ixbiopharma

It's life changing

HEALTHSPAN & QUALITY OF LIFE

ANNUAL REPORT 2017

CORPORATE PROFILE

iX Biopharma Ltd. (the Company or iX Biopharma), listed on the Singapore Exchange, is a specialty pharmaceutical and nutraceutical company, operating a fully integrated business model from drug development to laboratory testing, manufacturing and supply. The Company and its subsidiaries (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. The Company leverages its patented sublingual drug delivery technology, **WaferiX**, to develop proprietary products that incorporate pharmacologically active compounds that have been approved by regulatory bodies. Its pipeline of products under development includes **Wafermine**, **BnoX**, and **Wafernyl** for pain management, **PheoniX** for erectile dysfunction, and **WafeRest** for improved sleep quality. The Group's nutraceuticals division, Entity Health Limited, is engaged in the development and commercialisation of nutraceutical products that address specific conditions and improve quality of lifestyles throughout all phases of life.

iX Biopharma's manufacturing facility in Australia is approved by the Therapeutic Goods Administration of Australia, complies with Good Manufacturing Practice, and supplies drugs to hospitals and registered pharmacies under Schedule 5A of the Therapeutic Goods Regulations 1990 of Australia.

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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 Singapore Exchange Securities Trading Limited (SGX-ST). The Sponsor has not independently verified the contents of this annual report. This annual report has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this annual report, including the correctness of any of the statements or opinions made or reports contained in this annual report.

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

At the forefront of the emerging trends in health and wellness

CHAIRMAN'S STATEMENT

Dear Shareholders

I am pleased to report that we have made tremendous progress during the year, introducing a new line of science-based nutraceutical products while continuing to make significant advancements in our drug development programmes. Our prudent financial management delivered a solid balance sheet with a cash balance of $31.1 million as at 30 June 2017.

It is with great pleasure that we announce the filing with the Australian Therapeutic Goods Administration (TGA) for the registration of PheoniX, our sublingual wafer product for male erectile dysfunction. Meanwhile, our clinical programmes for Wafermine and BnoX for pain management are progressing very well. The development of these two game-changing products will be discussed under the section, "Update on Current Drug Development".

Taking advantage of our excess cGMP manufacturing capacity and by leveraging our in-house scientific and regulatory expertise, we have been able to develop a new pipeline of exciting nutraceutical products at marginal incremental costs to the Group. To this end, we have incorporated Entity Health Limited (Entity Health or Entity) and launched our first product, WafeRest, in Singapore in August 2017 with the rest of the regional markets to follow.

On the financial side, I am pleased to report that we closed the year with a strong balance sheet with $31.1 million in cash balance compared with $31.3 million at the start of the year. This is a very good outcome for the Group, illustrating our strength in financial management. More importantly, a strong balance sheet also means that our research and development (R&D) programmes and marketing campaign for the launch of our new products are well-funded for the years ahead.

Update on Current Drug Development

WafeRest

The first product to be rolled out using our proprietary sublingual (under the tongue) wafer technology is WafeRest, a melatonin wafer to alleviate jet lag and improve sleep quality. It was launched in Singapore in August 2017.

PheoniX

We see continued demand for male erectile dysfunction products that are approved by the relevant regulatory bodies. Global sales for the leading male erectile dysfunction products were estimated to be over US$4 billion in 2016.

We are enthusiastic about the prospects for this product and in anticipation of regulatory approval, have commenced marketing preparation for its launch in the region. (PheoniX may be marketed as WaferED in some countries.)

Wafermine

Wafermine, our proprietary oral, sublingual ketamine wafer is designed as an alternative analgesic to opioids for the treatment of moderate to severe pain. Finding an alternative to opioids for pain management is a critical unmet medical need as the current opioid epidemic is considered one of the worst drug crises in American history. With overdoses from heroin and other opioids now killing more than 27,000 people a year, death rates now rival those of AIDS during the 1990s. The pandemic has led to urgent calls for action.

CHAIRMAN'S STATEMENT

The Wafermine development programme has made significant progress to-date. I am happy to announce that our multiple-dose Phase 2 efficacy study, KET010, has commenced recruitment in August 2017. The primary objective of the study is to demonstrate the efficacy of Wafermine in pain suppression when compared to a placebo. The study plans to enroll 135 patients experiencing acute pain following bunionectomy surgery at a single site in the United States. This study will determine the optimal dose(s) to be used in the subsequent pivotal Phase 3 registration studies.

In the past 12 months, we completed two clinical studies, the results of which were vital inputs into the design of the current KET010 multiple-dose efficacy study.

KET012 was an absolute bioavailability study comparing Wafermine sublingual wafers to intravenous ketamine (IV Ketalar®, US) as the reference drug. The study was conducted in 12 healthy volunteers and confirmed the absolute bioavailability of Wafermine at 29%. Peak plasma ketamine concentrations were reached only 30 minutes after dosing, highlighting the rapid absorption of Wafermine - a vital characteristic for a drug intended to treat acute pain.

KET011 evaluated the rate and extent of absorption (relative bioavailability) of two different administration protocols of Wafermine. We performed a pharmacokinetic evaluation following the administration of two Wafermine 25mg wafers when given either simultaneously or sequentially on two different occasions in the same subjects.

Wafermine was shown to be rapidly absorbed sublingually in both administration protocols with a slight benefit observed with sequential administration. Ketamine was detected in the plasma when first tested, at the three-minute time point after dosing. Valuable additional information was obtained on how to optimise drug administration in future clinical trials and for clinical practice.

The consistency of pharmacokinetic results from these two studies confirms the robustness of our WaferiX technology and manufacturing process.

BnoX

Our pain management portfolio is growing from strength to strength thanks to our proprietary drug delivery technology, WaferiX, a fast-dissolving wafer technology that allows pharmacologically active compounds to be administered sublingually for faster absorption and enhanced bioavailability.

We are therefore keen to introduce our next pain management drug in development, as it has great potential as an alternative to highly addictive opioids for the treatment of moderate to severe pain. BnoX is formulated with the active compound buprenorphine, which is gaining renewed interest for its safer proposition in the management of acute and chronic pain.

In response to the United States' opioid addiction epidemic and growing proportion of such drug-related overdoses described earlier, the United States Government has taken unusual and drastic measures to reduce the number of opioid prescriptions. This includes a US$1.1 billion budget announced in February 2016 to address opioid addiction and abuse, as well as support to expand buprenorphine prescriptions to overcome drug addiction. The federal government also published the first national standards for prescription painkillers and recommended the use of alternatives, such as buprenorphine, to highly addictive opioids.

BnoX has successfully completed a Phase 1 pharmacokinetic study, which showed that the drug has superior absorption and bioavailability than the approved marketed reference product, Temgesic®.

Wafernyl

Wafernyl, which contains the drug fentanyl for the treatment of breakthrough cancer pain, has successfully completed a Phase 1 pharmacokinetic study. In view of the general attitude towards the use of opioids for pain management by the heath authority in the United States, the next stage of development for this product is currently being evaluated.

CHAIRMAN'S STATEMENT

Exciting New Entity

At iX Biopharma, we are customer-centric and will always explore ways to innovate new products that make a significant improvement in peoples' lives. Answering this call for health and life-extending nutraceuticals, Entity Health specialises in next-generation nutraceuticals aimed at addressing specific health conditions to optimise wellness and enhance an individual's quality of life.

The nutraceuticals business is a natural extension of the Group's activities as it leverages existing expertise and resources to innovate and introduce new, science-based products with speed to market and at lower regulatory threshold. In addition, the excess capacity at our facility in Australia enables us to develop this new business unit and manufacture Entity's products at a marginal incremental cost to the Group's business.

The growing demand for health supplements has propelled worldwide sales in this segment to increase by 50% to US$88 billion from 2009 to 2014, as reported by Euromonitor, a market research firm. This may be the result of a paradigm shift of focus from treatment to prevention of health conditions. With extending lifespans, the quest to maintain a good quality of life amid modern hectic lifestyles has led consumers to seek out preventative yet convenient healthcare solutions.

While the nutritional replenishment aspects of supplementary products are well-understood and received, we have noticed a gap in the market for lifestyle nutraceutical products that seek to maintain a sense of youth and vitality, and enhance a person's overall quality of life. The desire for, and pursuit of, the elusive "fountain of youth" has never been more urgent in modern society.

Our next-generation nutraceuticals are grounded in breakthrough scientific technology and formulated with best-in-class extracts to promote DNA and cellular repair, skin protection and whitening, joint and liver health and management of diabetes, among others. Most of these products are expected to be ready for regional sales in 3Q of FY2018, subject to local regulatory requirements.

"...introducing a new line of science-based nutraceutical products while continuing to make significant advancements in our drug development programmes."

More significantly, our new Entity business subsidiary is a strategic addition to the Group's overall business model and strengthens our position as a comprehensive and progressive healthcare and pharmaceuticals company.

Marketing Strategy

In anticipation of the launch of Entity's new products, we have lined up a host of exciting marketing initiatives. To start, we have completed brand-building and rebranding exercises for Entity, iX Biopharma and its affiliates to more accurately reflect their respective functions, positioning and offerings in the marketplace. iX Biopharma, for example, will focus on bringing its pharmaceutical products to the market, while Entity will market and promote its nutraceutical products.

In today's world, there are many forms of media that can be used to reach out to different audiences. Besides traditional mediums such as print advertisements, product placements, event sponsorships, trade shows and conferences, we will also be focusing on marketing through e-commerce platforms. The online channels are unhindered by national barriers and therefore have an unlimited potential to reach out to customers while offering direct and personal engagement with prospective customers.

Entity is looking to partner some of the leading e-commerce platforms to promote and market its products. This will be accompanied by the engagement of influential brand ambassadors and product and

CHAIRMAN'S STATEMENT

social media marketing campaigns. We will also produce personalised gift packs for festive seasons such as Christmas, Chinese New Year and Mother's Day.

Financials

Due to our prudent financial planning and management, we closed the year with a very strong balance sheet; total assets of $44.3 million and a debt ratio (total liabilities / total assets) of less than 20%. As at 30 June 2017, we have a cash balance of $31.1 million compared to a cash balance of $31.3 million at the start of the year. This is a very good outcome for the Group and illustrates our strength in financial management.

Overall, for the year ended 30 June 2017, we expended approximately $9.5 million in cash consisting of $4.8 million in R&D programmes, $3.6 million in operating expenses and $1.1 million in capital expenditure. In the same reporting period, we received a total of $8.8 million cash receipts from a rights issue exercise conducted in 2016 of $4.6 million, cash rebates for R&D expenses of approximately $4.1 million and net financing and interest of $0.1 million.

During the year, we invested in our product pipelines and spent $4.8 million in R&D programmes. Included in this investment is the development, at marginal cost to the Group, of the abovementioned next-generation nutraceutical products which are expected to be ready for marketing by 3Q of FY2018.

