

iX Biopharma Ltd.

(Company Registration No. 200405621W)

**UNAUDITED FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED
30 SEPTEMBER 2017**

1(a)(i) A statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group		
	3 months ended		
	30.09.17 S\$'000	30.09.16 S\$'000	Incr/(Decr) %
Revenue	1,673	1,466	14%
Cost of sales	(1,267)	(1,130)	12%
Gross profit	406	336	21%
	24%	23%	
Other income	478	502	(5%)
Expenses			
- Research and development	(1,758)	(952)	85%
- Sales and marketing	(417)	(218)	91%
- General and administrative	(1,734)	(1,045)	66%
- Others	(121)	650	n.m.
- Finance expense	(68)	(61)	11%
Total expenses	(4,098)	(1,626)	152%
Loss before income tax	(3,214)	(788)	308%
Income tax credit	27	12	125%
Loss for the financial period	(3,187)	(776)	311%
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation			
- Loss - net of tax	(50)	(127)	(61%)
Total comprehensive loss	(3,237)	(903)	258%

n.m. denotes not meaningful
Incr/(Decr): Increase / (Decrease)

1(a)(ii) The following items (with appropriate breakdowns and explanations), if significant, must either be included in the income statement or in the notes to the income statement for the current financial period reported on and the corresponding period of the immediately preceding financial year:

Loss before income tax of the Group is arrived at after charging/crediting the following:

	Note	Group		
		3 months ended		
		30.09.17	30.09.16	Incr/ (Decr)
		S\$'000	S\$'000	%
After crediting:				
Research and development tax incentive	(i)	426	464	(8%)
Interest income		48	29	66%
After charging:				
Share based payment expense	(ii)	211	(336)	n.m.
Depreciation and amortisation expense		336	285	18%
Currency exchange losses/(gains) - net		121	(650)	n.m.
Interest expense		68	61	11%

- (i) The research and development (R&D) tax incentive is a programme administered jointly by the Australian Taxation Office and Innovation Australia which provides a rate of 43.5% refundable tax offset for expenditure incurred for eligible R&D activities.
- (ii) The share based payment expense was due to amortisation of the fair value of the share options granted to employees and consultants over the vesting period. In 1Q17, a reversal of the fair value of share options amounting to S\$0.44 million arose from forfeiture of certain share options due to resignation of an employee. This was partially offset by amortisation of new share awards granted on 30 September 2016 which amounted to S\$0.21 million and S\$0.11 million in 1Q18 and 1Q17 respectively.

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	30.09.17	30.06.17	30.09.17	30.06.17
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	27,496	31,088	26,068	28,527
Trade and other receivables	3,033	2,973	3,338	2,957
Other current assets	642	521	306	166
Inventories	282	-	1	-
	<u>31,453</u>	<u>34,582</u>	<u>29,713</u>	<u>31,650</u>
Non-current assets				
Deposits – operating lease	79	79	79	79
Intangible assets	1,274	1,398	-	-
Property, plant and equipment	8,241	8,191	167	180
Investments in subsidiaries	-	-	5,404	5,404
	<u>9,594</u>	<u>9,668</u>	<u>5,650</u>	<u>5,663</u>
Total assets	<u>41,047</u>	<u>44,250</u>	<u>35,363</u>	<u>37,313</u>
LIABILITIES				
Current liabilities				
Trade and other payables	3,394	3,501	1,233	1,276
Borrowings	252	271	-	-
Provision	131	101	-	-
	<u>3,777</u>	<u>3,873</u>	<u>1,233</u>	<u>1,276</u>
Non-current liabilities				
Provision	36	65	-	-
Deferred government grant	31	35	-	-
Borrowings	4,458	4,480	-	-
Deferred income tax liabilities	146	172	-	-
	<u>4,671</u>	<u>4,752</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>8,448</u>	<u>8,625</u>	<u>1,233</u>	<u>1,276</u>
NET ASSETS	<u>32,599</u>	<u>35,625</u>	<u>34,130</u>	<u>36,037</u>
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	70,131	70,131	70,131	70,131
Other reserves	807	646	998	787
Accumulated losses	(38,339)	(35,152)	(36,999)	(34,881)
Total equity	<u>32,599</u>	<u>35,625</u>	<u>34,130</u>	<u>36,037</u>

1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year.

