cost									
Beginning of financial year	2,848	1,939	179	50	3,081	82	148	79	8,406
Additions	15	–	42	25	768	58	74	–	982
Disposals	–	–	(5)	(1)	–	(17)	(62)	–	(85)
Currency translation differences	153	104	6	2	167	1	6	4	443
End of financial year	3,016	2,043	222	76	4,016	124	166	83	9,746
Accumulated depreciation									
Beginning of financial year	–	5	108	17	671	26	32	6	865
Depreciation charge (Note 6)	–	58	42	18	514	27	58	10	727
Disposals	–	–	(5)	(1)	–	(17)	(62)	–	(85)
Currency translation differences	–	–	4	2	40	–	1	1	48
End of financial year	–	63	149	36	1,225	36	29	17	1,555
Net book value									
End of financial year	3,016	1,980	73	40	2,791	88	137	66	8,191

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For the financial year ended 30 June 2018

17. Property, plant and equipment (continued)

	Computers $'000	Office equipment $'000	Furniture and fittings $'000	Leasehold improvement $'000	Total $'000
Company					
2018					
Cost					
Beginning of financial year	71	27	95	67	260
Additions	11	–	1	–	12
Disposals	(6)	–	–	–	(6)
End of financial year	76	27	96	67	266
Accumulated depreciation					
Beginning of financial year	33	17	22	8	80
Depreciation charge	15	7	23	22	67
Disposals	(5)	–	–	–	(5)
End of financial year	43	24	45	30	142
Net book value					
End of financial year	**33**	**3**	**51**	**37**	**124**
2017					
Cost					
Beginning of financial year	56	21	55	63	195
Additions	20	7	57	65	149
Disposals	(5)	(1)	(17)	(61)	(84)
End of financial year	71	27	95	67	260
Accumulated depreciation					
Beginning of financial year	24	9	17	26	76
Depreciation charge	14	9	22	43	88
Disposals	(5)	(1)	(17)	(61)	(84)
End of financial year	33	17	22	8	80
Net book value					
End of financial year	38	10	73	59	180

During the financial year ended 30 June 2018, bank borrowings are secured on land and building, certain plant and equipment and motor vehicles of the Group with carrying value of $5,334,000 (2017: $6,257,000) (Note 20).

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For the financial year ended 30 June 2018

17. Property, plant and equipment (continued)

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, depreciable intangible assets and property, plant and equipment ("PPE").

Specialty Pharmaceutical business segment, Chemical Analysis business segment 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 'Specialty Pharmaceutical' CGU.

There are no indicators of impairment for the Chemical Analysis business segment. For Specialty Pharmaceutical business segment, the recoverable amount was determined based on the value-in-use. The cash flow forecast was based on expected revenue growth.

Critical assumptions used for the value-in-use calculations for Specialty Pharmaceutical business segment:

- Discount rate of 16% (2017: 16%)

- Terminal growth rate of 2% (2017: 2%)

- Annual revenue growth rates of above 100% for FY2019 and FY2020, between 32% to 67% for FY2021 to FY2023, and between 9% to 23% for FY2024 to FY2028. (2017: Annual revenue growth rate of above 100% from 2018 to 2019, between 41% to 74% from 2020 to 2022, and between 9% to 27% from 2023 to 2027.)

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 2018 has revealed that the recoverable amount of the Specialty Pharmaceutical business segment is higher than the carrying amount. No impairment loss is recognised during the financial year.

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18. Investments in subsidiaries

	Company	
	2018	2017
	$'000	$'000
Equity investments at cost		
Beginning of financial year	**5,405**	5,405
Additions	*****	*
End of financial year	**5,405**	5,405
Accumulated allowance for impairment		
Beginning and end of financial year	**1**	1
Carrying value		
End of financial year	**5,404**	5,404

* During the financial year ended 30 June 2018, the Group incorporated the following wholly-owned subsidiaries:

Name of companies	Date of incorporation	Country of business/ incorporation	Cost of investment	Equity holding
			2018	**2018**
				%
Entity Health Ltd	13 July 2017	Hong Kong	**HKD 1**	**100**
Entity Health (China) Company Ltd	13 July 2017	Hong Kong	**HKD 1**	**100**
Entity Health (Shanghai) Co Ltd	7 November 2017	China	**HKD 200,000**	**100**
Entity Health Pty Ltd	9 February 2018	Australia	**AUD 2**	**100**

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18. Investments in subsidiaries (continued)

The Group had the following subsidiaries as at 30 June 2018 and 2017:

Name of companies	Principal activities	Country of business/ incorporation	Equity holding	
			2018 %	2017 %
Held by the Company				
iX Biopharma Pty Ltd [(a)]	Research and experimental development	Australia	**100**	100
iX Syrinx Pty Ltd ("Syrinx") [(a,c)]	Manufacturing and sale of pharmaceutical products	Australia	**100**	100
Chemical Analysis Pty Ltd ("CAPL") [(a)]	Trustee of Chemical Analysis Trust	Australia	**100**	100
Arrow Property Trust ("APT") [(a)]	Owner of an industrial property that is leased exclusively to Syrinx and CAT	Australia	**100**	100
Kaizen Manufacturing Pty Ltd ("KMPL") [(a)]	Trustee of Arrow Property Trust	Australia	**100**	100
Entity Health Ltd [(b)]	Promotion and marketing of nutritional and supplements products	Hong Kong	**100**	–
Held by iX Syrinx Pty Ltd				
Chemical Analysis Trust ("CAT") [(a)]	Provision and sale of laboratory services	Australia	**100**	100
Held by Entity Health Ltd				
Entity Health Pte Ltd	Promotion and marketing of nutritional and supplements products	Singapore	**100**	100
Entity Health (China) Company Ltd [(b)]	Investment holding company	Hong Kong	**100**	–
Entity Health Pty Ltd [(b)]	Promotion and marketing of nutritional and supplements products	Australia	**100**	–
Held by Entity Health (China) Company Ltd				
Entity Health (Shanghai) Co Ltd [(b)]	Promotion and marketing of nutritional and supplements products	China	**100**	–

(a) Not required to be audited under the laws of the country of incorporation.