As we prepare to launch our nutraceutical products across the region, we have gradually increased our headcount in the sales team. During the year, we also expanded our marketing activities, resulting in an increase of $0.8 million to $7.6 million in selling, general and administrative expenses.

The management team remains vigilant in cost control and closed the year with a net cash burn-rate of $3.6 million of operating expenses before R&D costs against last year's $3.8 million. This is despite a significant increase in sales headcount and marketing activities throughout the year in preparation for the launch of products in the coming financial year.

The Next Lap

As a specialty pharmaceutical and nutraceutical company, our mission is to develop best-in-class pharmaceutical and nutraceutical solutions that offer a better alternative outcome to the current market equivalents.

We have pushed the boundaries of innovation beyond the areas of pain management and men's health, and our products have the potential to be game-changers in their respective market segments.

On behalf of the Board of Directors, I would like to take this opportunity to express my gratitude to our staff and management team in Singapore, Australia, USA, Hong Kong and China. I would like to thank my Board members for their guidance and counsel throughout the year. Last but not least, I wish to thank all our shareholders for their continued support and faith in us.

With our proprietary technology, pipeline of unique products, robust manufacturing capabilities and our team of talented and passionate scientific and medical experts, we are excited about the next chapter ahead as we believe we are well-poised at the forefront of the emerging trends in health and wellness. Let's continue riding this wave of change together!

Eddy Lee
Chairman & CEO

OUR MISSION

Developing best-in-class pharmaceutical and nutraceutical solutions that offer better alternative outcomes

INNOVATION

OUR TECHNOLOGY: WAFERIX

WaferiX

WaferiX drug delivery technology is iX Biopharma's proprietary wafer formulation that allows pharmacologically active compounds, such as ketamine or buprenorphine, to be administered sublingually. The sublingual delivery platform enables active pharmacological compounds to be delivered safely, rapidly and conveniently into the blood stream.

This mode of delivery reduces the effect of first-pass metabolism, a process that significantly reduces drug concentration before the drug reaches the systemic circulation as a result of the absorptive and metabolic process related to the liver and gut wall. This process affects the bioavailability of a number of drugs such as ketamine when ingested orally. Sublingual delivery via WaferiX therefore has the potential to increase the rate, extent and predictability of drug absorption for a number of already-approved drugs, giving rise to new or improved existing clinical applications. Accordingly, drugs delivered via WaferiX require a lower dose to achieve a similar therapeutic effect than drugs administered by other oral routes. As a non-invasive method of drug delivery, it also eliminates the risk of infection compared with intravenous administration, along with the need for the specialised staff and equipment required for such administration.

The wafer, which is in a thin tablet form, is easy to dose, store and handle. Other advantages of sublingual delivery apart from non-invasiveness include better side-effect profile, reduced risk of medical errors in drug administration and improved patient compliance.

iX Biopharma has been granted patents for WaferiX in nine countries, namely Singapore, Australia, New Zealand, Malaysia, Japan, Indonesia, South Korea, Canada and South Africa, and has also received acceptance in the European Union.

PRODUCTS

Wafermine

Wafermine, our lead product, is the Group's ground-breaking innovation. It is formulated for moderate to severe pain. The active compound of Wafermine is ketamine, which can be used for pain relief when administered at sub-anaesthetic doses. This makes Wafermine the world's first oral-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.

Wafermine is currently supplied to hospitals and registered pharmacies in Australia under Schedule 5A of the Therapeutic Goods Regulations 1990 of Australia (TGR).

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®.

This year, we launched BnoX and the product is now being supplied to hospitals and registered pharmacies in Australia under Schedule 5A of the TGR.

PheoniX

PheoniX contains sildenafil citrate, the hallmark drug for the treatment of male erectile dysfunction, as its active compound. Utilising our WaferiX technology, PheoniX is a sildenafil wafer that is administered sublingually. Delivering sildenafil through the sublingual route has the potential advantage of mitigating the issue of variable and delayed absorption when the drug is given orally following meals. Users of PheoniX may thus enjoy faster onset of action and greater convenience.

We have applied for the registration of PheoniX with the TGA in Australia this year.

WafeRest

WafeRest is a sublingual melatonin wafer supplement aimed at alleviating jet lag and improving sleep quality.

Melatonin is a hormone produced in the brain that regulates the circadian rhythm (sleep-wake cycle) and people's ability to sleep. Research has shown that melatonin has a low absolute bioavailability either due to poor oral absorption, large first-pass metabolism, or a combination of both. The use of iX Biopharma's WaferiX sublingual technology potentially allows for the improvement of its bioavailability as the delivery of the drug bypasses the first-pass metabolism, and hence offers a more rapid and predictable dosage of melatonin.

WafeRest is the first nutraceutical product in the Group's Entity range. We have completed the export listing of WafeRest with the TGA, and the product has been launched in Singapore.

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 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. The Group is re-evaluating the time-to-market of Wafernyl given current market trends.

FINANCIAL REVIEW

OPERATING RESULTS

Revenue & Gross Profit

The Group currently derives its main source of revenue from the chemical analysis business, which provides laboratory testing services. The segment recorded revenue of S$6.3 million for FY2017, an increase of 11% as compared to S$5.7 million for the prior financial year ended 30 June 2016 (FY2016).

The segment recorded higher revenue in FY2017 mainly due to:

(a) an increase in laboratory testing services, which led to a growth of 7% of revenue in FY2017.

(b) the strengthening of the Australian dollar when translated into the reporting currency (Singapore dollars), which resulted in an increase of 4% of revenue in FY2017.

Cost of sales, comprising mainly personnel and consumable expenses relating to provision of chemical analysis services, was S$4.4 million for FY2017 as compared to S$4.1 million for FY2016. The increase was commensurate with the increase in revenue.

The Group recorded a gross profit of S$1.9 million or 30% of revenue in FY2017 versus S$1.7 million or 29% of revenue in FY2016.

Other Income - R&D Incentive

The Group conducts its R&D activities through its wholly-owned subsidiaries in Australia and have been eligible for R&D tax incentive under a programme administered jointly by the Australian Taxation Office and Innovation Australia. This incentive provides a rate of 43.5% (revised from 45% before 1 July 2016) refundable tax offset for eligible R&D expenditure incurred in Australia by these subsidiaries. In June 2016, Innovation Australia approved the Group's application to include additional expenditure incurred as eligible R&D expenditure for the purpose of this R&D tax incentive.

Expenses

R&D expense

The Group undertook R&D activities in nutraceutical and pharmaceutical product developments, including formulation and manufacturing for clinical trials. R&D expense was S$4.8 million in FY2017 as compared to S$5.6 million in FY2016. The lower expense in FY2017 was principally due to the timing and progress of clinical trials.

By leveraging on our existing manufacturing capacity, proprietary sublingual technology and in-house expertise in drug formulation, the Group had developed nine next-generation nutraceutical products at marginal cost to the Group.

Sales & marketing

Sales and marketing expense was S$1.2 million in FY2017 as compared to S$0.7 million in FY2016, as the Group began preparing for commercialisation of its products. Entity Health was incorporated during the year to promote and market our nutraceutical products. As we prepare to launch these products across the region, we have gradually expanded our sales team and undertaken brand-building and rebranding exercises for Entity Health, iX Biopharma and its affiliates.

General & Administrative

For FY2017, general and administrative expense of S$6.4 million was comparable to S$6.1 million in the previous financial year.

Others

Others consist principally of currency exchange gain/loss and a one-off IPO related expense.

For FY2017, currency exchange gain was S$1.1 million as compared to loss of S$0.9 million in FY2016. The gain arose from the strengthening of the US and Australian dollars against the Singapore dollar for the Group's foreign currency denominated cash deposits and receivables from our subsidiaries.

FINANCIAL REVIEW

FINANCIAL POSITION

Trade and other receivables decreased by S$1.9 million from FY2016 mainly due to R&D tax incentive receipts of S$4.1 million for the prior years, and partially offset by additional FY2017 R&D incentive receivable of S$1.7 million.

Property, plant and equipment was S$8.2 million, a net increase of S$0.7 million from S$7.5 million in FY2016. The increase was attributed to S$1.0 million of mainly laboratory testing and manufacturing equipment.

Trade and other payables was S$3.5 million, an increase of S$0.4 million from S$3.1 million in FY2016 mainly due to higher operating activities and foreign exchange effect on Australian dollar denominated payables of our Australian subsidiaries.

Current and non-current borrowings were S$4.8 million, an increase of S$0.5 million from S$4.3 million in FY2016, mainly due to increase of S$0.5 million in bank borrowings by wholly-owned subsidiaries to refinance their plant and equipment.

CASH FLOW

During FY2017, cash used in operations amounted to S$8.4 million and was offset by R&D tax incentive receipts of S$4.1 million. As a result, the Group recorded a net cash used in operating activities of S$4.2 million.

During the financial year, the Group invested S$1.1 million to acquire new software and plant and equipment principally for laboratory testing and manufacturing purposes.

The Group raised S$4.5 million and S$0.5 million through a rights issue and loans respectively. Through the rights issue, the Group raised net proceeds of S$5.0 million, of which S$0.5 million was received in the fourth quarter of FY2016 from a shareholder pursuant to its undertaking in relation to the rights issue.

Consequently, the Group's cash and cash equivalents (less pledged bank deposits) amounted to S$30.7 million as at the end of FY2017 and was comparable to S$30.9 million as at the beginning of the financial year.

Chew Sien Lup

Chief Financial Officer

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 startups 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 and Remuneration 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 of experience in the areas of corporate development, finance and investment banking.

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

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

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 advisor to international consulting companies such as the Boston Consulting Group 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, and Board member of Agency for Science, Technology and Research (A*STAR) and SPRING 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 Masters in Management from MIT. 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.

Low Weng Keong

Independent Director

Low Weng Keong was appointed to the Board on 18 June 2015 and serves as Chairman of the Audit Committee and a member of the Nominating and Remuneration Committees. Mr Low is an independent director of UOL Group Limited and Riverstone Holdings Limited, both listed on the Singapore Stock Exchange. He stepped down as an independent director of Bracell Limited, a company listed on the Hong Kong Stock Exchange, in November 2016.

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 Chairman of the Nominating Committee and a member of the Audit and Remuneration Committees. Ms Teo currently heads the Corporate and Financial Services practice group in Eversheds Harry Elias LLP ("EHE"). She possesses over 20 years of experience in corporate and securities laws, advising on landmark, cross-border, merger and acquisition transactions in addition to initial public offerings and compliance issues on the Singapore Stock Exchange. Some of her complex deal structures have focused on various industries including healthcare and pharmaceuticals, fintech, natural resources, lifestyle and real estate and construction.

Ms Teo's key practice areas at EHE are corporate finance as well as merger and acquisition transactions throughout Asia. She was recommended in the 2016 edition of The Legal 500 as well as in the 2014 edition of Asialaw's Leading Publication. She is also a director and 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 startups 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 Biopharma, he also served as CFO of Singapore eDevelopment Limited and Metech International Limited, both listed on the SGX-ST.

