

LETTER DATED 6 OCTOBER 2016

**THIS LETTER IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

IF YOU ARE IN DOUBT ABOUT ITS CONTENTS OR THE ACTION THAT YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT, TAX ADVISER OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

If you have sold or transferred all your ordinary shares in the capital of iX Biopharma Ltd (the "Company") represented by physical share certificate(s), you should forward this Letter immediately to the purchaser or the transferee or to the stockbroker, bank or agent through whom the sale or transfer was effected for onward transmission to the purchaser or the transferee.

The ordinary shares of the Company are listed for quotation on the Catalist. Companies listed on Catalist may carry higher investment risk when compared with larger or more established companies listed on the SGX-ST Main Board. In particular, companies may list on Catalist without a track record of profitability and there is no assurance that there will be a liquid market in the shares or units of shares traded on Catalist. You should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with your professional adviser(s). This Letter 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. The Sponsor has not independently verified the contents of this Letter.

This Letter has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this Letter, including the correctness of any of the statements or opinions made or reports contained in this Letter. The SGX-ST has not in any way considered the merits of the securities being offered for investment.

The contact person for the Sponsor is Mr Tony Toh, Director, Investment Banking, CIMB Bank Berhad, Singapore Branch, at 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 on 8 May 2004)

**LETTER TO SHAREHOLDERS**

**IN RELATION TO**

- (I) THE PROPOSED PARTICIPATION BY MR EDDY LEE YIP HANG, A CONTROLLING SHAREHOLDER OF THE COMPANY, IN THE iX PERFORMANCE SHARE PLAN**
- (II) THE PROPOSED GRANT OF AN AWARD TO MR EDDY LEE YIP HANG, A CONTROLLING SHAREHOLDER OF THE COMPANY, UNDER THE iX PERFORMANCE SHARE PLAN**

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## DEFINITIONS

In this Letter, the following definitions apply throughout unless otherwise stated:

- “AGM” : The forthcoming annual general meeting of the Company, to be held on Tuesday, 25 October 2016 at NUSS Kent Ridge Guild House, Inner Chamber, at 9 Kent Ridge Drive, Singapore 119241 at 10.00 a.m..
- “Annual Report” : The annual report of the Company dated 6 October 2016 in respect of the financial year ended 30 June 2016.
- “Associate” : (a) in relation to any Director, chief executive officer, substantial shareholder or Controlling Shareholder (being an individual) means:
- i. his immediate family;
  - ii. the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
  - iii. any company in which he and his immediate family together (directly or indirectly) have an interest of 30.0% or more;
- (b) in relation to a substantial shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30.0% or more.
- “Award” : A contingent award of fully paid Shares granted under the iX Performance Share Plan.
- “Award Shares” : Shares which are the subject of any Award.
- “Board” : The board of Directors of the Company.
- “Catalist Rules” : Section B: Rules of Catalist of the Listing Manual of the SGX-ST, as modified, supplemented or amended from time to time.
- “CDP” : The Central Depository (Pte) Limited.
- “Company” : iX Biopharma Ltd.
- “Remuneration Consultants” : Carrots Consulting Pte Ltd, who were engaged by the Company as consultants to review the Group’s compensation plans.
- “Controlling Shareholder” : As defined in the Catalist Rules, means a person who:
- (a) holds directly or indirectly 15% or more of the nominal amount of all voting shares in the Company (unless otherwise determined by the SGX-ST); or
  - (b) in fact exercises control over the Company.