	30.09.17 S\$'000	30.06.17 S\$'000
Amount repayable in one year or less, or on demand		
- Secured	252	271
Amount repayable after one year		
- Secured	4,458	4,480
Total borrowings	<u>4,710</u>	<u>4,751</u>

Details of any collateral:

The loans are secured over land and building, certain plant and equipment and motor vehicles of subsidiaries of the Group.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group 3 months ended	
	30.09.17 S\$'000	30.09.16 S\$'000
Cash flows from operating activities		
Total loss after tax	(3,187)	(776)
Adjustments for:		
- Deferred government grant income	(5)	(9)
- Depreciation and amortisation expense	336	285
- Income tax credit	(27)	(12)
- Interest income	(48)	(29)
- Interest expense	68	61
- Provision	(1)	(54)
- Research and development tax incentive	(426)	(464)
- Share based payment expense	211	(336)
- Unrealised currency exchange losses/(gains) – net	161	(694)
	<u>(2,918)</u>	<u>(2,028)</u>
Changes in working capital:		
- Trade and other receivables	403	(106)
- Other current assets	(118)	361
- Trade and other payables	(125)	(405)
- Inventories	(282)	-
Cash used in operations	<u>(3,040)</u>	<u>(2,178)</u>
Interest received	32	24
Research and development tax incentive received	-	1,410
Net cash used in operating activities	<u>(3,008)</u>	<u>(744)</u>
Cash flows from investing activities		
Additions to property, plant and equipment	(176)	(482)
Additions to intangible assets	(5)	(4)
Net cash used in investing activities	<u>(181)</u>	<u>(486)</u>
Cash flows from financing activities		
Proceeds from issuance of ordinary shares and shares to be issued	-	4,698
Transaction costs paid pursuant to the rights issue	-	(135)
Repayment of borrowings	(81)	(54)
Proceeds from borrowings	-	37
Interest paid	(68)	(61)
Net cash (used in)/from financing activities	<u>(149)</u>	<u>4,485</u>

	Group	
	3 months ended	
	30.09.17	30.09.16
	S\$'000	S\$'000
Net (decrease)/increase in cash and cash equivalents	(3,338)	3,255
Cash and cash equivalents		
Beginning of financial period	30,688	30,927
Effects of currency translation on cash and cash equivalents	(254)	314
End of financial period	<u>27,096</u>	<u>34,496</u>

Cash and cash equivalents comprise the following:

	Group
	30.09.17
	S\$'000
Cash and cash equivalents in Balance Sheet	27,496
Less: Bank deposits pledged	<u>(400)</u>
Cash and cash equivalents per consolidated statement of cash flows	<u>27,096</u>

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

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Attributable to equity holders of the Company					
Group	Share capital	Shares to be issued	Share based payment reserve	Currency translation reserve	Accumulated losses	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 July 2017	70,131	-	787	(141)	(35,152)	35,625
Loss for the period	-	-	-	-	(3,187)	(3,187)
Other comprehensive loss for the period	-	-	-	(50)	-	(50)
Total comprehensive loss for the period	-	-	-	(50)	(3,187)	(3,237)
Share based payment scheme						
- Value of employees' services	-	-	211	-	-	211
Total transactions with owners, recognised directly in equity	-	-	211	-	-	211
At 30 September 2017	70,131	-	998	(191)	(38,339)	32,599
At 1 July 2016	64,998	465	444	46	(27,762)	38,191
Loss for the period	-	-	-	-	(776)	(776)
Other comprehensive loss for the period	-	-	-	(127)	-	(127)
Total comprehensive loss for the period	-	-	-	(127)	(776)	(903)
Share based payment scheme						
- Value of employees' services	-	-	108	-	-	108
- Reversal of share based payment	-	-	(444)	-	-	(444)
Shares issued pursuant to the rights issue, net of transaction costs	5,028	(465)	-	-	-	4,563
Total transactions with owners, recognised directly in equity	5,028	(465)	(336)	-	-	4,227
At 30 September 2016	70,026	-	108	(81)	(28,538)	41,515

Attributable to equity holders of the Company

Company	Share capital	Shares to be issued	Share based payment reserve	Accumulated losses	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 July 2017	70,131	-	787	(34,881)	36,037
Loss for the period	-	-	-	(2,118)	(2,118)
Total comprehensive loss for the period	-	-	-	(2,118)	(2,118)
Share based payment scheme					
- Value of employees' services	-	-	211	-	211
Total transactions with owners, recognised directly in equity	-	-	211	-	211
At 30 September 2017	70,131	-	998	(36,999)	34,130
At 1 July 2016	64,998	465	444	(27,606)	38,301
Loss for the period	-	-	-	(455)	(455)
Total comprehensive loss for the period	-	-	-	(455)	(455)
Share based payment scheme					
- Value of employees' services	-	-	108	-	108
- Reversal of share based payment	-	-	(444)	-	(444)
Shares issued pursuant to the rights issue, net of transaction costs	5,028	(465)	-	-	4,563
Total transactions with owners, recognised directly in equity	5,028	(465)	(336)	-	4,227
At 30 September 2016	70,026	-	108	(28,061)	42,073

Save for the foregoing, there are no (i) changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders.