(b) Newly incorporated during the financial year.

(c) Previously known as "Syrinx Pharmaceuticals Pty Ltd".

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19. Trade and other payables

	Group		Company	
	2018	2017	**2018**	2017
	$'000	$'000	**$'000**	$'000
Current				
Trade payables:				
- Non-related parties	**3,618**	877	**109**	147
- Related party	**6**	–	**–**	–
Deferred revenue	**58**	35	**–**	–
Advance deposits received from customers	**89**	205	**–**	–
Accrued operating expenses	**2,646**	2,023	**1,133**	957
Amount due to directors of the Company	**174**	172	**174**	172
GST payable	**142**	152	**–**	–
Other payables	**43**	37	**–**	–
	6,776	3,501	**1,416**	1,276

Amount due to directors pertain to unpaid wages, bonus and expense reimbursements as at the financial year end.

Related party is a corporation which is controlled by a director of the subsidiaries of the Company.

20. Borrowings

	Group		Company	
	2018	2017	**2018**	2017
	$'000	$'000	**$'000**	$'000
Current				
Bank borrowings	**285**	271	**–**	–
	285	271	**–**	–
Non-current				
Bank borrowings	**4,254**	4,480	**–**	–
	4,254	4,480	**–**	–
Total borrowings	**4,539**	4,751	**–**	–

Bank borrowings of the Group are secured over land and building, certain plant and equipment and motor vehicles (Note 17).

Borrowings of $974,000 (2017: $990,000) are secured over plant and equipment, and have interest rates of between 4.9% to 5.8% per annum and are payable in fixed monthly instalments with maturity dates between 30 November 2017 and 12 May 2022.

Borrowings of $37,000 (2017: $61,000) are secured over motor vehicles, and have interest rates of 5.3% and 4.95% per annum and are payable in fixed monthly instalments up to 7 October 2018 and 31 July 2020 respectively.

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20. Borrowings (continued)

Non-current borrowing of $3,528,000 (2017: $3,700,000) is secured over land and building, and has an interest rate of 5.75% per annum with effect from 29 June 2017 until 30 June 2020 and at floating interest rate thereafter (2017: floating interest rate) and is payable on 30 June 2021.

(a) Fair value of non-current borrowings

	Group		Company	
	2018	2017	**2018**	2017
	$'000	$'000	**$'000**	$'000
Bank borrowings	**4,254**	4,480	**–**	–

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	
	2018	2017	**2018**	2017
	%	%	**%**	%
Bank borrowings	**4.89 to 5.75**	4.89 to 6.60	**–**	–

The fair values are within Level 2 of the fair values hierarchy. The fair values measurement hierarchy are defined in Note 27(g).

(b) Undrawn borrowing facilities

	Group		Company	
	2018	2017	**2018**	2017
	$'000	$'000	**$'000**	$'000
Expiring beyond one year	**919**	964	**–**	–

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.

21. Provisions

	Group	
	2018	2017
	$'000	$'000
Current		
Provision for employees' long service leave	**71**	101
Non-current		
Provision for employees' long service leave	**61**	65
Total provisions	**132**	166

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21. Provisions (continued)

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.

	Group	
	2018	2017
	$'000	$'000
Provisions for employees' long service leave		
Beginning of financial year	**166**	181
Provision made	**46**	39
Provision reversed	**(73)**	(63)
Currency translation differences	**(7)**	9
End of financial year	**132**	166

22. Deferred government grant

	Group	
	2018	2017
	$'000	$'000
Beginning of financial year	**35**	67
Less: Amortisation (Note 5)	**(17)**	(35)
Currency translation differences	**(1)**	3
End of financial year	**17**	35

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 live of the assets. The remaining estimated useful live of these assets are 2 years.

23. 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. The amounts, determined after appropriate offsetting, are shown on the balance sheet as follows:

	Group		Company	
	2018	2017	**2018**	2017
	$'000	$'000	**$'000**	$'000
Deferred income tax liabilities				
- To be settled within one year	**–**	65	**–**	–
- To be settled after one year	**90**	107	**–**	–
	90	172	**–**	–

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23. Deferred income taxes (continued)

Movement in deferred income tax account is as follows:

	Group		Company	
	2018	2017	**2018**	2017
	$'000	$'000	**$'000**	$'000
Beginning of financial year	**172**	356	**–**	–
Tax credit during the year (Note 10)	**(61)**	(191)	**–**	–
Currency translation differences	**(21)**	7	**–**	–
End of financial year	**90**	172	**–**	–

Deferred income tax assets are recognised for tax losses and capital allowances 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 $40,285,000 (2017: $18,945,000) and unabsorbed capital allowances of $409,000 (2017: $251,000) at the balance sheet date, and the Company has unrecognised tax losses of $30,024,000 (2017: $14,689,000) and unabsorbed capital allowances of $409,000 (2017: $251,000). The unabsorbed tax losses and capital allowances 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 and capital allowances in their respective countries of incorporation. The tax losses and capital allowances 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**
2018			
Beginning of financial year	248	153	401
Tax credit during the year	(113)	(1)	(114)
Currency translation differences	(22)	(7)	(29)
End of financial year	**113**	**145**	**258**
2017			
Beginning of financial year	383	172	555
Tax credit during the year	(142)	(29)	(171)
Currency translation differences	7	10	17
End of financial year	**248**	**153**	**401**

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For the financial year ended 30 June 2018

23. Deferred income taxes (continued)

Group (continued)