“FY”	:	The financial year ending 30 June.
“Group”	:	The Company and its subsidiaries.
“Latest Practicable Date”	:	30 September 2016, being the latest practicable date prior to the printing of this Letter.
“Letter”	:	This letter from the Directors to the Shareholders.
“LYH Award”	:	The proposed grant of an Award of up to 2,239,000 Shares to Mr Eddy Lee Yip Hang, terms of which are set out in Paragraph 2 of this Letter.
“Month”	:	Calendar month.
“Notice of AGM”	:	The notice of the AGM as set out in the Annual Report of the Company.
“Participant”	:	A person who holds an Award.
“Plan” or “iX Performance Share Plan”	:	The iX Performance Share Plan (a performance share plan adopted by the Company on 17 June 2015), as amended or modified from time to time.
“Proposed Resolutions”	:	The proposed resolutions to be adopted at the AGM in respect of the proposed participation by Mr Eddy Lee Yip Hang in the iX Performance Share Plan and the proposed grant of the LYH Award to Mr Eddy Lee Yip Hang.
“Rules of the Plan”	:	The rules of the iX Performance Share Plan as set out in Appendix G to the Offer Document of the Company dated 10 July 2015.
“Securities and Futures Act”	:	The Securities and Futures Act, Chapter 289 of Singapore, as amended, modified or supplemented from time to time.
“SGX-ST”	:	Singapore Exchange Securities Trading Limited.
“Shares”	:	Issued shares in the capital of the Company.
“Shareholders”	:	Persons who are registered as holders of the Shares, or where CDP is the registered holder, the term “Shareholders” shall, in relation to such Shares and where the context admits, mean the Depositors whose securities accounts are credited with Shares.
“Substantial Shareholder”	:	Shall have the same meaning in relation to the Company as ascribed to the term in the Companies Act.
“S\$”	:	Singapore dollars, being the lawful currency of the Republic of Singapore.
“%”	:	Per centum.

The terms “Depositor”, “Depository Agent” and “Depository Register” shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act.

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. Words importing persons include corporations.

The headings in this Letter are inserted for convenience only and shall be ignored in construing this Letter.

Any reference in this Letter to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or the Catalist Rules or any statutory or regulatory modification thereof and not otherwise defined in this Letter shall have the meaning ascribed to it under the Companies Act or the Catalist Rules or any statutory or regulatory modification, unless the context otherwise requires.

Any reference to a time and date in this Letter shall be a reference to Singapore time and date unless otherwise stated. All discrepancies in the tables included in this Letter between the listed amounts and the totals are thereof are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

#### Cautionary Note on Forward-Looking Statements

All statements other than statements of historical facts included in this Letter are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as “expect”, “anticipate”, “believe”, “estimate”, “intend”, “project”, “plan”, “strategy”, “forecast” and similar expressions or future or conditional verbs such as “if”, “will”, “would”, “should”, “could”, “may” and “might”. These statements reflect the Company’s current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders should not place undue reliance on such forward-looking statements, and the Company undertakes any obligation to update publicly or revise any forward-looking statements, subject to compliance with all applicable laws and regulations and/or the rules of the SGX-ST and/or any other regulatory or supervisory body or agency.

**IX BIOPHARMA LTD.**  
(Company registration No. 200405621W)  
(Incorporated in Singapore on 8 May 2004)

**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*)

**Registered Office:**

350 Orchard Road  
#16-10 Shaw House  
Singapore 238868

6 October 2016

**LETTER TO SHAREHOLDERS**

Dear Sir/Madam

**1. INTRODUCTION**

- 1.1. We refer to the Notice of AGM of the Company dated 6 October 2016 accompanying the Annual Report for the financial year ended 30 June 2016 convening the AGM of the Company to be held on 25 October 2016 at NUSS Kent Ridge Guild House, Inner Chamber, at 9 Kent Ridge Drive, Singapore 119241 at 10 a.m.. We also refer to Ordinary Resolution 10 relating to the proposed participation by Mr Eddy Lee Yip Hang in the iX Performance Share Plan and Ordinary Resolution 11 relating to the proposed grant of the LYH Award to Mr Eddy Lee Yip Hang as proposed in the Notice of AGM.
- 1.2. The purpose of this Letter is to provide Shareholders with information relating to Ordinary Resolution 10 and Ordinary Resolution 11 proposed in the abovementioned Notice of AGM.
- 1.3. The Company had adopted the iX Performance Share Plan on 17 June 2015. The purpose of the implementation of the iX Performance Share Plan was to serve the Company's objectives in rewarding, retaining and motivating employees. Details of the iX Performance Share Plan can be found in the Company's Offer Document dated 10 July 2015.
- 1.4. On 30 September 2016, the Company announced the grant of Awards of an aggregate of up to 3,504,333 Shares to various employees of the Group, including up to 2,239,000 Shares to Mr Eddy Lee Yip Hang, subject to the Rules of the Plan.
- 1.5. Under the Rules of the Plan, Controlling Shareholders and their Associates who meet the eligibility criteria for the iX Performance Share Plan are eligible to participate in the iX Performance Share Plan, provided that (a) the participation of each Controlling Shareholder or his Associate prior to the first grant of an Award to him is specifically approved by independent Shareholders in general meeting by a separate resolution, and (b) each grant of an Award, including the actual number and terms of the Award to be granted to each Controlling Shareholder or his Associate only be effected with the specific prior approval of independent Shareholders in general meeting by a separate resolution. Therefore, the participation by Mr Eddy Lee Yip Hang in the iX Performance Share Plan and the grant of an Award of Shares under the iX Performance Share Plan to Mr Eddy Lee Yip Hang, who is a Controlling Shareholder of the Company, is subject to the approval by independent Shareholders of the Company.
- 1.6. This Letter sets out information relating to, and the reasons for, the proposed participation by Mr Eddy Lee Yip Hang in the iX Performance Share Plan, the proposed grant of the LYH Award to Mr Eddy Lee Yip Hang and the Proposed Resolutions.