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There is no change in the Company's share capital arising from any rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous reported period.

On 30 September 2016, 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 to a controlling shareholder of the Company were approved by the shareholders at the annual general meeting on 25 October 2016. The Company has not granted any options under iX Employee Share Option Scheme since its inception.

	Number of outstanding share awards / share options	Number of Shares that may be issued upon exercise of options / release of awards
As at 30 September 2017		
iX Performance Share Plan	3,171,000	3,171,000
As at 30 September 2016		
iX Performance Share Plan	3,504,333	3,504,333

There were no treasury shares and subsidiary holdings as at 30 September 2017 and 30 September 2016.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

As at 30 September 2017, the number of issued shares excluding treasury shares was 639,524,724 (30 June 2017: 639,524,724).

1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable. There were no treasury shares during and as at the end of the current financial period reported on.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited nor reviewed by the Company's auditor.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period compared with those of the audited financial statements as at 30 June 2017.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group has adopted all the applicable new and revised Financial Reporting Standards (FRS) and Interpretations of Financial Reporting Standards (INT FRS) that are mandatory for the accounting periods beginning on or after 1 July 2017. The adoption of these new and revised FRS and INT FRS did not result in any substantial change to the Group's and the Company's accounting policies and has no significant impact on the financial statements for the current financial reporting period.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:
 (a) based on the weighted average number of ordinary shares on issue; and
 (b) on a fully diluted basis (detailing any adjustments made to the earnings).

	Group	
	3 months ended	
	30.09.17	30.09.16
Net loss attributable to equity holders of the Company (S\$'000)	(3,187)	(776)
Weighted average number of shares outstanding ('000)	639,525	633,847
Basic (loss)/profit per share (Cents per share)	(0.5)	(0.1)

The Company has 3,171,000 share awards under iX Performance Share Plan (30 September 2016: 3,504,333 shares awards). As they were anti-dilutive and had the effect of decreasing the loss per share, they were not included in the calculation of diluted loss per share above. Accordingly, the basic loss per share and diluted loss per share were the same for the financial periods presented.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:
 (a) current financial period reported on; and
 (b) immediately preceding financial year.

	Group		Company	
	30.09.17	30.06.17	30.09.17	30.06.17
Net asset value per ordinary share (in cents)	5.1	5.6	5.3	5.6

The net asset value per ordinary share of the Group and the Company as at 30 September 2017 were calculated based on the total number of issued shares of 639,524,724 (30 June 2017: 639,524,724).

There were no treasury shares as at 30 September 2017 and 30 June 2017.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:
 (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
 (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Overview

The Group is a late-stage specialty pharmaceutical company 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 drug formulation expertise and patented sublingual drug delivery technology, **WaferiX™**, to develop products for rapid onset of action with potentially more predictable effects and ease of use. The Group's nutraceuticals division, Entity Health Limited, is engaged in the development and commercialisation of nutraceutical products that address specific health conditions and improve quality of lifestyles throughout all phases of life.

In addition, the Group operates a Therapeutic Goods Administration of Australia (TGA) licensed chemical testing laboratory in Australia. The laboratory provides analytical services comprising chemical testing, complex problem solving and quality assurance services for the food,

environmental, pharmaceutical and clinical sectors.

During the quarter, the Group had been active in developing its product pipeline and research and development (R&D) activities. The development status as at the end of 1Q18 is summarised below:

Products	Product Description	Development Status
Wafermine™	Sublingual ketamine for moderate to severe pain	Commenced Phase 2 Multiple-Dose Efficacy study in August 2017
PheoniX™	Sublingual sildenafil for the treatment of male erectile dysfunction	Filed for drug registration with TGA in April 2017
BnoX™	Sublingual buprenorphine for moderate to severe pain	Phase 1 pharmacokinetic (PK) study successfully completed

Additional information on each of the above are as follows:

Pharmaceuticals

Wafermine™

The 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 placebo. Over the next three quarters, the study plans to enrol 135 patients experiencing acute pain following bunionectomy surgery at a single site in the United States of America. This study will determine the optimal dose(s) to be used in the subsequent pivotal Phase 3 registration studies.