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

Dr Janakan Krishnarajah

Chief 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 Biopharma, 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.

SENIOR MANAGEMENT

Dr Iain Cook

Chief Scientist

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

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

Dr Stephen Lim

Chief Pharmacist

Dr Stephen Lim joined iX Biopharma in July 2017. As Chief Pharmacist of the Group, he participates in new product research and development 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.

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

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

Desiree Chua

Senior Manager, Business Development

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

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

SUSTAINABILITY STATEMENT

Sustainability is integral in iX Biopharma's business to achieve lasting commercial success. We have embarked on the sustainability journey by looking at our responsibility for the environment we operate in, to the people in our workforce and in the creation of innovative products for our customers.

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 adopting an inclusive policy with regard to hiring. 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 formalised awards and recognition programmes.

Product

As a pharmaceutical and healthcare company, we comply with all relevant regulations and applicable industrial standards. All of our products are continuously assessed for health and safety impacts across our value chain. We have incorporated stringent quality control procedures throughout the manufacturing process from raw materials sourcing to product testing, based on globally recognised standards.

We have also invested in the implementation of a co-vigilant monitoring system to handle customer feedbacks and product 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 is essential in building a sound corporation with a strong ethical culture, thereby protecting the interests of our stakeholders. Our robust governance framework maintains the integrity, transparency, accountability and discipline in all our practices.

We look forward to publishing our inaugural sustainability report next year.

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	

Joint Company Secretaries

Lee Wei Hsiung (ACIS)
Wang Shin Lin, Adeline (ACIS)

Registered Office

80 Robinson Road
#02-00
Singapore 068898
Tel: +65 6235 2270
Fax: +65 6235 2170
Email: info@ixbiopharma.com

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
8 Cross Street #17-00 PwC Building
Singapore 048424
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 Bankers

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

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

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 2017 ("FY2017"), 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:

(a) 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;

(b) 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;

(c) provide oversight in the proper conduct of the Group's business and assume responsibility for corporate governance;

(d) to provide guidance to the Management to ensure that the Company's obligations to its shareholders and the public are met; and

(e) 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 three committees, namely, the Audit Committee ("AC"), the Remuneration Committee ("RC") and the Nominating Committee ("NC") (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.

The number of Board and Board Committees meetings held and the attendance of each Board member during FY2017 are shown below:

Director	Board	Audit Committee	Nominating Committee	Remuneration Committee
No. of meetings held	6	4	1	2
No. of meetings attended				
Eddy Lee Yip Hang	6	N/A	1	N/A
Albert Ho Shing Tung	6	4	N/A	2
Ko Kheng Hwa	6	4	1	2
Low Weng Keong	6	4	1	2
Claudia Teo Kwee Yee	6	4	1	2

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

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

BOARD 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 2017 comprises:

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

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 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 12 and 13 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:

(a) make recommendations to the Board on all Board appointments and re-appointments;

(b) 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;

(c) assess the effectiveness of the Board as a whole;

(d) decide whether or not a Director is able to and has been adequately carrying out his or her duties as a Director;

(e) review board succession plans for Directors, in particular the Chairman and the CEO; and

(f) 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 2016 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 half 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 recommends that Mr. Albert Ho Shing Tung, Mr. Low Weng Keong and Ms. Claudia Teo Kwee Yee, who are to retire by rotation be nominated for re-election at the forthcoming AGM, in accordance with Article 93 of the Company's Constitution:

(a) Mr. Albert Ho Shing Tung will, upon re-election as a Director of the Company, remain as a member of AC and RC;

(b) Mr. Low Weng Keong will, upon re-election as a Director of the Company, remain as Chairman of AC and a member of NC and RC. Mr. Low Weng Keong is considered independent for the purposes of Rule 704(7) of the Catalist Rules; and

(c) Ms. Claudia Teo Kwee Yee will, upon re-election as a Director of the Company, remain as Chairman of NC and a member of AC and RC. Ms. Claudia Teo Kwee Yee is considered independent for the purposes of Rule 704(7) of the Catalist Rules.

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 12 and 13.

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	23.10.2015	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

Director	Current appointment	Date of initial appointment	Date of last re-election	Directorships in other listed companies (present and in the preceding three years)
Low Weng Keong	Non-Executive Independent Director	18.06.2015	23.10.2015	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	25.10.2016	–

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.

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:

(a) review and recommend to the Board a general framework of remuneration for the Board and key management personnel (as defined in the Code);

(b) 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

(c) 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.

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 FY2017 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

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 2018.

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 33 and 34 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 FY2017 are as follows:

Remuneration Bands	Fees %	Base/Fixed Salary %	Bonus %	Other Benefits %	Share-based Compensation %	Total %
Directors S$1,250,001 to S$1,500,000 per annum						
Eddy Lee Yip Hang	–	24	6	34[1]	36[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	–	93	7	–	–	100

Notes:

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

2. The amount represents the amortised value relating to the Grant (see below) and accounted as expense by the Company in accordance with Singapore Financial Reporting Standards ("FRS") 102 during the year.

Remuneration of senior management

The Company does not believe to be in its interest to disclose the remuneration of its other senior management, as having considered the highly competitive human resource environment of personnel with the requisite knowledge, expertise and experience in the Company's business activities. Such disclosure of specific remuneration information may give rise to recruitment and talent retention issues.

During FY2017, the Company announced total awards of 3,504,333 shares to certain employees and executives under iX Performance Share Plan. Included in these awards, 2,239,000 shares granted (the "Grant") to the Chairman and CEO, Mr. Eddy Lee Yip Hang who is also a controlling shareholder of the Company, were approved by the shareholders at last Annual General Meeting on 25 October 2016. The Company has issued and allotted 333,333 share awards to an employee on 28 December 2016, pursuant to the vesting of the Grant. The Company has not granted any options under iX Employee Share Option Scheme.

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

Ms. Tang Choy Leng Jane, a human resource and administrative executive of the Company, is the spouse of Mr. Eddy Lee Yip Hang, and was paid a fixed salary of more than S$50,000 and less than S$100,000 during FY2017. Save for Ms. Tang, there were no other employees who are immediate family members of any Director or the CEO whose remuneration exceeded S$50,000 in FY2017.

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 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 oversees that the Management maintains a sound system of risk management and internal controls to safeguard shareholder's interests and Group's assets. The Board considers it necessary to increase emphasis on risk management and internal controls in a complex business and economic environment. Accordingly, in the coming financial year, the Board shall review the need for an additional board committee to assist it on risk management.

The Group's financial risk management is described under Note 26 of the Notes to the Financial Statements as set out in this Annual Report.

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, 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 2017. These controls are and will be continually assessed for improvement.

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, and has full access to and co-operation 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:

(a) assist the Board in the discharge of its responsibilities on financial and accounting matters;

(b) review the audit plans, scope of work and results of our audits complied by the internal and external auditors;

(c) review the co-operation given by Management to the internal and external auditors;

(d) review the external auditors including their independence and objectivity, and make recommendations to the Board on the external auditors' re-appointment;

(e) review the integrity of any financial information presented to shareholders including reviewing significant financial reporting issues and judgments, if any;

(f) review interested person transactions, if any; and

(g) 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 2017 and are relevant to its operations.

The AC reviews arrangements by which staff of the Company and other stakeholders may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters and ensures that arrangements are in place for the independent investigation of such matters and for appropriate follow-up action. The Company has put in place a formal whistle-blowing policy for staff and other stakeholders in confidence to report and raise any concerns which they may have in relation to the foregoing matter. No reports of whistle-blowing incidents were recorded in FY2017.

The AC met for four times and carried out the following during FY2017:

(a) reviewed quarterly and full-year financial statements (unaudited and audited), and recommended such reports to the Board for approval;

(b) reviewed, having regard to input from external and internal auditors, the adequacy and effectiveness of the Group's internal controls and risk management systems;

(c) reviewed interested person transactions;

(d) reviewed and approved the annual audit plan of the external auditors;

(e) reviewed and approved the internal audit plan of the internal auditors;

(f) reviewed the annual re-appointment of the external auditors, and made a recommendation for board approval; and

(g) met with the external auditors once without the presence of the Management.

During the review of the financial statements for FY2017, 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 which was reviewed by the AC.

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 FY2017. Refer to pages 64 to 65 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.

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 FY2017, 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.

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.

The Board noted that with the Companies (Amendment) Act 2014, with effect from 3 January 2016, 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. At the forthcoming AGM, a member who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend and vote at the AGM.

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 and Remuneration 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 FY2017.

INTERESTED PERSON TRANSACTIONS

Other than the interested person transactions as disclosed on pages 181 to 185 of the Company's Offer Document dated 10 July 2015, the new interested person transaction which was more than S$100,000 entered into in FY2017 is set out in the following table:

Name of interested person	Aggregate value of all interested person transactions during FY2017 (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 FY2017 under shareholders' mandate pursuant to Rule 920 of the Catalist Rule (excluding transactions less than $100,000)
Centrum Capital Pte. Ltd. [1]	Provision of consultancy services to the Group. S$130,000	–

Note:

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

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

CORPORATE GOVERNANCE REPORT

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.

The AC assesses the independence of the external auditors annually. The aggregate amount of fees paid to the external auditors of the Group for FY2017 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 FY2017. 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 FY2017.

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 2017, the IPO Proceeds has been utilised as follows:

	Amount allocated	Amount utilised	Balance
	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	(7,479)	18,721
General working capital purposes	1,413	(1,413)	–
Listing expenses	2,517	(2,517)	–
Total	**30,130**	**(11,409)**	**18,721**

Details of working capital used:

	S$'000
Professional fees	326
Payroll and directors' fees	755
Trademark and patents	67
Rental, office expenditure and other operating expenses	265
Total	**1,413**

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.

(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 2017, the Placement Proceeds has been utilised as follows:

	Amount allocated	Amount utilised	Balance
	S$'000	S$'000	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	(876)	2,973
Acquisition of new product packaging equipment	1,000	(194)	806
Total	**4,849**	**(1,070)**	**3,779**

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 2017, the Rights Proceeds has been utilised as follows:

	Amount allocated	Amount utilised	Balance
	S$'000	S$'000	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	(1,394)	2,634
Acquisition of new product packaging equipment	1,000	–	1,000
Total	**5,028**	**(1,394)**	**3,634**

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 2017

The directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 30 June 2017 and the balance sheet of the Company as at 30 June 2017.

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 40 to 90 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 2017 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	**162,416,020**	175,400,020	**15,080,030**	14,500,030
Albert Ho Shing Tung[1]	**7,799,999**	7,500,000	**130,000**	125,000
Low Weng Keong	**729,152**	659,800	**–**	–
Ko Kheng Hwa	**479,544**	461,100	**–**	–

(1) Mr. Albert Ho Shing Tung's direct interest of 7,799,999 shares are held in the name of Raffles Nominees (Pte) Ltd.

(b) The directors' interests in the ordinary shares of the Company as at 21 July 2017 were the same as those as at 30 June 2017.