Deferred income tax assets

	Provisions $'000	Total $'000
2018		
Beginning of financial year	(229)	(229)
Tax credit during the year	53	53
Currency translation differences	9	9
End of financial year	**(167)**	**(167)**
2017		
Beginning of financial year	(199)	(199)
Tax credit during the year	(20)	(20)
Currency translation differences	(10)	(10)
End of financial year	**(229)**	**(229)**

24. Share capital

	No. of ordinary shares	Amount $'000
Group and Company		
2018		
Beginning of financial year	**639,524,724**	**70,131**
Shares issued pursuant to iX Performance Share Plan (Note 25(b))	3,171,000	998
Less: Transaction costs pursuant to shares issued	–	–
End of financial year	**642,695,724**	**71,129**
2017		
Beginning of financial year	614,607,107	64,998
Shares issued pursuant to the rights issue	24,584,284	5,163
Shares issued pursuant to iX Performance Share Plan (Note 25(b))	333,333	105
Less: Transaction costs pursuant to shares issued	–	(135)
End of financial year	639,524,724	70,131

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.

The Company completed a rights issue of 24,584,284 ordinary shares for a total consideration of $5,163,000 on 21 July 2016. The issuance of these ordinary shares are for the purpose of funding the expansion of the Group's operations and to finance the Group's working capital.

Pursuant to iX Performance Share Plan granted on 30 September 2016, the Company issued 3,171,000 (2017: 333,333) ordinary shares to its employees through exercise of the share plans on 10 November 2017 (2017: 28 December 2016). Refer to Note 25(b) for details of the share options exercised.

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THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2018

24. Share capital (continued)

On 10 November 2017, the Company announced total awards of 1,398,000 shares to be vested 12 months from the date of award to certain employees under iX Performance Share Plan.

25. Other reserves

	Group		Company	
	2018	2017	**2018**	2017
	$'000	$'000	**$'000**	$'000
Currency translation reserve (Note 25(a))	**441**	(141)	**–**	–
Share based payment reserve (Note 25(b))	**196**	787	**196**	787
	637	646	**196**	787

(a) Currency translation reserve

	Group		Company	
	2018	2017	**2018**	2017
	$'000	$'000	**$'000**	$'000
Beginning of financial year	**(141)**	46	**–**	–
Net currency translation differences of financial statements of foreign subsidiaries	**582**	(187)	**–**	–
End of financial year	**441**	(141)	**–**	–

(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 10 November 2017, 1,398,000 share awards to be vested 12 months from the date of award were granted under the Share Plan.

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

	Beginning of financial year	**Awarded during financial year**	**Expired during financial year**	**Forfeited during financial year**	**Issued during financial year**	**End of financial year**
2018						
Share awards						
iX Performance Share Plan	**3,171,000**	**1,398,000**	**–**	**(33,000)**	**(3,171,000)**	**1,365,000**
2017						
Share awards						
iX Performance Share Plan	–	3,504,333	–	–	(333,333)	3,171,000

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For the financial year ended 30 June 2018

25. Other reserves (continued)

(b) Share based payment reserve (continued)

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

The table below sets out the vested and non-vested share awards as at the financial year ended 30 June 2018 and 30 June 2017.

	2018	2017
Share awards		
Vested and unissued awards	**–**	500,000
Non-vested awards	**1,365,000**	2,671,000
	1,365,000	3,171,000

(ii) Movement for share based payment reserve

The movement for share based payment reserve is as follows:

	Group and Company	
	2018	2017
	$'000	$'000
Beginning of financial year	**787**	444
Share based payment scheme		
- Value of employees' services (Note 7)	**407**	892
- Reversal of share based payment (Note 7)	**–**	(444)
	407	448
- Share awards issued/share option exercised (Note 24)	**(998)**	(105)
End of financial year	**196**	787

26. Commitments

Capital commitments

There are no capital expenditures for property, plant and equipment contracted for at the balance sheet date but not recognised in the financial statements (2017: $143,000).

Operating lease commitments - where the Group is a lessee

The Group leases motor vehicle, office premises and residential apartment from non-related parties under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

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:

	2018	2017
	$'000	$'000
Not later than one year	**257**	469
Between one and five years	**43**	232
	300	701

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THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2018

27. 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 and Australia. 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 such as the Australian Dollars ("AUD") and United States Dollars ("USD"). 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.

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

	USD $'000	AUD $'000
Group		
At 30 June 2018		
Financial assets		
Cash and cash equivalents	17,665	2,204
Trade and other receivables	–	5,940
	17,665	8,144
Financial liabilities		
Trade and other payables	(3,037)	(20,070)
Borrowings	–	(4,871)
	(3,037)	(24,941)
Net financial assets/(liabilities)	14,628	(16,797)
Add: Net non-financial assets of foreign subsidiaries	–	8,924
Net assets/(liabilities)	14,628	(7,873)
Currency profile including non-financial assets and liabilities	14,628	(7,873)
Currency exposure of net financial assets net of those denominated in the respective entities' functional currencies	17,649	4,762

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2018

27. 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
Group		
At 30 June 2017		
Financial assets		
Cash and cash equivalents	19,212	3,728
Trade and other receivables	–	7,891
	19,212	11,619
Financial liabilities		
Trade and other payables	(53)	(17,622)
Borrowings	–	(5,072)
	(53)	(22,694)
Net financial assets/(liabilities)	19,159	(11,075)
Add: Net non-financial assets of foreign subsidiaries	–	9,270
Net assets/(liabilities)	19,159	(1,805)
Currency profile including non-financial assets and liabilities	19,159	(1,805)
Currency exposure of net financial assets net of those denominated in the respective entities' functional currencies	19,159	4,014

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

	USD $'000	AUD $'000
Company		
At 30 June 2018		
Financial assets		
Cash and cash equivalents	17,640	189
Trade and other receivables	–	4,588
	17,640	4,777
Financial liability		
Trade and other payables	(16)	(15)
	(16)	(15)
Net financial assets/ Currency exposures	**17,624**	**4,762**