PheoniX™

The Group completed its pivotal study confirming bioequivalence and good oral tolerability of PheoniX™ when compared with reference drug. Subsequently, the Group submitted its application for drug registration with TGA in April 2017.

BnoX™

The Group has successfully completed a Phase 1 PK study in 3Q17. We have commenced supply of BnoX™ to hospitals and registered pharmacies in Australia under the Special Access Scheme exemption set out in Schedule 5A of the TGR.

Review of performance for quarter (1Q18) ended 30 September 2017

Revenue	1Q18	1Q17	Incr/ (Decr)
	S\$'000	S\$'000	%
Chemical Analysis	1,661	1,454	14%
Specialty Pharmaceutical	12	12	0%
Total revenue	1,673	1,466	14%

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\$1.66 million in 1Q18, an increase of 14% as compared to S\$1.45 million for the same quarter last year (1Q17).

The segment recorded higher revenue in 1Q18 mainly due to:

- (a) increase in laboratory testing services which led to revenue growth of 9% in 1Q18. In Australian dollar, the segment achieved revenue of A\$1.55 million in 1Q18 as compared to A\$1.42 million in 1Q17.

- (b) the strengthening of the Australian dollar when translated into the reporting currency (Singapore dollars), resulted in an increase of 5% in revenue for 1Q18.

Cost of sales, comprising mainly personnel and consumable expenses relating to provision of chemical analysis services, was S\$1.27 million in 1Q18 as compared to S\$1.13 million in 1Q17. The increase was commensurate to increase in revenue.

The Group recorded a gross profit of S\$0.41 million or 24% of revenue in 1Q18 versus S\$0.34 million or 23% of revenue in 1Q17.

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

The Group conducts its R&D activities through its wholly-owned subsidiaries in Australia and has been eligible for R&D tax incentive under a programme administered jointly by the Australian Taxation Office and Innovation Australia. This incentive provides a rate of 43.5% refundable tax offset for eligible R&D expenditure incurred in Australia by these subsidiaries. The Group recognised R&D incentive of S\$0.43 million and S\$0.46 million in 1Q18 and 1Q17 respectively.

Expenses

The expense items in loss before tax were analysed below:

R&D expense

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

R&D expense was S\$1.76 million in 1Q18 as compared to S\$0.95 million in 1Q17. The higher R&D expense in 1Q18 was principally due to the progress of the multiple dose Phase 2 efficacy study for Wafermine™, KET010.

Sales and marketing

Sales and marketing expense was higher at S\$0.42 million in 1Q18 as compared to S\$0.22 million in 1Q17, as the Group began preparing for commercialisation of its products. The increase in sales and marketing expense was mainly due to increase in headcount and marketing efforts in preparation for product launch.

General and administrative (G&A)

G&A expense was S\$1.76 million in 1Q18 as compared to S\$0.95 million in 1Q17. Excluding share based payment expenses, G&A expense was S\$1.52 million in 1Q18 (1Q17: S\$1.38 million), which was higher due to an increase of S\$0.15 million for other operating expenses.

Share-based payments accounted for S\$0.55 million of the increase in G&A expenses in 1Q18. In 1Q17, a reversal of the fair value of share options amounting to S\$0.44 million arose from forfeiture of certain share options due to resignation of an employee. This was partially offset by amortisation of new share awards which amounted to S\$0.21 million and S\$0.11 million in 1Q18 and 1Q17 respectively.

Others

Others consist principally of currency exchange gain/loss.

Currency exchange loss was S\$0.12 million in 1Q18 as compared to gain of S\$0.65 million in 1Q17. This arose mainly from the currency fluctuations of the US and Australian dollars against the Singapore dollar for the Group's foreign currency denominated cash deposits and receivables from its subsidiaries.

Review of financial position

Except for items reviewed below, balance sheet as at 30 September 2017 remained comparable to that as at 30 June 2017 (FY2017).

As at 30 September 2017, the Group's cash and cash equivalents was S\$27.50 million. The decrease of S\$3.59 million was mainly due to cash outflows in operating activities of S\$3.01 million which included R&D expenses of S\$1.76 million.

Inventories of S\$0.28 million comprised raw materials and works in progress principally related to our new nutraceutical products and held in preparation for product launches.

Other current assets, comprising deposits and prepayments, increased by S\$0.11 million due to higher prepaid marketing and intangible properties registration expenses.