- 1.7. As at the Latest Practicable Date, the iX Performance Share Plan is administered by members of the Board which comprises Mr Eddy Lee Yip Hang, Mr Albert Ho Shing Tung, Mr Ko Kheng Hwa, Mr Low Weng Keong and Ms Claudia Teo Kwee Yee. Mr Eddy Lee Yip Hang has abstained from participating in the Board's deliberations for the proposed participation by Mr Eddy Lee Yip Hang in the iX Performance Share Plan and the proposed grant of the LYH Award.

The SGX-ST assumes no responsibility whatsoever for the correctness and/or accuracy of any of the statements made, opinions expressed or reports contained in this Letter.

## **2. THE PROPOSED PARTICIPATION OF MR EDDY LEE YIP HANG IN THE IX PERFORMANCE SHARE PLAN AND THE PROPOSED GRANT OF THE LYH AWARD TO MR EDDY LEE YIP HANG**

### **2.1 Summary of the iX Performance Share Plan**

The iX Performance Share Plan was adopted by the Company on 17 June 2015. The iX Performance Share Plan is designed to reward its participants through the issue of fully-paid Shares according to the extent to which they complete certain time-based service conditions or achieve their performance targets over set performance periods. The following is a summary of the rules of the iX Performance Share Plan:

#### Participants

The iX Performance Share Plan allows for participation by full-time employees of the Group (including the Executive Directors) and Non-Executive Directors (including Independent Directors) who have attained the age of 21 years and above on or before the relevant date of grant of the Award, provided that none shall be an undischarged bankrupt or have entered into a composition with his creditors.

Controlling Shareholders and their Associates who meet the criteria as set out above are eligible to participate in the iX Performance Share Plan, provided that (a) the participation of each Controlling Shareholder or his Associate prior to the first grant of an Award to him is specifically approved by independent Shareholders in general meeting by a separate resolution, and (b) each grant of an Award, including the actual number and terms of the Award to be granted to each Controlling Shareholder or his Associate only be effected with the specific prior approval of independent Shareholders in general meeting by a separate resolution.

#### Management of the iX Performance Share Plan

The iX Performance Share Plan shall be managed by the members of the Board comprising Mr Eddy Lee Yip Hang, Mr Albert Ho Shing Tung, Mr Ko Kheng Hwa, Mr Low Weng Keong and Ms Claudia Teo Kwee Yee. The Board has the absolute discretion to determine persons who will be eligible to participate in the iX Performance Share Plan. However, in compliance with the requirements of the Catalist Rules, a participant who is a Director shall not be involved in any deliberation or decision in respect of Awards (as the case may be) to be granted to or held by him.