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THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2018

27. Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

	USD $'000	AUD $'000
Company		
At 30 June 2017		
Financial assets		
Cash and cash equivalents	19,212	1,167
Trade and other receivables	–	2,884
	19,212	4,051
Financial liability		
Trade and other payables	–	(37)
	–	(37)
Net financial assets/ Currency exposures	**19,212**	**4,014**

If the AUD and USD change against the SGD by 5% (2017: 5%) and 1% (2017: 3%) respectively, with all other variables including tax rate being held constant, the effects arising from the net financial asset positions will be as follows:

	2018 Loss after tax $'000	2017 Loss after tax $'000
Group		
AUD against SGD		
- Strengthened	**(198)**	(167)
- Weakened	**198**	167
USD against SGD		
- Strengthened	**(146)**	(477)
- Weakened	**146**	477
Company		
AUD against SGD		
- Strengthened	**(198)**	(167)
- Weakened	**198**	167
USD against SGD		
- Strengthened	**(146)**	(478)
- Weakened	**146**	478

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2018

27. 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 does 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 credit risk for trade receivables and accrued income based on the information provided to key management is as follows:

	Group		Company	
	2018	2017	**2018**	2017
	$'000	$'000	**$'000**	$'000
By geographical areas				
Australia	**832**	929	**1,267**	1,038
Other countries	**–**	–	**98**	–
By types of customers				
Non-related parties	**832**	929	**–**	–
Related parties	**–**	–	**1,365**	1,038

(i) Financial assets that are neither past due nor impaired

Cash at bank are mainly deposits at banks with high credit-ratings assigned by international credit-rating agencies. Trade receivables and accrued income that are not impaired are substantially due from companies with good collection track records with the Group. There are no trade receivables and accrued income that are not past due and impaired as they are due from companies with good collection track records with the Group.

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THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2018

27. Financial risk management (continued)

(b) Credit risk (continued)

(ii) Financial assets that are past due and/or impaired

There is no other class of financial assets that is past due and/or impaired except for trade receivables.

The age analysis of trade receivables past due but not impaired is as follows:

	Group		Company	
	2018	2017	**2018**	2017
	$'000	$'000	**$'000**	$'000
Past due < 3 months	**118**	246	**–**	–
Past due 3 to 6 months	**34**	7	**–**	–
	152	253	**–**	–

There are no trade receivables that are impaired as at the financial year end.

(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 12.

Management monitors the liquidity reserve (comprising undrawn borrowing facilities (Note 20(b)) and cash and cash equivalents (Note 12) 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.

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For the financial year ended 30 June 2018

27. 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	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
	$'000	$'000	$'000	$'000
Group				
30 June 2018				
Trade and other payables	**5,906**	**–**	**–**	**–**
Borrowings	**329**	**446**	**3,859**	**–**
30 June 2017				
Trade and other payables	2,407	–	–	–
Borrowings	529	487	4,696	–
Company				
30 June 2018				
Trade and other payables	**969**	**–**	**–**	**–**
30 June 2017				
Trade and other payables	846	–	–	–

(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.

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 plus trade and other payables less cash and cash equivalents. Total capital is calculated as total equity plus net debt.

	Group		Company	
	2018	2017	**2018**	2017
	$'000	$'000	**$'000**	$'000
Net (cash)/debt	**(9,751)**	(22,836)	**(17,464)**	(27,251)
Total equity	**21,520**	35,625	**28,517**	36,037
Total capital	**11,769**	12,789	**11,053**	8,786
Gearing ratio	**N.A(1)**	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 and the Company are in a net cash position for the financial years ended 30 June 2018 and 2017.

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THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2018

27. Financial risk management (continued)

(e) Financial instruments by category

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

	Group		Company	
	2018	2017	**2018**	2017
	$'000	$'000	**$'000**	$'000
Loans and receivables	**23,100**	32,059	**24,100**	31,453
Financial liabilities at amortised cost	**10,296**	7,157	**969**	846

(f) Offsetting financial assets and financial liabilities

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

(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 2018 and 30 June 2017.

See Note 20(a) for disclosure of the fair value of borrowings.

28. 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	
	2018	2017
	$'000	$'000
Rental paid to related parties	**9**	6
Professional fees paid to related parties	**129**	213

Related parties comprise corporations which are controlled by the Company's or its subsidiaries' key management personnel.

Outstanding balances as at 30 June 2018, arising from amount due to directors of the Company and its subsidiaries, are set out in Note 19.

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For the financial year ended 30 June 2018

28. Related party transactions (continued)

(i) Key management personnel compensation

Compensation paid/payable to key management personnel of the Group is as follows:

	Group	
	2018	2017
	$'000	$'000
Directors' remuneration	**783**	778
Wages and salaries	**265**	260
Employer's contribution to defined contribution plans, including Central Provident Fund	**16**	16
Other benefits	**344**	528
Share based payment expense	**273**	556
	1,681	2,138

29. 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, Chemical Analysis and Nutraceutical segments.

Specialty Pharmaceutical primary business activities are the development, manufacturing and sale of pharmaceutical and nutraceutical products. Chemical Analysis primary business activity is the provision of laboratory testing services. Nutraceutical primary business activity is the sale of nutraceutical products.