SHARE OPTIONS AND SHARE PLAN

(a) Options issued under Consulting and Employment Agreements

On 1 July 2013 ("grant date"), options to subscribe for 1,070,000 ordinary shares (before sub-division) in the Company were granted to various consultants and directors of subsidiaries of the Company engaged by the Group for the provision of consultancy and advisory services for the Group's drug development programme. This grant of options forms part of the compensation payable for services that will be rendered to the Group, pursuant to the terms and conditions of the consulting agreements entered into by the Group with the consultants and directors.

On 1 December 2014 and 2 March 2015, additional options to subscribe for 150,000 and 500,000 ordinary shares (before sub-division) in the Company were granted to an employee of the Company and a director of subsidiary of the Company, respectively, pursuant to the terms and conditions of the employment agreements entered into with the Company.

The exercise price for the entire lot of share options in Group A, Group B and Group F granted to each consultant and directors of subsidiaries of the Company is set at $1.00 only. The entire lot of share options in Group C, Group D and Group E granted to each consultant, a director of a subsidiary of the Company and an employee for this group is exercisable at nil consideration.

No options have been granted to directors and controlling shareholders of the Company or their associates.

Details of share options are disclosed in Note 24 to the financial statements.

(b) 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.

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 30 September 2016, 3,504,333 share awards were granted under the Share Plan.

SHARE OPTIONS AND SHARE PLAN (CONTINUED)

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

Name of participant	Options or conditional awards granted during financial year under review (including terms)	Aggregate options or conditional awards granted since commencement of scheme to end of financial year under review	Aggregate options exercised or award released since commencement of scheme to end of financial year under review	Aggregate options or conditional awards outstanding as at end of financial year under review
(i) directors of the Company and controlling shareholders of the Company and their associates	2,239,000	2,239,000	–	2,239,000
(ii) participants, other than those in above, who receive 5% or more of the aggregate of the total number of awards available under the Share Plan and the total number of existing shares purchased for the delivery of awards under the Share Plan	–	–	–	–

(c) 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 30.06.2017	Vesting period
iX Performance Share Plan	3,171,000	vested over 6 months to 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 2017 before their submission to the Board of Directors.

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

INDEPENDENT AUDITOR

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

On behalf of the Board of Directors

Eddy Lee Yip Hang
Director

Albert Ho Shing Tung
Director

22 September 2017

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 2017 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 2017;
- the consolidated balance sheet of the Group as at 30 June 2017;
- the balance sheet of the Company as at 30 June 2017;
- the consolidated statement of changes in equity of the Group for the year ended 30 June 2017;
- the consolidated statement of cash flows of the Group for the year ended 30 June 2017; 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.

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 2017. 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 2017, iX Biopharma Ltd ("the Group") had a carrying value of $343,000 in goodwill, $1,055,000 in depreciable intangible assets and $8,191,000 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 16 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 ● 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 value. 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.

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 and will 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.

- 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.

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

- 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, 22 September 2017

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

	Note	**2017**	2016
		$'000	$'000
Revenue	4	**6,381**	5,797
Cost of sales		**(4,448)**	(4,090)
Gross profit		**1,933**	1,707
Other income	5	**2,073**	3,979
Expenses			
- Research and development		**(4,811)**	(5,610)
- Sales and marketing		**(1,235)**	(659)
- General and administrative		**(6,358)**	(6,106)
- Others	8	**1,059**	(1,047)
- Finance	9	**(242)**	(47)
Total expenses		**(11,587)**	(13,469)
Loss before income tax	6	**(7,581)**	(7,783)
Income tax credit	10	**191**	80
Total loss		**(7,390)**	(7,703)
Other comprehensive loss:			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation (Losses)/gains - net of tax	24(a)	**(187)**	61
Total comprehensive loss		**(7,577)**	(7,642)
Loss per share for loss attributable to equity holders of the Company (cents per share)			
Basic loss per share	11(a)	**(1.2)**	(1.3)
Diluted loss per share	11(b)	**(1.2)**	(1.3)

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

BALANCE SHEET - GROUP

AS AT 30 JUNE 2017

	Note	GROUP 2017 $'000	GROUP 2016 $'000
ASSETS			
Current assets			
Cash and cash equivalents	12	**31,088**	31,327
Trade and other receivables	13	**2,973**	4,884
Other current assets	14	**521**	542
		34,582	36,753
Non-current assets			
Deposits - operating lease		**79**	23
Intangible assets	15	**1,398**	1,793
Property, plant and equipment	16	**8,191**	7,541
		9,668	9,357
Total assets		**44,250**	46,110
LIABILITIES			
Current liabilities			
Trade and other payables	18	**3,501**	3,063
Borrowings	19	**271**	207
Provision	20	**101**	151
		3,873	3,421
Non-current liabilities			
Provision	20	**65**	30
Deferred government grant	21	**35**	67
Borrowings	19	**4,480**	4,045
Deferred income tax liabilities	22	**172**	356
		4,752	4,498
Total liabilities		**8,625**	7,919
NET ASSETS		**35,625**	38,191
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	23(a)	**70,131**	64,998
Shares to be issued pursuant to rights issue	23(b)	**–**	465
Other reserves	24	**646**	490
Accumulated losses		**(35,152)**	(27,762)
Total equity		**35,625**	38,191

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

BALANCE SHEET - COMPANY

AS AT 30 JUNE 2017

	Note	COMPANY 2017 $'000	2016 $'000
ASSETS			
Current assets			
Cash and cash equivalents	12	**28,527**	30,735
Trade and other receivables	13	**2,957**	2,703
Other current assets	14	**166**	276
		31,650	33,714
Non-current assets			
Deposits - operating lease		**79**	23
Property, plant and equipment	16	**180**	119
Investments in subsidiaries	17	**5,404**	5,404
		5,663	5,546
Total assets		**37,313**	39,260
LIABILITY			
Current liability			
Trade and other payables	18	**1,276**	959
		1,276	959
Total liability		**1,276**	959
NET ASSETS		**36,037**	38,301
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	23(a)	**70,131**	64,998
Shares to be issued pursuant to rights issue	23(b)	**–**	465
Other reserves	24	**787**	444
Accumulated losses		**(34,881)**	(27,606)
Total equity		**36,037**	38,301

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

		← 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
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	24(a)	–	–	–	(187)	–	(187)
Total comprehensive loss for the year		–	–	–	(187)	(7,390)	(7,577)
Share based payment scheme							
- Value of employees' services	24(b)	–	–	892	–	–	892
- Reversal of share based payment	24(b)	–	–	(444)	–	–	(444)
Shares issued pursuant to the rights issue, net of transaction costs	23(a) & 23(b)	5,028	(465)	–	–	–	4,563
Shares issued pursuant to iX Performance Share Plan	23(a)	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**
2016							
Beginning of financial year		29,019	–	1,299	(15)	(20,059)	10,244
Loss for the year		–	–	–	–	(7,703)	(7,703)
Other comprehensive income for the year	24(a)	–	–	–	61	–	61
Total comprehensive loss for the year		–	–	–	61	(7,703)	(7,642)
Share based payment scheme							
- Value of employees' services	24(b)	–	–	412	–	–	412
Share options exercised	23(a)	1,267	–	(1,267)	–	–	–
Shares issued pursuant to the initial public offering, net of transaction costs	23(a)	29,066	–	–	–	–	29,066
Shares issued pursuant to the private placement, net of transaction costs	23(a)	4,849	–	–	–	–	4,849
Issue of new shares for acquisition of subsidiaries	23(a)	797	–	–	–	–	797
Receipts for shares to be issued pursuant to the rights issue	23(b)	–	465	–	–	–	465
Total transactions with owners, recognised directly in equity		35,979	465	(855)	–	–	35,589
End of financial year		**64,998**	**465**	**444**	**46**	**(27,762)**	**38,191**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

	Note	**2017**	2016
		$'000	$'000
Cash flows from operating activities			
Total loss after tax		**(7,390)**	(7,703)
Adjustments for:			
- Deferred government grant income	5	**(35)**	(34)
- Depreciation and amortisation expense	6	**1,281**	932
- Income tax credit	10	**(191)**	(80)
- Interest income	5	**(136)**	(34)
- Interest expense	9	**242**	47
- Provision expense	20	**(24)**	12
- Research and development tax incentive	5	**(1,868)**	(3,872)
- Share based payment expense	24(b)	**448**	412
- Change in fair value of contingent consideration payable	8	**–**	(23)
- Unrealised currency exchange (gains)/losses - net		**(989)**	843
		(8,662)	(9,500)
Changes in working capital, net of effects from acquisition of subsidiaries:			
- Trade and other receivables		**(95)**	313
- Other current assets		**(21)**	(203)
- Trade and other payables		**396**	17
Cash used in operations		**(8,382)**	(9,373)
Interest received		**94**	32
Income tax paid	10	**–**	(480)
Research and development tax incentive received	10	**4,130**	695
Net cash used in operating activities		**(4,158)**	(9,126)
Cash flows from investing activities			
Additions of subsidiaries, net of cash acquired	30(b)	**–**	(738)
Additions to property, plant and equipment	16	**(982)**	(1,119)
Additions to intangible assets	15(c)	**(137)**	(42)
Payment of contingent consideration payable	29(a)	**–**	(766)
Net cash used in investing activities		**(1,119)**	(2,665)
Cash flows from financing activities			
Proceeds from issuance of ordinary shares		**4,698**	35,155
Proceeds from shares to be issued	23(b)	**–**	465
Transaction costs paid pursuant to issuance of shares	23(a)	**(135)**	(1,240)
Repayment of borrowings		**(263)**	(103)
Proceeds from borrowings		**529**	636
Interest paid		**(242)**	(32)
Increase in pledged fixed deposits	12	**–**	(400)
Net cash provided by financing activities		**4,587**	34,481
Net (decrease)/increase in cash and cash equivalents		**(690)**	22,690
Cash and cash equivalents			
Beginning of financial year		**30,927**	8,891
Effects of currency translation on cash and cash equivalents		**451**	(654)
End of financial year	12	**30,688**	30,927

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

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.

On 22 July 2015, the Company was listed on the Catalist Board of the Singapore Exchange Securities Trading Limited.

The principal activities of the subsidiaries are disclosed in Note 17.

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 2017

On 1 July 2016, 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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Revenue recognition (continued)

(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

(a) *Subsidiaries*

(i) *Consolidation*

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

(ii) *Acquisitions*

The acquisition method of accounting is used to account for business combinations by the Group.

The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Group accounting (continued)

(a) Subsidiaries (continued)

(ii) Acquisitions (continued)

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; and any gains or losses arising from such re-measurement are recognised in profit or loss.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interests in the acquiree at the date of acquisition either at fair value or at the non-controlling interests' proportionate share of the acquiree's identifiable net assets.