#### Size of the iX Performance Share Plan

The (a) total number of new Shares which may be issued pursuant to Awards granted on any date; and (b) total number of existing Shares which may be purchased from the market for delivery pursuant to Awards granted under the Share Plan, when added to the number of new Shares issued and issuable in respect of all Awards granted under the iX Performance Share Plan (including the share option scheme and any other share option schemes of the Company), shall not exceed 15.0% of the number of issued Shares (including treasury shares, as defined in the Companies Act) on the day preceding that date of grant of the relevant Awards. The total number of new Shares which may be issued pursuant to the iX Performance Share Plan to Independent Directors shall not exceed five per cent. (5.0%) of the total number of Shares available under the iX Performance Share Plan.

### Awards entitlement

Awards represent the right of a participant to receive fully-paid Shares free of charge. Awards granted under the iX Performance Share Plan may be time-based or performance-related as set out above. In respect of time-based Awards, a participant is entitled to receive fully-paid Shares free of charge, upon the expiry of the prescribed vesting periods. In the case of performance-related Awards, a participant is entitled to receive fully-paid Shares free of charge subject to certain prescribed performance targets being met.

### Grant of Awards

Awards may be granted at any time during the period when the iX Performance Share Plan is in force. An Award letter confirming the Award and specifying, amongst others, in relation to a performance-related Award, the prescribed performance target(s) and the performance period during which the prescribed performance target(s) are to be satisfied, will be sent to each participant as soon as is reasonably practicable after making an Award.

### Vesting of Awards

Subject to the Rules of the Plan, Awards shall vest and the Board shall release to the participant Shares comprised in the Award upon the fulfilment of the conditions specified for the vesting of, and release of the Shares comprised in the Award.

New Shares, when allotted and issued, and existing Shares, when transferred to the participants upon the release of Awards shall be subject to all the provisions of the constitution of the Company and shall rank pari passu in all respects with the then existing issued Shares, save for any dividends, rights, allotments or distributions on the record date of which falls on or before the relevant vesting date of the Shares which are the subject of the Awards. For such purposes, record date means the date as at the close of business on which Shareholders must be registered in order to participate in any dividends, rights, allotments or other distributions.

## **2.2 Proposed participation of Mr Eddy Lee Yip Hang in the iX Performance Share Plan**

Mr Eddy Lee Yip Hang is the Executive Chairman, CEO and a Controlling Shareholder of the Company. He is in charge of the overall management of the Group and is responsible for the Group's overall business strategy and development. As at the Latest Practicable Date, Mr Eddy Lee Yip Hang has a direct interest in 182,416,020 Shares representing approximately 28.54% of the total number of issued Shares and is deemed to have an interest in 15,080,030 Shares held by Ms Tang Choy Leng Jane, representing approximately 2.36% of the total number of issued Shares.

Mr Eddy Lee Yip Hang is the founder of the Group and one of the inventors of the Company's proprietary technology, WaferiX, and has been the driving force behind the Group's further product research and developments efforts.

Mr Eddy Lee Yip Hang also provides the necessary guidance in designing various clinical trials and studies in order to achieve the desired results of these trials and studies.

The Directors are of the view that Mr Eddy Lee Yip Hang's experience and contribution towards the growth of the Group is significant and valuable, and that his continuing contribution is key to the continued success of the Group. Participation in the iX Performance Share Plan will provide a further incentive and instill a deeper sense of commitment to the Group for Mr Eddy Lee Yip Hang. As the iX Performance Share Plan serves to recognise performance-based achievements, the Directors consider it important that Mr Eddy Lee Yip Hang be allowed to participate in the iX Performance Share Plan.

The Directors (save for Mr Eddy Lee Yip Hang) are of the view that the remuneration package of Mr Eddy Lee Yip Hang is fair given his contributions to the Company. The participation in the iX Performance Share Plan by Mr Eddy Lee Yip Hang is consistent with the Company's objectives to motivate its key Employees to achieve and maintain a high level of performance and contribution.

For the purposes of Rule 852 of the Catalist Rules, approval will be sought from Shareholders who are independent of Mr Eddy Lee Yip Hang for the participation of Mr Eddy Lee Yip Hang (who is a Controlling Shareholder) in the iX Performance Share Plan and who are not potential Participants under the Scheme.