The segment information for the reportable segments is as follows:

Group	**Specialty Pharmaceutical**	**Chemical Analysis**	**Nutraceutical**	**Total**
2018	**$'000**	**$'000**	**$'000**	**$'000**
Revenue				
Total segment sales	139	6,338	156	6,633
Less:				
Inter-segment sales	(49)	(51)	–	(100)
Sales to external parties	**90**	**6,287**	**156**	**6,533**
Adjusted EBITDA	**(10,111)**	**1,026**	**(364)**	**(9,449)**
Depreciation	401	389	–	790
Amortisation	4	546	–	550

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For the financial year ended 30 June 2018

29. Segment information (continued)

Group 2017	Specialty Pharmaceutical $'000	Chemical Analysis $'000	Nutraceutical $'000	Total $'000
Revenue				
Total segment sales	49	6,332	–	6,381
Less:				
Inter-segment sales	–	–	–	–
Sales to external parties	**49**	**6,332**	**–**	**6,381**
Adjusted EBITDA	**(5,778)**	**1,232**	**–**	**(4,546)**
Depreciation	362	277	–	639
Amortisation	5	549	–	554

(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 before income tax is as follows:

	2018 $'000	2017 $'000
Adjusted EBITDA is reconciled to loss before income tax as follows:		
Reportable segments	**(9,449)**	(4,546)
Unallocated corporate expenses	**(3,970)**	(4,127)
	(13,419)	(8,673)
Research and development tax incentive	**1,207**	1,868
Depreciation	**(857)**	(727)
Amortisation	**(550)**	(554)
Currency exchange (losses)/gains – net	**(1,085)**	1,059
Share based payment expense	**(407)**	(448)
Finance expense	**(267)**	(242)
Interest income	**223**	136
Loss before income tax	**(15,155)**	(7,581)

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For the financial year ended 30 June 2018

29. Segment information (continued)

(b) Geographical information

The Group's two business segments operate in two 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; and
- Australia - the operations in this area are principally sales, manufacturing of pharmaceutical products, and provision of laboratory services.

	Sales[1]	
	2018	2017
	$'000	$'000
Singapore	**134**	–
Australia	**6,399**	6,381
	6,533	6,381

	Non-current assets[2]	
	2018	2017
	$'000	$'000
Singapore	**124**	259
Australia	**8,837**	9,409
	8,961	9,668

(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 2018 and 30 June 2017.

30. Comparative figures

Where necessary, comparative figures have been adjusted to conform to changes in the current year. For the financial year ended 30 June 2018, the following item has been reclassified. Certain laboratory testing costs incurred by the Group for its Research and development works had been previously reported as part of Cost of sales. In the current year presentation, these costs have been reclassified and reported as Research and development expenses instead of being part of Cost of sales. This provides a more complete presentation of total Research and development expenses incurred by the Group.

	As reported in 2017	**Reclassification**	**As reported in 2018**
	$'000	**$'000**	**$'000**
Reported in Total "Cost of sales"	4,448	(307)	4,141
Reported in Total "Research and development expenses"	4,811	307	5,118

The above reclassification has no impact on the Group's loss before income tax or net loss, cash flows and financial position for the year ended 30 June 2017.

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31. New or revised accounting standards and interpretations

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 July 2018 and which the Group has not early adopted:

- FRS 115 *Revenue from contracts with customers* (effective for annual periods beginning on or after 1 January 2018)

  This is the converged standard on revenue recognition. It replaces FRS 11 Construction contracts, FRS 18 Revenue, and related interpretations. Revenue is recognised when a customer obtains control of a good or service. A customer obtains control when it has the ability to direct the use of and obtain the benefits from the good or service. The core principle of FRS 115 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:

  - Step 1: Identify the contract(s) with a customer
  - Step 2: Identify the performance obligations in the contract
  - Step 3: Determine the transaction price
  - Step 4: Allocate the transaction price to the performance obligations in the contract
  - Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

  FRS 115 also includes a cohesive set of disclosure requirements that will result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

  Based on management's assessment, management is of the view that the adoption of this new accounting standard will not result in a material impact to the financial statements.

- FRS 109 *Financial instruments* (effective for annual periods beginning on or after 1 January 2018)

  The complete version of FRS 109 replaces most of the guidance in FRS 39. FRS 109 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through Other Comprehensive Income (OCI) and fair value through Profit or Loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI.

  Based on the assessment undertaken, the classification and measurement of financial assets, the Group's financial assets which mainly comprise of trade receivables classified as loans and receivables and measured at amortised cost meet the conditions for classification at amortised cost under FRS 109.

  There is now a new expected credit losses model that replaces the incurred loss impairment model used in FRS 39. It applies to financial assets classified at amortised cost, debt instruments measured at fair value through OCI, deferred costs under FRS 115, lease receivables, loan commitments and certain financial guarantee contracts. Based on the assessment undertaken, the application of the expected credit loss model will not result in material impact to the financial statements.

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31. New or revised accounting standards and interpretations (continued)

- FRS 116 *Leases* (effective for annual periods beginning on or after 1 January 2019)

  FRS 116 will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not change significantly.

  The standard will affect primarily the accounting for the Group's operating leases. As at the reporting date, the Group has non-cancellable operating lease commitments of $300,000 (Note 26). However, the Group has yet to determine to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Group's profit and classification of cash flows.

  Some of the commitments may be covered by the exception for short-term and low-value leases and some commitments may relate to arrangements that will not qualify as leases under FRS 116.

32. Adoption of SFRS(I)

The Singapore Accounting Standards Council has issued a new Singapore financial reporting framework that is identical to the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), referred to as Singapore Financial Reporting Standards (International) ("SFRS(I)").

As required by the listing requirements of the Singapore Exchange, the Group has adopted SFRS(I) on 1 July 2018 and will be issuing its first set of financial information prepared under SFRS(I) for the quarter ended 30 September 2018 in November 2018.

In adopting SFRS(I), the Group is required to apply all of the specific transition requirements in SFRS(I) 1 First-time Adoption of SFRS(I). The Group will also concurrently apply the new SFRS(I) 9 Financial Instruments and SFRS(I) 15 Revenue from Contracts with Customers.