The excess of (a) the consideration transferred, the amount of any non-controlling interests in the acquiree and the acquisition-date fair value of any previously-held equity interest in the acquiree over the (b) fair values of the identifiable assets acquired, net of the fair values of the liabilities and any contingent liabilities assumed, is recorded as goodwill. Please refer to the paragraph "Intangible assets – Goodwill on acquisitions" for the accounting policy on goodwill subsequent to initial recognition.

(iii) Disposals

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

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

2.5 Property, plant and equipment

(a) Measurement

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Property, plant and equipment (continued)

(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.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Intangible assets (continued)

(c) *Computer software licences*

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

Computer software licences are subsequently carried at cost less accumulated amortisation and accumulated impairment 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.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Impairment of non-financial assets (continued)

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

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

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

2.8 Investments in subsidiaries

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

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.

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. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 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.

2.16 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. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 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.

(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. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 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.

2.19 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.

2.20 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.

2.21 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. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.22 Dividends to Company's shareholders

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

2.23 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 15 and Note 16.

(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.

4. REVENUE

	Group	
	2017	2016
	$'000	$'000
Sale of goods	**49**	30
Rendering of services	**6,332**	5,694
Consultancy income	**–**	73
Total revenue	**6,381**	5,797

5. OTHER INCOME

	Group	
	2017	2016
	$'000	$'000
Interest income – bank deposits	**118**	34
Interest income – others	**18**	–
Deferred government grant (Note 21)	**35**	34
Research and development tax incentive (Note 10)	**1,868**	3,872
Others	**34**	39
Total other income	**2,073**	3,979

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% (2016: 45%) 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	
	2017	2016
	$'000	$'000
Raw materials and consumables used	**746**	479
Employee compensation expense (Note 7)	**8,939**	7,682
Depreciation of property, plant and equipment (Note 16)	**727**	425
Amortisation of technological know-how (Note 15(b))	**472**	453
Amortisation of computer software (Note 15(c))	**82**	54
Audit fees paid/payable to:		
- Auditor of the Company	**79**	78
- Other auditors*	**86**	81
Clinical trials and related expenses	**1,928**	3,585
Professional and consultancy expenses	**1,099**	1,092
Rental expense and operating leases	**282**	691
Trademarks and patents related expense	**323**	282

* *Includes other PricewaterhouseCoopers firm outside Singapore*

7. EMPLOYEE COMPENSATION EXPENSE

	Group	
	2017	2016
	$'000	$'000
Wages and salaries	**6,753**	5,949
Employer's contribution to defined contribution plans	**586**	545
Share based payment expense (Note 24(b))	**448**	412
Other staff benefits	**1,152**	776
Total employee compensation expense	**8,939**	7,682

8. OTHER EXPENSES

	Group	
	2017	2016
	$'000	$'000
Currency exchange (gains)/losses – net	**(1,059)**	890
Fair value of contingent consideration payable	**–**	(23)
Initial public offering related expense	**–**	180
Total other expenses	**(1,059)**	1,047

9. FINANCE EXPENSE

	Group	
	2017	2016
	$'000	$'000
Interest on bank borrowings	**238**	32
Amortisation of interest free borrowing from a subsidiary – Arrow Property Trust (before acquisition on 26 May 2016)	**–**	15
Interest - others	**4**	–
Total finance expense	**242**	47

10. INCOME TAXES

	Group	
	2017	2016
	$'000	$'000
Tax credit attributable to loss is made up of:		
Deferred tax credit (Note 22)	**(191)**	(166)
Under provision in prior financial years	**–**	86
Income tax credit	**(191)**	(80)

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	
	2017	2016
	$'000	$'000
Loss before income tax	**(7,581)**	(7,783)
Tax calculated at tax rate of 17% (2016: 17%)	**(1,289)**	(1,323)
Effects of:		
- different tax rates in other countries	**(449)**	(282)
- tax incentives	**(171)**	(151)
- expenses not deductible for tax purposes	**399**	1,634
- income not subject to tax	**–**	(238)
- under provision for income tax	**–**	86
- deferred tax benefits not recognised	**1,319**	194
Income tax credit	**(191)**	(80)

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	
	2017	2016
	$'000	$'000
Beginning of financial year	**3,843**	309
Research and development tax incentive		
- R&D tax incentive income during the year (Note 5)	**1,727**	2,483
- R&D tax incentive income under provision in prior year (Note 5)	**141**	1,389
	1,868	3,872
Research and development tax incentive received	**(4,130)**	(695)
Income tax paid	**–**	480
Income tax under provision in prior financial years	**–**	(86)
Currency translation differences	**158**	(37)
End of financial year	**1,739**	3,843
Comprise of:		
Research and development tax incentive receivable (Note 13)	**1,739**	3,843

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	
	2017	2016
	$'000	$'000
		(Restated)
Net loss attributable to equity holders of the Company	**(7,390)**	(7,703)
Weighted average number of ordinary shares outstanding for basic loss per share	**638,406,375**	602,582,367(*)
Basic loss per share (cents per share)	**(1.2)**	(1.3)

* The weighted average number of shares have been restated to reflect the effect of bonus element pursuant to the rights issue. Refer to Note 23(a) 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 2017, the Company has 3,171,000 share awards (2016: nil) and 5,000,000 share options in prior financial year 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	
	2017	2016	**2017**	2016
	$'000	$'000	**$'000**	$'000
Cash at bank and on hand	**31,088**	31,327	**28,527**	30,735

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	
	2017	2016
	$'000	$'000
Cash and bank balances (as above)	**31,088**	31,327
Less: Bank deposits pledged	**(400)**	(400)
Cash and cash equivalents per consolidated statement of cash flows	**30,688**	30,927

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

13. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2017	2016	**2017**	2016
	$'000	$'000	**$'000**	$'000
Trade receivables				
- Non-related parties	**916**	813	**–**	–
- Related companies	**–**	–	**1,038**	984
Accrued income - trade	**13**	7	**–**	–
GST receivable	**263**	183	**31**	38
Research and development tax incentive receivable (Note 10)	**1,739**	3,843	**–**	–
Other receivables				
- Non-related parties	**42**	38	**42**	32
- Related companies	**–**	–	**14,054**	10,154
	42	38	**14,096**	10,186
Less: Allowance for impairment	**–**	–	**(12,208)**	(8,505)
Other receivable - net	**42**	38	**1,888**	1,681
	2,973	4,884	**2,957**	2,703

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% (2016: 45%) 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.

14. OTHER CURRENT ASSETS

	Group		Company	
	2017	2016	**2017**	2016
	$'000	$'000	**$'000**	$'000
Prepayments				
- Prepayments for rights issue	**–**	56	**–**	56
- Others	**185**	161	**103**	148
Deposits	**336**	325	**63**	72
	521	542	**166**	276

For the financial year ended 30 June 2016, an amount of $56,000 was included in prepayments relating to directly attributable expenses incurred for the Company's planned rights issue. Subsequent to completion of its rights issue on 21 July 2016, this amount has been transferred to and deducted from the share capital raised from the issue of new ordinary shares, in equity (Note 23(a)).

15. INTANGIBLE ASSETS

	Group	
	2017	2016
	$'000	$'000
Composition:		
Goodwill arising on consolidation (Note 15(a))	**343**	325
Technological know-how (Note 15(b))	**871**	1,277
Computer software (Note 15(c))	**184**	191
	1,398	1,793

(a) Goodwill arising on consolidation

	Group	
	2017	2016
	$'000	$'000
Beginning of financial year	**325**	335
Currency translation differences	**18**	(10)
End of financial year	**343**	325

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 16 for details of the critical assumptions used for impairment testing. The value-in-use computed for impairment testing as of 30 June 2017 was in excess of the carrying value of goodwill.

15. INTANGIBLE ASSETS (CONTINUED)

(b) Technological know-how

	Group	
	2017	2016
	$'000	$'000
Beginning of financial year	**1,277**	1,776
Less: Amortisation (Note 6)	**(472)**	(453)
Currency translation differences	**66**	(46)
End of financial year	**871**	1,277

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	
	2017	2016
	$'000	$'000
Cost		
Beginning of financial year	**289**	142
Additions	**137**	42
Disposals	**(162)**	–
Reclassification (Note 16)	**–**	109
Currency translation differences	**15**	(4)
End of financial year	**279**	289
Accumulated amortisation		
Beginning of financial year	**98**	17
Amortisation (Note 6)	**82**	54
Disposals	**(91)**	–
Reclassification (Note 16)	**–**	27
Currency translation differences	**6**	–
End of financial year	**95**	98
Net book value	**184**	191

16. 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									
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**
2016									
Cost									
Beginning of financial year	–	–	68	217	2,254	51	62	–	2,652
Acquisitions of subsidiaries (Note 30)	2,834	1,929	–	–	22	5	–	–	4,790
Additions	–	–	42	22	878	12	86	79	1,119
Reclassification (Note 15)	–	–	69	(182)	(10)	14	–	–	(109)
Currency translation differences	14	10	–	(7)	(63)	–	–	–	(46)
End of financial year	2,848	1,939	179	50	3,081	82	148	79	8,406
Accumulated depreciation									
Beginning of financial year	–	–	24	85	362	7	5	–	483
Depreciation charge (Note 6)	–	5	35	13	326	13	27	6	425
Reclassification (Note 15)	–	–	49	(78)	(4)	6	–	–	(27)
Currency translation differences	–	–	–	(3)	(13)	–	–	–	(16)
End of financial year	–	5	108	17	671	26	32	6	865
Net book value									
End of financial year	2,848	1,934	71	33	2,410	56	116	73	7,541

16. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Computers	Office equipment	Furniture and fittings	Leasehold improvement	Total
	$'000	$'000	$'000	$'000	$'000
Company					
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**
2016					
Cost					
Beginning of financial year	46	20	46	62	174
Additions	10	1	9	1	21
End of financial year	56	21	55	63	195
Accumulated depreciation					
Beginning of financial year	13	2	6	5	26
Depreciation charge	11	7	11	21	50
End of financial year	24	9	17	26	76
Net book value					
End of financial year	32	12	38	37	119

During the financial year ended 30 June 2017, bank borrowings are secured on land and building, certain plant and equipment and motor vehicles of the Group with carrying value of $6,257,000 (2016: $5,559,000) (Note 19).

Impairment tests

As the Group is still undergoing clinical trials for its 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.

Specialty Pharmaceutical business segment and Chemical Analysis business segment are identified to be the CGUs of the Group. 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.

16. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Impairment tests (continued)

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

- Discount rate of 16% (2016: 16%)
- Terminal growth rate of 2% (2016: 2%)
- 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. (2016: annual revenue growth rate of above 100% from 2017 to 2019, between 42% to 72% from 2020 to 2021, and 2% thereafter.)

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 2017 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.

17. INVESTMENTS IN SUBSIDIARIES

	Company	
	2017	2016
	$'000	$'000
Equity investments at cost		
Beginning of financial year	**5,405**	3,820
Additions (Note 30(a))	**–(*)**	1,585
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

* On 15 May 2017, the Group incorporated a wholly-owned subsidiary, Entity Health Pte Ltd, in Singapore with cost of investment amounting to $2.

17. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The Group had the following subsidiaries as at 30 June 2017 and 2016:

Name of companies	Principal activities	Country of business/ incorporation	Equity holding	
			2017	2016
			%	%
iX Biopharma Pty Ltd [(a)]	Research and experimental development	Australia	**100**	100
Syrinx Pharmaceuticals Pty Ltd ("Syrinx") [(a)]	Manufacturing and sale of pharmaceutical products	Australia	**100**	100
Chemical Analysis Trust ("CAT") [(a)]	Provision and sale of laboratory services	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 Pte Ltd [(b)]	Promotion and marketing of nutritional and supplements products	Singapore	**100**	–

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

(b) Newly incorporated during the financial year.

18. TRADE AND OTHER PAYABLES

	Group		Company	
	2017	2016	**2017**	2016
	$'000	$'000	**$'000**	$'000
Current				
Trade payables:				
- Non-related parties	**877**	1,150	**147**	143
- Related company	**–**	–	**–**	37
- Related party	**–**	6	**–**	–
Deferred revenue	**35**	29	**–**	–
Advance deposits received from customers	**205**	98	**–**	–
Accrued operating expenses	**2,023**	1,433	**957**	618
Amount due to directors of the Company	**172**	161	**172**	161
GST payable	**152**	132	**–**	–
Other payables	**37**	54	**–**	–
	3,501	3,063	**1,276**	959

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.

Related company is subsidiary of the Company.

19. BORROWINGS

	Group		Company	
	2017	2016	**2017**	2016
	$'000	$'000	**$'000**	$'000
Current				
Bank borrowings	**271**	207	**–**	–
	271	207	**–**	–
Non-current				
Bank borrowings	**4,480**	4,045	**–**	–
	4,480	4,045	**–**	–
Total borrowings	**4,751**	4,252	**–**	–

Bank borrowings of the Group are secured over land and building, certain plant and equipment and motor vehicles (Note 16).

Borrowings of $990,000 (2016: $700,000) are secured over plant and equipment, and have interest rates of between 4.9% to 6.6% per annum and are payable in fixed monthly instalments with maturity dates between 30 November 2017 and 12 May 2022.

19. BORROWINGS (CONTINUED)

Borrowings of $61,000 (2016: $41,000) 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.

Non-current borrowing of $3,700,000 (2016: $3,511,000) is secured over land and building, and has an interest rate of 5.75% per annum with effect from 29 June 2017 until 30 Jun 2020 and at floating interest rate thereafter (2016: floating interest rate) and is payable on 30 June 2021.

(a) Fair value of non-current borrowings

	Group		Company	
	2017	2016	**2017**	2016
	$'000	$'000	**$'000**	$'000
Bank borrowings	**4,480**	4,045	**–**	–

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	
	2017	2016	**2017**	2016
	%	%	**%**	%
Bank borrowings	**4.89 to 6.60**	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 26(g).

(b) Undrawn borrowing facilities

	Group		Company	
	2017	2016	**2017**	2016
	$'000	$'000	**$'000**	$'000
Expiring beyond one year	**964**	1,182	**–**	–

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.

20. PROVISIONS

	Group	
	2017	2016
	$'000	$'000
Current		
Provision for employees' long service leave	**101**	151
Non-current		
Provision for employees' long service leave	**65**	30
Total provisions	**166**	181

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	
	2017	2016
	$'000	$'000
Provisions for employees' long service leave		
Beginning of financial year	**181**	174
Provision made	**39**	12
Provision reversed	**(63)**	–
Currency translation differences	**9**	(5)
End of financial year	**166**	181

21. DEFERRED GOVERNMENT GRANT

	Group	
	2017	2016
	$'000	$'000
Beginning of financial year	**67**	104
Less: Amortisation (Note 5)	**(35)**	(34)
Currency translation differences	**3**	(3)
End of financial year	**35**	67

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.

22. 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	
	2017	2016	**2017**	2016
	$'000	$'000	**$'000**	$'000
Deferred income tax liabilities				
- To be settled within one year	**65**	108	**–**	–
- To be settled after one year	**107**	248	**–**	–
	172	356	**–**	–

Movement in deferred income tax account is as follows:

	Group 2017	Group 2016	Company 2017	Company 2016
Beginning of financial year	**356**	537	**–**	–
Tax credit during the year (Note 10)	**(191)**	(166)	**–**	–
Currency translation differences	**7**	(15)	**–**	–
End of financial year	**172**	356	**–**	–

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 $18,945,000 (2016: $12,252,000) and unabsorbed capital allowances of $251,000 (2016: $295,000) at the balance sheet date, and the Company has unrecognised tax losses of $14,689,000 (2016: $9,596,000) and unabsorbed capital allowances of $251,000 (2016: $253,000). 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
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**
2016			
Beginning of financial year	533	207	740
Tax credit during the year	(136)	(28)	(164)
Currency translation differences	(14)	(7)	(21)
End of financial year	383	172	555

22. DEFERRED INCOME TAXES (CONTINUED)

Group (continued)

Deferred income tax assets

	Provisions $'000	Total $'000
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)**
2016		
Beginning of financial year	(203)	(203)
Tax credit during the year	(2)	(2)
Currency translation differences	6	6
End of financial year	(199)	(199)

23. SHARE CAPITAL

(a) Share capital

	No. of ordinary shares	Amount $'000
Group and Company		
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 24(b))	333,333	105
Less: Transaction costs pursuant to shares issued	–	(135)
End of financial year	**639,524,724**	**70,131**
2016		
Beginning of financial year	524,694,220	29,019
Shares issued	79,858,000	35,155
Less: Transaction costs pursuant to shares issued	–	(1,240)
Shares issued pursuant to acquisition of subsidiaries	454,887	797
Share options exercised (Note 24(b))	9,600,000	1,267
End of financial year	614,607,107	64,998

23. SHARE CAPITAL (CONTINUED)

(a) Share capital (continued)

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 was listed on the Catalist Board of the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 22 July 2015. Upon the IPO, the Company issued 65,500,000 ordinary shares for a total consideration of $30,130,000.

The Company completed a private placement of 14,358,000 ordinary shares for a total consideration of $5,025,000 and a rights issue of 24,584,284 ordinary shares for a total consideration of $5,163,000 on 21 April 2016 and 21 July 2016 respectively. 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 options granted in prior year, the Company issued 9,600,000 ordinary shares to its consultants and employees through exercise of the share acquisition rights during the financial year ended 30 June 2016. Refer to Note 24(b) for details of the share options exercised.

On 26 May 2016, the Company issued 454,887 ordinary shares as partial purchase consideration for the acquisition of the subsidiaries. Refer to Note 30(a) for details.

On 30 September 2016, the Company announced total awards of 3,504,333 shares to be vested over 6 months to 12 months to certain employees and executives under iX Performance Share Plan. Included in these awards, 2,239,000 shares granted to a controlling shareholder of the Company were approved by the shareholders at the Annual General Meeting on 25 October 2016.

In December 2016, the Company issued 333,333 ordinary shares pursuant to iX Performance Share Plan.

(b) Shares to be issued pursuant to rights issue

Shares to be issued are monies received from investors as consideration paid for ordinary shares in the Company pursuant to its undertaking to subscribe for its entitlement under the rights issue in July 2016. The balance at the balance sheet date relate to monies received from investors for shares that have not been issued to them as at the financial year end but will be issued in the following financial year.

Balance of the shares to be issued as at the end of the financial year is as follows:

	2017	2016
	$'000	$'000
Group and Company		
Shares to be issued pursuant to rights issue	**–**	465

Subsequent to the completion of the rights issued on 21 July 2016, this amount has been transferred to share capital from the issue of new ordinary shares, in equity (Note 23(a)).

24. OTHER RESERVES

	Group		Company	
	2017	2016	**2017**	2016
	$'000	$'000	**$'000**	$'000
Currency translation reserve (Note 24(a))	**(141)**	46	**–**	–
Share based payment reserve (Note 24(b))	**787**	444	**787**	444
	646	490	**787**	444

(a) Currency translation reserve

	Group		Company	
	2017	2016	**2017**	2016
	$'000	$'000	**$'000**	$'000
Beginning of financial year	**46**	(15)	**–**	–
Net currency translation differences of financial statements of foreign subsidiaries	**(187)**	61	**–**	–
End of financial year	**(141)**	46	**–**	–

(b) Share based payment reserve

(i) Options issued under Consulting and Employment Agreements

On 1 July 2013 ("grant date"), options to subscribe for 1,070,000 ordinary shares (before sub-division) in the Company were granted to various consultants and directors of subsidiaries of the Company engaged by the Group for the provision of consultancy and advisory services for the Group's drug development programme. This grant of options forms part of the compensation payable for services that will be rendered to the Group, pursuant to the terms and conditions of the consulting agreements entered into by the Group with the consultants and directors.

On 1 December 2014 and 2 March 2015, additional options to subscribe for 150,000 and 500,000 ordinary shares (before sub-division) in the Company were granted to an employee of the Company and a director of subsidiary of the Company for the Group pursuant, respectively, to terms and conditions of the employment agreements entered into by the Company.

The options granted are classified into the following groups based on their vesting and performance conditions:

Group	Conditions	Exercise price	Exercise period
Group A	Exercisable after 12 months from grant date.	$1.00 (#)	from the 13th month to the 30th month from the grant date
Group B	Exercisable after 24 months from grant date.	$1.00 (#)	from the 25th month to the 30th month from the grant date
Group C	Achievement of key performance indicator for successful completion and acceptance of Phase 1/2 studies of the Group's products, as set out in the consulting agreements.	$nil (*)	from the date the related key performance indicator is determined to have been achieved to the 30th month from the grant date

24. OTHER RESERVES (CONTINUED)

(b) Share based payment reserve (continued)

(i) Options issued under Consulting and Employment Agreements (continued)

Group	Conditions	Exercise price	Exercise period
Group D	Achievement of key performance indicator for successful completion and acceptance of study results by relevant industry publications as set out in the consulting agreements.	$nil (*)	from the date the related key performance indicator is determined to have been achieved to the 30th month from the grant date
Group E	Exercisable at the earlier of 12 months from grant date, 6 months from the date of listing of the Company, or upon occurrence of a trade sale pursuant to conditions in the employment contract.	$nil(*)	At earlier of 1 December 2015, or expiry of six calendar months from the date of listing or upon occurrence of a trade sale pursuant to conditions in the employment contract
Group F	Exercisable after 36 months from grant date.	$1.00 (#)	From the 36th month to the 39th month from the grant date

(#) The entire lot of share options granted to each consultant and directors of subsidiaries of the Company for this group is exercisable at $1.00 only by the respective consultants and director.

(*) The entire lot of share options granted to each consultant, a director of subsidiary of the Company and an employee for this group is exercisable at nil consideration.