Property, plant and equipment was S\$8.24 million as compared to S\$8.19 million of FY2017. The increase was attributed to S\$0.18 million in additions which was mainly for laboratory testing and manufacturing equipment, and offset by depreciation of S\$0.20 million. Whereas, intangible properties were reduced by amortisation of S\$0.12 million.

Cash flow analysis

During 1Q18, the Group recorded a net cash used in operating activities of S\$3.01 million as compared to S\$0.74 million in 1Q17, which was mainly due to the timing and progress of clinical trials and receipts from R&D tax incentive.

In the same quarter, the Group invested S\$0.18 million in new software and plant & equipment principally for laboratory testing and manufacturing purposes.

Net cash used in financing activities which amounted to S\$0.15 million was for the repayment of interest and borrowings.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable. No forecast or prospect statement had been previously disclosed to shareholders for the current reporting period.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Our clinical studies and major operations are conducted mostly in the United States and Australia, hence fluctuations in USD and AUD currencies will have a financial impact on the Group. The Group will continue to monitor closely the global currency trends and the impact of the foreign exchange fluctuations on its financial position and take risk management measures where appropriate.

Timing and progress of our clinical studies may impact our research and development expenses over the next 12 months. Our multiple dose Phase 2 efficacy study for Wafermine™, KET010, commenced in August 2017. The primary objective of the study is to demonstrate the multi-dose efficacy of Wafermine™ in pain suppression when compared to placebo. The study plans to enrol 135 patients experiencing acute pain following bunionectomy surgery at a single site in the United States of America, over the next three quarters. This study will determine the optimal dose(s) to be used in the subsequent pivotal Phase 3 registration studies.

Over the next 12 months, the Group shall be undertaking more marketing activities to promote its products coming into the regional markets.

In Australia, continued efforts are made to promote product awareness of Wafermine™ and BnoX™ via trade exhibitions and conferences.

In Singapore, the Group has launched WafeRest™, a product for improved sleep quality, in August 2017 and will continue its effort to engage with the medical community to create product awareness. It also has plans to roll-out WafeRest™ in the region subsequently, subject to obtaining regulatory approvals from respective local authorities where applicable.

Further, the Group is finalising its marketing campaign for a new line of nutraceutical products addressing specific health conditions under its subsidiary Entity Health. Our next-generation nutraceuticals are grounded in innovative scientific technology and formulated with premium grade extracts to promote DNA and cellular repair, skin protection and whitening, joint and liver health, diabetes, among others. The Group plans to soft-launch its nutraceutical products in early December, following a series of promotional marketing campaigns for the remaining quarters of the financial year.

11. If a decision regarding dividend has been made:

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

No dividend has been declared or recommended for the current reporting period.

(b)(i) Amount per share (cents)

Not applicable.

(b)(ii) Previous corresponding period (cents)

Not applicable.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable

Not applicable.

(e) Books closure date

Not applicable.

12. If no dividend has been declared (recommended), a statement to that effect.

No dividend has been declared or recommended for the current reporting period.

13. If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

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

14. 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 September 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	(8,229)	17,971
General working capital purposes	1,413	(1,413)	-
Listing expenses	2,517	(2,517)	-
Total	30,130	(12,159)	17,971

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 September 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	(1,548)	2,301
Acquisition of new product packaging equipment	1,000	(256)	744
Total	4,849	(1,804)	3,045

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 22 July 2016, the Company received net proceeds of S\$5.03 million (Rights Proceeds). As at 30 September 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	(1,725)	2,303
Acquisition of new product packaging equipment	1,000	-	1,000
Total	5,028	(1,725)	3,303

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.

15. Negative confirmation pursuant to Rule 705(5) of the listing manual.

The Board of Directors of the Company confirm that to the best of their knowledge, nothing has come to their attention which may render the financial results for the period ended 30 September 2017 to be false or misleading in any material aspect.

16. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) of the listing manual.

The Company has procured undertakings from all its Directors and executive officers under Rule 720(1).

On behalf of the Board of Directors

Eddy Lee Yip Hang
Chairman & CEO

Albert Ho Shing Tung
Non-executive Director

8 November 2017

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, CIMB Bank Berhad, Singapore Branch (the Sponsor), for compliance with the relevant rules of the SGX-ST, this being the SGX-ST Listing Manual Section B: Rules of Catalist. The Sponsor has not independently verified the contents of this announcement, including the correctness of any the figures used, statements or opinions made.

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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