The Group is required to retrospectively apply all SFRS(I)s effective at the end of the first SFRS(I) reporting period (i.e. 30 September 2018), subject to the mandatory exceptions and optional exemptions under SFRS(I) 1.

The Group plans to elect to apply the short-term exemption under SFRS(I) 1 to adopt SFRS(I) 9 on 1 July 2018. Accordingly, requirements of FRS 39 Financial Instruments: Recognition and Measurement will continue to apply to financial instruments up to the financial year ended 30 June 2018.

The Group will adopt SFRS(I) 15 retrospectively in accordance with SFRS(I) 1. The adoption of SFRS(I) 15 will not result in material impact to the financial statements.

Other than the continued application of FRS 39 Financial Instruments: Recognition and Measurement as at 30 June 2018, the adoption of SFRS(I) 1, SFRS(I) 9 and SFRS(I) 15 will not result in material adjustments to the financial statements.

33. 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 17 September 2018.

STATISTICS OF **SHAREHOLDINGS**

As at 7 September 2018

Issued and Fully Paid-Up Capital	:	S$71,129,749
Number of Shares in Issue	:	642,695,724
Class of Share	:	Ordinary Shares
Treasury Shares	:	Nil
Voting Rights	:	One vote per Ordinary Share

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS AS AT 7 SEPTEMBER 2018

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	3	0.49	64	0.00
100 - 1,000	33	5.37	22,848	0.00
1,001 - 10,000	180	29.32	927,200	0.15
10,001 - 1,000,000	347	56.51	44,409,504	6.91
1,000,001 AND ABOVE	51	8.31	597,336,108	92.94
TOTAL	**614**	**100.00**	**642,695,724**	**100.00**

TWENTY LARGEST SHAREHOLDERS

No.	Shareholder's Name	No. of Shares	% of Shares
1	EDDY LEE YIP HANG	165,119,020	25.69
2	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	111,707,315	17.38
3	RAFFLES NOMINEES (PTE) LTD	41,220,219	6.41
4	CITIBANK NOMINEES SINGAPORE PTE LTD	33,651,008	5.24
5	JASPAL SINGH NARULLA	32,375,848	5.04
6	YEOH WEE LIAT	18,513,396	2.88
7	SEAH BOON LOCK	17,573,500	2.73
8	TANG CHOY LENG JANE MRS JANE LEE CHOY LENG	17,460,982	2.72
9	PHILLIP SECURITIES PTE LTD	14,480,369	2.25
10	DBS NOMINEES PTE LTD	11,790,080	1.83
11	WETWATERS 8 (S) PTE LTD	11,700,000	1.82
12	ANG BOON TECK SUNNY	10,656,039	1.66
13	TAN SEE TEE	9,594,249	1.49
14	MOHAN BHAGCHAND MULANI	8,320,000	1.29
15	HSBC (SINGAPORE) NOMINEES PTE LTD	6,036,916	0.94
16	RAJAN MENON	5,200,000	0.81
17	FENG ZITONG	4,926,100	0.77
18	RAMCHANDRA HEGDE OR MYNA RAMCHANDRA HEGDE	4,605,100	0.72
19	CHOO PENG LEONG PHILLIP	4,021,464	0.63
20	RHB SECURITIES SINGAPORE PTE LTD	3,913,300	0.61
	TOTAL	**532,864,905**	**82.91**

STATISTICS OF **SHAREHOLDINGS**

As at 7 September 2018

SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS

Name	Direct Interest	%	Deemed Interest	%
Eddy Lee Yip Hang	165,119,020	25.69	17,460,9821	2.72
Anson Properties Pte. Ltd.	62,381,336	9.71	–	–
Jaspal Singh Narulla	32,375,848	5.04	16,380,0003	2.55

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 100.00% owned by HRT Corporation Pte. Ltd. ("HRT Corporation"). Ms Puah Bee Lee owns 100% of equity interest in HRT Corporation. Accordingly, Ms Puah Bee Lee and HRT Corporation are deemed to be interested in the shares of the Company held by APPL. APPL's direct interest of 41,200,000 and 21,181,336 shares are 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 7 September 2018, approximately 52.80% 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.

NOTICE OF **ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN that the Annual General Meeting of iX Biopharma Ltd. (the "**Company**") will be held at NUSS Kent Ridge Guild House, Inner Chamber, 9 Kent Ridge Drive, Singapore 119241 on Friday, 19 October 2018 at 10.00 a.m. to transact 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 2018 together with the Auditors' Report thereon. **(Resolution 1)**

2. 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. **(Resolution 2)**
(See Explanatory Note 1)

3. To note the retirement of Mr Ko Kheng Hwa, as a Director of the Company, who is retiring pursuant to Regulation 85 of the Company's Constitution and has decided not to seek for re-election.

4. To approve the Directors' fees of S$334,000 for the financial year ending 30 June 2019, to be paid quarterly in arrears (2018: S$334,000). **(Resolution 3)**

5. To re-appoint Messrs PricewaterhouseCoopers LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 4)**

6. 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:

7. **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

(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 (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 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 (as calculated in accordance with sub-paragraph (2) below);

NOTICE OF **ANNUAL GENERAL MEETING**

(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, 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. **(Resolution 5)**

(See Explanatory Note 2)

8. **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) of the Company from time to time." **(Resolution 6)**

(See Explanatory Note 3)

9. **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) of the Company from time to time." **(Resolution 7)**

(See Explanatory Note 4)

By Order of the Board

Lee Wei Hsiung / Wang Shin Lin, Adeline
Company Secretaries

27 September 2018
Singapore

NOTICE OF **ANNUAL GENERAL MEETING**

Explanatory Notes:

1. Mr Eddy Lee Yip Hang will, upon re-election as a Director of the Company, remain as Chairman and Chief Executive Officer of the Company and a member of Nominating Committee.