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

	Beginning of financial year	Granted during financial year	Expired during financial year	Forfeited during financial year	Exercised during financial year	End of financial year
2017						
Share options						
Group F	**5,000,000**	**–**	**–**	**(5,000,000)**	**–**	**–**
2016						
Share options						
Group A	2,000,000	–	–	–	(2,000,000)	–
Group B	6,000,000	–	–	–	(6,000,000)	–
Group C	200,000	–	(100,000)	–	(100,000)	–
Group D	–	–	–	–	–	–
Group E	1,500,000	–	–	–	(1,500,000)	–
Group F	5,000,000	–	–	–	–	5,000,000
	14,700,000	–	(100,000)	–	(9,600,000)	5,000,000

The unexercised share options granted to various consultants, an employee and directors of subsidiaries of the Company for services rendered to the Group amounted to nil (2016: 5,000,000).

24. OTHER RESERVES (CONTINUED)

(b) Share based payment reserve (continued)

(i) Options issued under Consulting and Employment Agreements (continued)

The table below sets out the vested and non-vested share options as at the financial year ended 30 June 2017 and 30 June 2016.

	2017	2016
Share options		
Non-vested options	–	5,000,000

(ii) 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 30 September 2016, 3,504,333 share awards to be vested over 6 months to 12 months 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**
2017						
Share awards						
iX Performance Share Plan	**–**	**3,504,333**	**–**	**–**	**(333,333)**	**3,171,000**
2016						
Share awards						
iX Performance Share Plan	–	–	–	–	–	–

The aggregate number of shares awarded and issued since the commencement of the Share Plan was same as number of shares awarded and issued during the financial year ended 30 June 2017.

The table below sets out the vested and non-vested share awards as at the financial year ended 30 June 2017 and 30 June 2016.

	2017	2016
Share awards		
Vested and unissued awards	**500,000**	–
Non-vested awards	**2,671,000**	–
	3,171,000	–

24. OTHER RESERVES (CONTINUED)

(b) Share based payment reserve (continued)

(iii) Movement for share based payment reserve

The movement for share based payment reserve is as follows:

	Group and Company	
	2017	2016
	$'000	$'000
Beginning of financial year	**444**	1,299
Share based payment scheme		
- Value of employees' services (Note 7)	**892**	412
- Reversal of share based payment (Note 7)	**(444)**	–
	448	412
- Share awards issued/share option exercised (Note 23(a))	**(105)**	(1,267)
End of financial year	**787**	444

25. COMMITMENTS

Capital commitments

Capital expenditures for property, plant and equipment contracted for at the balance sheet date but not recognised in the financial statements amount to $143,000 (2016: $nil).

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:

	2017	2016
	$'000	$'000
Not later than one year	**469**	292
Between one and five years	**232**	84
	701	376

26. 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.

26. FINANCIAL RISK MANAGEMENT (CONTINUED)

(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	**AUD**
	$'000	$'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**

26. 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 2016		
Financial assets		
Cash and cash equivalents	19,245	891
Trade and other receivables	–	5,860
	19,245	6,751
Financial liabilities		
Trade and other payables	(63)	(13,930)
Borrowings	–	(4,252)
	(63)	(18,182)
Net financial assets/(liabilities)	19,182	(11,431)
Add: Net non-financial assets of foreign subsidiaries	–	11,125
Net assets/(liabilities)	19,182	(306)
Currency profile including non-financial assets and liabilities	**19,182**	**(306)**
Currency exposure of net financial assets net of those denominated in the respective entities' functional currencies	**19,182**	**2,802**

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

	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**

26. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(i) Currency risk (continued)

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

	USD $'000	AUD $'000
Company		
At 30 June 2016		
Financial assets		
Cash and cash equivalents	19,245	300
Trade and other receivables	–	2,632
	19,245	2,932
Financial liability		
Trade and other payables	(11)	(130)
	(11)	(130)
Net financial assets/ Currency exposures	**19,234**	**2,802**

If the AUD and USD change against the SGD by 5% (2016: 3%) and 3% (2016: 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:

	2017 Loss after tax $'000	2016 Loss after tax $'000
Group		
AUD against SGD		
- Strengthened	**(167)**	(70)
- Weakened	**167**	70
USD against SGD		
- Strengthened	**(477)**	(478)
- Weakened	**477**	478
Company		
AUD against SGD		
- Strengthened	**(167)**	(70)
- Weakened	**167**	70
USD against SGD		
- Strengthened	**(478)**	(479)
- Weakened	**478**	479

26. 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**	
	2017	2016	**2017**	2016
	$'000	$'000	**$'000**	$'000
By geographical areas				
Australia	**929**	820	**1,038**	984
By types of customers				
Non-related parties	**929**	820	**–**	–
Related parties	**–**	–	**1,038**	984

(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.

26. 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	
	2017	2016	**2017**	2016
	$'000	$'000	**$'000**	$'000
Past due < 3 months	**246**	289	**–**	–
Past due 3 to 6 months	**7**	–	**–**	–
	253	289	**–**	–

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 19(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.

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 2017				
Trade and other payables	**2,407**	**–**	**–**	**–**
Borrowings	**529**	**487**	**4,696**	**–**
30 June 2016				
Trade and other payables	2,265	–	–	–
Borrowings	425	370	4,462	–

26. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk (continued)

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
	$'000	$'000	$'000	$'000
Company				
30 June 2017				
Trade and other payables	**846**	**–**	**–**	**–**
30 June 2016				
Trade and other payables	687	–	–	–

(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	
	2017	2016	**2017**	2016
	$'000	$'000	**$'000**	$'000
Net (cash)/debt	**(22,836)**	(24,012)	**(27,251)**	(29,776)
Total equity	**35,625**	38,191	**36,037**	38,301
Total capital	**12,789**	14,179	**8,786**	8,525
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 2017 and 2016.*

(e) Financial instruments by category

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

	Group		Company	
	2017	2016	**2017**	2016
	$'000	$'000	**$'000**	$'000
Loans and receivables	**32,059**	32,181	**31,453**	33,400
Financial liabilities at amortised cost	**7,157**	6,527	**846**	687

26. FINANCIAL RISK MANAGEMENT (CONTINUED)

(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 2017 and 30 June 2016.

See Note 19(a) for disclosure of the fair value of borrowings.

27. 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	
	2017	2016
	$'000	$'000
Rental paid to a subsidiary - APT (before acquisition on 26 May 2016)	**–**	445
Rental paid to related parties	**6**	–
Professional fees paid to related parties	**213**	234

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

Outstanding balances as at 30 June 2017, arising from amount due to directors of the Company and its subsidiaries, are set out in Note 18.

27. RELATED PARTY TRANSACTIONS (CONTINUED)

(i) Key management personnel compensation

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

	Group	
	2017	2016
	$'000	$'000
Directors' remuneration	**778**	930
Wages and salaries	**260**	1,302
Employer's contribution to defined contribution plans, including Central Provident Fund	**16**	119
Other staff benefits	**528**	454
Share based payment expense	**556**	412
	2,138	3,217

28. SEGMENT INFORMATION

Management has determined the operating segments based on the reports that are used to make strategic decisions, allocate resources, and assess performance.

The Management considers the Group's business based on its business segments, which comprise of the Specialty Pharmaceutical and Chemical Analysis segments.

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

Other non-reportable operating segment comprises principally corporate and related functions.

The segment information for the reportable segments is as follows:

Group	**Specialty Pharmaceutical**		**Chemical Analysis**		**Total**	
	2017	2016	**2017**	2016	**2017**	2016
	$'000	$'000	**$'000**	$'000	**$'000**	$'000
Revenue						
Total segment sales	**49**	103	**6,332**	5,694	**6,381**	5,797
Adjusted EBITDA	**(5,778)**	(6,165)	**1,232**	676	**(4,546)**	(5,489)

28. SEGMENT INFORMATION (CONTINUED)

(a) Reconciliations

(i) Segment profits

The revenue from external parties reported to the Management is measured in a manner consistent with that in the statement of comprehensive income.

The Management assesses the performance of the business segments based on a measure of earnings before interest, tax, depreciation and amortisation and other non-recurring income or expenses ("Adjusted EBITDA").

Interest income and finance expense are not allocated to segments as deposits and borrowings are managed on an overall Group basis and not allocated to specific business segments.

This measurement basis excludes the effects of expenditure from the business segments that are non-recurring such as restructuring costs and impairment loss, that are not expected to recur regularly in every period and which are separately analysed.

A reconciliation of Adjusted EBITDA to loss before income tax is as follows:

	2017	2016
	$'000	$'000
Adjusted EBITDA is reconciled to loss before income tax as follows:		
Specialty Pharmaceutical	**(5,778)**	(6,165)
Chemical Analysis	**1,232**	676
Other non-reportable segment	**(4,127)**	(3,739)
	(8,673)	(9,228)
Research and development tax incentive	**1,868**	3,872
Depreciation	**(727)**	(425)
Amortisation	**(554)**	(507)
Currency exchange gains/(losses) – net	**1,059**	(890)
Share based payment expense	**(448)**	(412)
Finance expense	**(242)**	(47)
Interest income	**136**	34
Initial public offering related expense	**–**	(180)
Loss before income tax	**(7,581)**	(7,783)

(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.

28. SEGMENT INFORMATION (CONTINUED)

(b) Geographical information (continued)

	Sales[1]	
	2017	2016
	$'000	$'000
Singapore	**–**	–
Australia	**6,381**	5,797
	6,381	5,797

	Non-current assets[2]	
	2017	2016
	$'000	$'000
Singapore	**259**	142
Australia	**9,409**	9,215
	9,668	9,357

(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 2017 and 30 June 2016.

29. BUSINESS COMBINATIONS

On 8 May 2014, the Group's acquisition of 100% equity interest in Syrinx and CAPL was completed. The acquisition includes the acquisition of CAT which is wholly owned by Syrinx and CAPL as its trustee. The principal activities of the acquired entities are manufacturing and sales of pharmaceutical products, research and experimental development, and provision of laboratory testing services. As a result of the acquisition, the Group is expected to increase its presence as a pharmaceutical company in Australia and commence production of the Group's products on a larger scale.

The total purchase consideration of AUD 1,870,000 (equivalent to S$2,190,000) was settled in full in the form of 1,406,016 ordinary shares (before sub-division) at AUD 1.33 per share in the Company. The fair value of the ordinary shares issued as consideration paid was estimated based on the price per ordinary share quoted for new ordinary shares of the Company issued to the shareholders of the Company close to the date when the acquisition was completed and consideration paid.

This is a Level 3 fair value measurement.

(a) Contingent consideration payable

	2017	2016
	$'000	$'000
Contingent consideration payable		
Beginning of financial year	**–**	789
Change in fair value during the year	**–**	(23)
Payment made	**–**	(766)
End of financial year	**–**	–

29. BUSINESS COMBINATIONS (CONTINUED)

(a) Contingent consideration payable (continued)

Change in fair value of the contingent consideration payable is included within "other expenses" in profit or loss.