2. Ordinary Resolution 5 proposed in item 7 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.

3. Ordinary Resolution 6 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, 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 share capital of the Company from time to time pursuant to the exercise of Options under the Share Option Scheme.

4. Ordinary Resolution 7 proposed in item 9 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 share capital of the Company from time to time pursuant to the grant of share awards under the Share Plan.

Notes:

1. (a) A member who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend and vote at the Annual General Meeting. Where such member appoint two (2) proxies, he/she should specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be presented by each proxy in the instrument appointing a proxy or proxies.

   (b) A member who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend and vote at the Annual General Meeting, 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 (2) 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. A proxy need not to be a member of the Company.

   "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.

2. The instrument appointing a proxy or proxies must be under the hand of the appointor or by his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.

3. The instrument appointing a proxy or proxies must be deposited at the Company's Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road, #11-02, Singapore 068898 not less than seventy-two (72) hours before the time appointed for the Annual General Meeting.

4. An investor who buys shares using CPF monies ("CPF Investor") and/or SRS monies ("SRS Investor") (as may be applicable) may attend and cast his/her vote(s) at the Annual General Meeting in person. CPF and SRS Investors who are unable to attend the Annual General Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the Annual General Meeting.

NOTICE OF **ANNUAL GENERAL MEETING**

Personal data privacy:

By submitting a proxy form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting 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 Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (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 (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

This notice has been prepared by the Company and its contents have been reviewed by the Company's sponsor, CIMB Bank Berhad, Singapore Branch (the "Sponsor"), for compliance with the SGX-ST Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this notice.

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, Catalist. The contact particulars are 50 Raffles Place, #09-01 Singapore Land Tower, Singapore 048623, telephone: (65) 6337-5115.

IX BIOPHARMA LTD.

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

Important:

1. For investors who have used their CPF monies to buy the Company's Shares, the Annual Report is sent to them at the request of their CPF Approved Nominees solely **FOR INFORMATION ONLY**.
2. This Proxy Form is not valid for use by CPF Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF Investors who wish to vote should contact their respective CPF Approved Nominees.

ANNUAL GENERAL MEETING
PROXY FORM

*I/We, _____ (Name) _____ (*NRIC/Passport No.)

of _____ (Address)

being a *member/members of iX Biopharma Ltd. (the "Company"), hereby appoint:

Name	**NRIC/Passport Number**	**Proportion of Shareholdings (%)**
Address		

*and/or

Name	**NRIC/Passport Number**	**Proportion of Shareholdings (%)**
Address		

or failing which, the Chairman of the Annual General Meeting of the Company ("AGM"), as *my/our *proxy/proxies to vote for *me/us on *my/our behalf at the AGM to be held at NUSS Kent Ridge Guild House, Inner Chamber, 9 Kent Ridge Drive, Singapore 119241 on Friday, 19 October 2018 at 10.00 a.m. and at any adjournment thereof.

All resolutions put to the vote at the AGM shall be decided by way of poll.

*I/We direct *my/our *proxy/proxies to vote for or against the Ordinary Resolutions to be proposed at the AGM as indicated hereunder. If no specific directions as to voting are given, the *proxy/proxies will vote or abstain from voting at *his/her/their discretion, as *he/she/they will on any other matter arising at the AGM.

No.	**Resolution**	**No. of Votes For****	**No. of Votes Against****
1.	Adoption of Directors' Statement and the Audited Financial Statements for the financial year ended 30 June 2018 together with the Auditors' Report thereon.		
2.	Re-election of Mr Eddy Lee Yip Hang as Director.		
3.	Approval for payment of Directors' fees of S$334,000 for the financial year ending 30 June 2019, to be paid quarterly in arrears.		
4.	Re-appointment of Messrs PricewaterhouseCoopers LLP as Auditors and to authorise the Directors to fix their remuneration.		
5.	Authority to allot and issue shares.		
6.	Authority to allot and issue shares under the iX Employee Share Option Scheme.		
7.	Authority to allot and issue shares under the iX Performance Share Plan.		

Note:
* Please delete accordingly.
** If you wish to exercise all your votes "For" or "Against", please indicate with an "X" within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of _____ 2018

Total Number of Shares held in:	
CDP Register	
Register of Members	

_____

Signature(s) of Member(s) / Common Seal

IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS PROXY 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 (as defined in Section 81SF of the Securities and Future Act, Chapter 289), you should insert that number. If you have shares registered in your name in the Register of Members, you should insert that number. 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. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.
2. (a) A member who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote at the AGM. Where such member's form of proxy appoints more than one (1) proxy, the proportion of his/her shareholding concerned to be represented by each proxy shall be specified in the form of proxy. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire number of shares entered against his name in the Depository Register and any second named proxy as alternate to the first named proxy.

   (b) A member who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend, speak 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's form of proxy appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

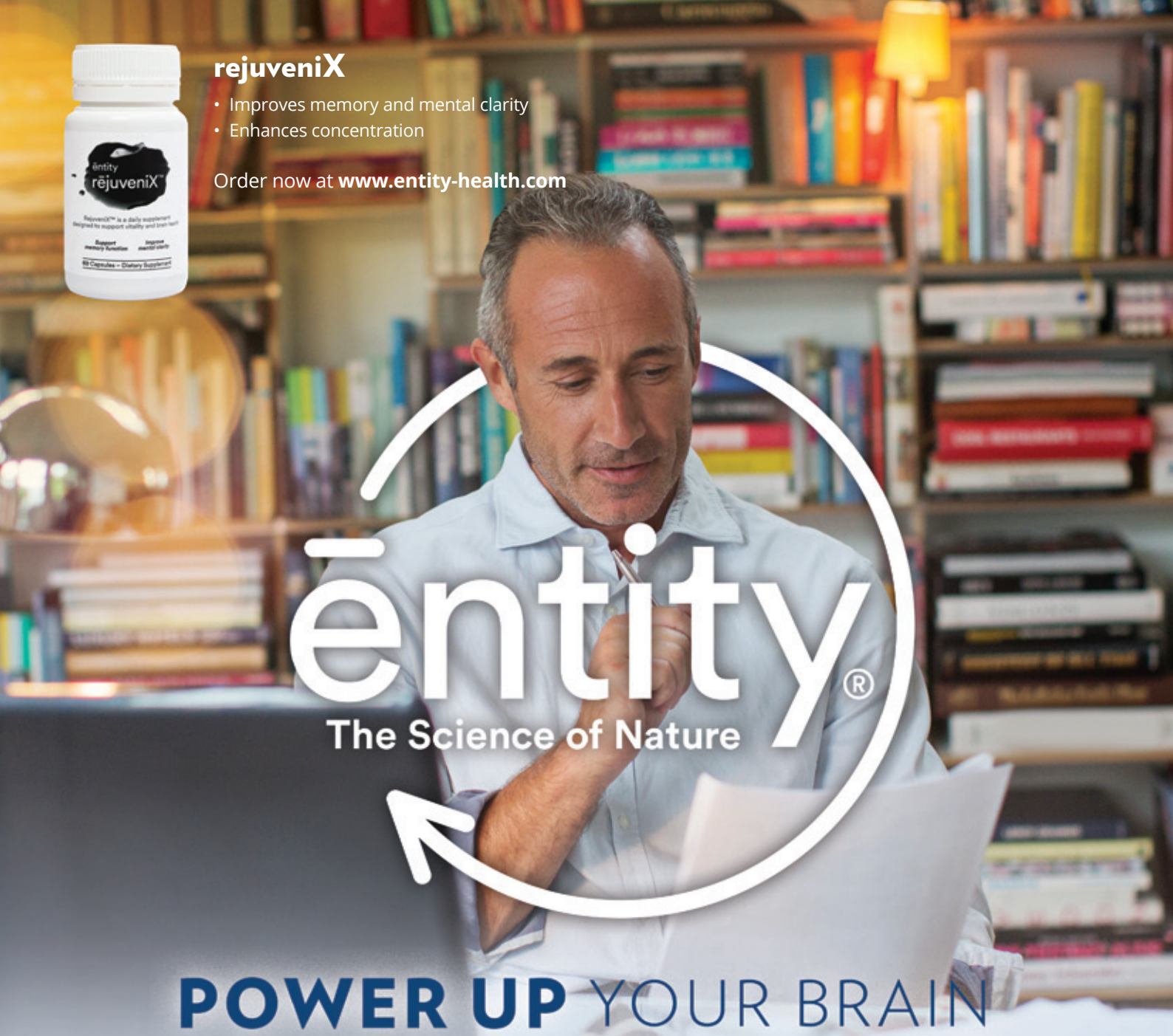
   "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 (the "Act").
3. A proxy need not to be a member of the Company.
4. The instrument appointing a proxy or proxies must be deposited at the Company's Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road, #11-02, Singapore 068898 not less than seventy-two (72) hours before the time appointed for the AGM.
5. The instrument appointing a proxy or proxies must be under the hand of the appointor or his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its seal or under the hand of its attorney or a duly authorised officer.
6. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
7. A corporation that 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 at the AGM, in accordance with Section 179 of the Act.
8. The submission of an instrument or form appointing a proxy by a member does not preclude him/her from attending or voting in person at the AGM if he/she so wishes.
9. An investor who buy shares using CPF monies ("CPF Investor") and/or SRS monies ("SRS Investor") (as may be applicable) may attend and cast his/her vote(s) at the Annual General Meeting in person. CPF and SRS Investors who are unable to attend the AGM but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the AGM.
10. The Company shall be entitled to reject the instrument of proxy which 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 instrument appointing of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy or if the member, being the appointor, is not shown to have shares against his/her name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 27 September 2018.

AFFIX
STAMP

The Share Registrar
IX BIOPHARMA LTD.
80 Robinson Road
#11-02
Singapore 068898



CORPORATE INFORMATION

BOARD OF DIRECTORS

Eddy Lee Yip Hang	*Chairman and CEO*
Albert Ho Shing Tung	*Non-Executive Director*
Ko Kheng Hwa	*Lead Independent Director*
Low Weng Keong	*Independent Director*
Claudia Teo Kwee Yee	*Independent Director*

AUDIT COMMITTEE

Low Weng Keong	*Chairman*
Albert Ho Shing Tung	
Ko Kheng Hwa	
Claudia Teo Kwee Yee	

NOMINATING COMMITTEE

Claudia Teo Kwee Yee	*Chairman*
Low Weng Keong	
Ko Kheng Hwa	
Eddy Lee Yip Hang	

REMUNERATION COMMITTEE

Ko Kheng Hwa	*Chairman*
Albert Ho Shing Tung	
Low Weng Keong	
Claudia Teo Kwee Yee	

RISK MANAGEMENT COMMITTEE

Claudia Teo Kwee Yee	*Chairman*
Low Weng Keong	
Albert Ho Shing Tung	

JOINT COMPANY SECRETARIES
Lee Wei Hsiung (ACIS)
Wang Shin Lin, Adeline (ACIS)

REGISTERED OFFICE
80 Robinson Road
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Singapore 068898
Tel: +65 6235 2270
Fax: +65 6235 2170
Email: info@ixbiopharma.com

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1 Kim Seng Promenade, #14-01
Great World City East Tower,
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: Low Eng Huat, Peter
(a practising member of the Institute of
Singapore Chartered Accountants)
Year of Appointment: Financial Year ended
30 June 2015

PRINCIPAL BANKER
United Overseas Bank Limited
80 Raffles Place
UOB Plaza 1
Singapore 048624

National Australia Bank Limited
800 Bourke Street
Melbourne, Victoria 3008, Australia

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