The Group was required to pay the former shareholders of Syrinx and CAPL an additional consideration, payable in cash, only if CAT achieves specific revenue growth and pre-tax profit margin, as defined in the sales and purchase agreement, for the calendar years 1 January 2015 to 31 December 2015 and 1 January 2016 to 31 December 2016 respectively, and collectively referred to as "Earn Out". The payment of each Earn Out was due 3 months after the end of each aforementioned calendar year. All Earn Out were settled in full during the financial years ended 30 June 2016 and 30 June 2015.

(b) Goodwill

The goodwill of $381,000 arising from the acquisition is attributable to the synergies expected to arise from combining the drug technology of the Group with the production capabilities and operations in Syrinx. The business of Syrinx is included in the Specialty Pharmaceutical business segment of the Group (Note 15(a)).

30. ACQUISITION OF SUBSIDIARIES

On 26 May 2016, the Group acquired the entire issued and paid-up equity units of APT and equity shares in KMPL. The contracted purchase consideration of AUD 1,100,000 was satisfied in full through (a) the issuance of 454,887 ordinary shares and (b) payment of AUD 495,000 in cash.

Details of the consideration paid, the assets acquired and liabilities assumed, and the effects on the cash flows of the Group at the acquisition date are as follows:

		$'000
(a)	**Purchase consideration**	
	Cash paid	508
	Shares issued (Note 23(a))	797
	Total purchase consideration	1,305
	Stamp duty paid	280
		1,585

Transaction costs of $280,000 are capitalised as a component of the cost of acquisition as they are directly attributable to the acquisition transaction.

		$'000
(b)	**Effect on cash flows of the Group**	
	Cash paid	508
	Add: Stamp duty paid	280
	Less: Cash and cash equivalents of subsidiaries acquired	(50)
	Cash outflow on acquisition	**738**

30. ACQUISITION OF SUBSIDIARIES (CONTINUED)

		At fair value
		$'000
(c)	**Identifiable assets acquired and liabilities assumed**	
	Cash and cash equivalents	50
	Loan to a subsidiary	275
	Property, plant and equipment (Note 16)	4,510
	Total assets	4,835
	Trade and other payables	37
	Borrowings	3,493
	Total liabilities	3,530
	Total identifiable net assets	**1,305**
	Add: Stamp duty paid (Note 16)	280
	Consideration transferred on acquisition	**1,585**

31. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

On 13 July 2017, the Group incorporated two new subsidiaries in the Hong Kong Special Administrative Region, namely Entity Health Limited and Entity Health (China) Company Limited.

The principal activities of Entity Health Limited are to promote and market the Group's nutritional and supplement products, and to hold the Group's investment in Entity Health (China) Company Limited. It is wholly owned by iX Biopharma Ltd. with an initial share capital of HK$1.

Entity Health (China) Company Limited is set up as an investment holding company. There is no investment held under Entity Health (China) Company Limited as at the reporting date. It is wholly owned by Entity Health Limited with an initial share capital of HK$1.

On 8 August 2017, the Company's wholly-owned subsidiary, Syrinx Pharmaceuticals Pty Ltd, changed its name to iX Syrinx Pty Ltd.

32. 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 2017 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

32. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS (CONTINUED)

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

  - 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.

  The Group is in the midst of undertaking a detailed assessment of how the financial statements would be affected by the new accounting standards. However, based on management's preliminary 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.

  While the Group has yet to undertake a detailed assessment of 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 appear to meet the conditions for classification at amortised cost under FRS 109.

  Accordingly, the Group does not expect the new guidance to have a significant impact on the classification of its financial assets.

  For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value, through profit or loss.

  FRS 109 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes.

  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. While the Group has not yet undertaken a detailed assessment of how its impairment provisions would be affected by the new model, it may result in an earlier recognition of credit losses.

  The new standard also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extent of the Group's disclosures about its financial instruments particularly in the year of the adoption of the new standard.

32. 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 $701,000 (Note 25). 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.

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 22 September 2017.

STATISTICS OF SHAREHOLDINGS

AS AT 31 AUGUST 2017

Issued and Fully Paid-Up Capital	:	S$68,144,487
Number of Shares in Issue	:	639,524,724
Class of Share	:	Ordinary Shares
Treasury Shares	:	Nil
Voting Rights	:	One vote per Ordinary Share

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS AS AT 31 AUGUST 2017

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	2	0.32	54	0.00
100 - 1,000	38	6.13	23,208	0.00
1,001 - 10,000	190	30.65	990,500	0.16
10,001 - 1,000,000	344	55.48	47,243,496	7.39
1,000,001 and above	46	7.42	591,267,466	92.45
Total	**620**	**100.00**	**639,524,724**	**100.00**

TWENTY LARGEST SHAREHOLDERS

No.	Shareholder's Name	No. of Shares	% of Shares
1	EDDY LEE YIP HANG	162,416,020	25.40
2	CIMB SECURITIES (SINGAPORE) PTE LTD	140,251,065	21.93
3	JASPAL SINGH NARULLA	41,184,000	6.44
4	CITIBANK NOMINEES SINGAPORE PTE LTD	32,923,208	5.15
5	RAFFLES NOMINEES (PTE) LTD	27,332,319	4.27
6	YEOH WEE LIAT	15,870,136	2.48
7	TANG CHOY LENG JANE MRS JANE LEE CHOY LENG	15,080,030	2.36
8	PHILLIP SECURITIES PTE LTD	14,445,969	2.26
9	WETWATERS 8 (S) PTE LTD	11,700,000	1.83
10	DBS NOMINEES PTE LTD	11,569,500	1.81
11	ANG BOON TECK SUNNY	8,926,839	1.40
12	SEAH BOON LOCK	8,810,000	1.38
13	MOHAN BHAGCHAND MULANI	8,320,000	1.30
14	HSBC (SINGAPORE) NOMINEES PTE LTD	7,611,316	1.19
15	ANSON PROPERTIES PTE LTD	6,781,336	1.06
16	HARDEEP KAUR D/O HARDIAL SINGH	5,923,400	0.93
17	RAJAN MENON	5,200,000	0.81
18	BALDEV SINGH S/O GULZAR SINGH	4,943,000	0.77
19	RAMCHANDRA HEGDE OR MYNA RAMCHANDRA HEGDE	4,605,100	0.72
20	CHOO PENG LEONG PHILLIP	4,171,564	0.65
	Total	**538,064,802**	**84.14**

STATISTICS OF SHAREHOLDINGS

AS AT 31 AUGUST 2017

SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS

Name	Direct Interest	%	Deemed Interest	%
Eddy Lee Yip Hang	162,416,020	25.40	15,080,030[1]	2.36
Anson Properties Pte. Ltd.	67,981,336[2]	10.63	–	–
Jaspal Singh Narulla	41,184,000	6.44	16,380,000[3]	2.56

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 Kuah Khun Eng owns 9,999 shares in HRT Corporation and Ms Kuah Khun Far, who is sister of Ms Kuah Khun Eng, owns 1 share in HRT Corporation. Accordingly, Ms Kuah Khun Eng 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 20,000,000 shares are held in the names of 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 31 August 2017, approximately 51.19% 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 Tuesday, 24 October 2017 at 10.00 a.m. for the purpose of transacting the following businesses:

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 2017 together with the Auditor's Report thereon. **(Resolution 1)**

2. To re-elect the following Directors retiring by rotation pursuant to Article 93 of the Company's Constitution:

   (a) Mr Albert Ho Shing Tung *(See Explanatory Note 1)* **(Resolution 2)**
   (b) Mr Low Weng Keong *(See Explanatory Note 2)* **(Resolution 3)**
   (c) Ms Claudia Teo Kwee Yee *(See Explanatory Note 3)* **(Resolution 4)**

3. To approve the Directors' fees of S$334,000 for the financial year ending 30 June 2018, to be paid quarterly in arrears (2017: S$328,000). **(Resolution 5)**

4. To re-appoint Messrs PricewaterhouseCoopers LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 6)**

5. 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:

6. **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);

(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.

(See Explanatory Note 4) **(Resolution 7)**

7. **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.
(See Explanatory Note 5) **(Resolution 8)**

8. **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.
(See Explanatory Note 6) **(Resolution 9)**

By Order of the Board

Lee Wei Hsiung / Wang Shin Lin, Adeline
Company Secretaries

28 September 2017
Singapore

Explanatory Notes:

1. Mr Albert Ho Shing Tung will, upon re-election as a Director of the Company, remain as a member of the Audit Committee and Remuneration Committee.

2. Mr Low Weng Keong will, upon re-election as a Director of the Company, remain as Chairman of the Audit Committee, and continue as a member of the Nominating Committee and Remuneration Committee. Mr Low Weng Keong is considered independent for the purposes of Rule 704(7) of the Catalist Rules and does not have any relationships, including immediate family relationships with the Directors of the Company, the Company or its 10% shareholders.

3. Ms Claudia Teo Kwee Yee will, upon re-election as a Director of the Company, remain as Chairman of the Nominating Committee, and continue as a member of the Audit Committee and Remuneration Committee. Ms Claudia Teo Kwee Yee is considered independent for the purposes of Rule 704(7) of the Catalist Rules and does not have any relationships, including immediate family relationships with the Directors of the Company, the Company or its 10% shareholders.

4. Ordinary Resolution 7 proposed in item 6 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.

5. Ordinary Resolution 8 proposed in item 7 above, if passed, will empower the Directors of the Company, from the date of this Annual General Meeting until the next Annual General Meeting, 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.

6. Ordinary Resolution 9 proposed in item 8 above, if passed, will empower the Directors of the Company, from the date of this Annual General Meeting until the next Annual General Meeting, 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 forty-eight (48) 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.

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)

ANNUAL GENERAL MEETING PROXY FORM

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.

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

of ____ (Address)

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

Name	Address	*NRIC/Passport Number	Proportion of Shareholdings	
			No. of Shares	%

*and/or

Name	Address	*NRIC/Passport Number	Proportion of Shareholdings	
			No. of Shares	%

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 Tuesday, 24 October 2017 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	For**	Against**
1.	Adoption of Directors' Statement and the Audited Financial Statements for the financial year ended 30 June 2017 together with the Auditor's Report thereon.		
2.	Re-election of Mr Albert Ho Shing Tung as Director.		
3.	Re-election of Mr Low Weng Keong as Director.		
4.	Re-election of Ms Claudia Teo Kwee Yee as Director.		
5.	Approval for payment of Directors' fees of S$334,000 for the financial year ending 30 June 2018, to be paid quarterly in arrears.		
6.	Re-appointment of Messrs PricewaterhouseCoopers LLP as Auditors and to authorise the Directors to fix their remuneration.		
7.	Authority to allot and issue shares.		
8.	Authority to allot and issue shares under the iX Employee Share Option Scheme.		
9.	Authority to allot and issue shares under the iX Performance Share Plan.		

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 ______________ 2017

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 forty-eight (48) 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 28 September 2017.

AFFIX
STAMP

The Share Registrar
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Singapore 068898

iXbiopharma
It's life changing

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