### 2.3 LYH Award

As announced by the Company on 30 September 2016, the Company had made grants of Awards of an aggregate of up to 3,504,333 shares to various employees of the Group, including up to 2,239,000 Shares to Mr Eddy Lee Yip Hang, under the iX Performance Share Plan. The details of the proposed grant of Award to Mr Eddy Lee Yip Hang is set out below:

Date of Award	30 September 2016
Consideration payable for grant of Award	None
Market price of the Company's shares on the date of grant of the Award	S\$0.315 per share
Number of Shares granted to Mr Eddy Lee Yip Hang	Up to 2,239,000 Shares
Vesting period of the Award	The Award will be vested on the date falling 12 months from the award date

In accordance with the Catalist Rules and the Rules of the Plan, the grant of the LYH Award to Mr Eddy Lee Yip Hang is subject to the approval of independent Shareholders at the AGM. The grant of the LYH Award is also subjected to and contingent upon the approval by the independent Shareholders for the proposed participation of Mr Eddy Lee Yip Hang in the iX Performance Share Plan.

The Board will release the Award shares under the LYH Award to Mr Eddy Lee Yip Hang in accordance with the vesting period specified above in respect of the LYH Award, provided that Mr Eddy Lee Yip Hang continues to be in the employment of the Group on the date falling 12 months from the award date.

The aggregate number of Shares under the LYH Award has been determined after taking into account, among others, Mr Eddy Lee Yip Hang's rank, job performance, leadership and management capabilities, contribution to the success and development of the Group and the extent of effort and resourcefulness required to achieve the performance conditions within the performance period during the financial year ended 30 June 2016.

### 2.4 Rationale for the grant of the LYH Award to Mr Eddy Lee Yip Hang

The reasons for the proposed participation by Mr Eddy Lee Yip Hang in the iX Performance Share Plan have already been set out in Paragraph 2.2 of this Letter above. This Paragraph sets out the rationale for the grant of the LYH Award to Mr Eddy Lee Yip Hang.

The proposed grant of the LYH Award is consistent with the Company's objectives to motivate its key employees to achieve and maintain a high level of performance and contribution which is vital to the success of the Company. Although Mr Eddy Lee Yip Hang already has a Controlling Interest in the Company, the grant of the LYH Award to him will ensure that he is equally entitled, with the other employees who are not Controlling Shareholders, to take part in and benefit from this system of remuneration, thereby enhancing his long term commitment to the Company. Further, as the LYH Award may not be released until after the relevant vesting period in accordance with the Rules of the Plan, the rewards to be reaped from the grant of the LYH Award would not be immediate. The value of the LYH Award would be best realised only when the results and prospects of the Group's long term performances and growth translate directly into higher share price and higher shareholders' wealth.

In addition, the Company had engaged an independent remuneration consulting firm, Carrots Consulting Pte Ltd (“**Remuneration Consultants**”) to review the Group’s compensation plans. As part of the Remuneration Consultants’ overall compensation review of the Group’s key employees, the LYH Award (and the number of Shares thereunder) had been reviewed and recommended by the Remuneration Consultants to bring Mr Eddy Lee Yip Hang’s remuneration package to be in line with chief executive officers of comparable companies.

In view of the above reasons, the Company proposes to grant to Mr Eddy Lee Yip Hang the LYH Award of up to 2,239,000 Shares, subject to the approval by independent Shareholders for the grant of the LYH Award.

The total number of Shares which may be delivered pursuant to Awards granted under the iX Performance Share Plan, when added to the number of Shares issued or issuable in respect of such other Shares issued and/or issuable under such other share-based incentive schemes of the Company, shall not exceed 15% of the total number of issued Shares (excluding treasury shares) on the day preceding the relevant award date. As at the Latest Practicable Date, the total number of issued Shares (excluding treasury shares) was 639,191,391. The maximum number of Shares under the LYH Award represents approximately 0.35% of the total number of issued Shares (excluding treasury shares) and approximately 2.33% of the maximum number of Shares available under the iX Performance Share Plan. As at the Latest Practicable Date, a total of 3,504,333 Shares have been granted under the iX Performance Share Plan. In view of the foregoing, the Company believes that the LYH Award is fair and not excessive.

Under his service agreement, whether Mr Eddy Lee Yip Hang is entitled to an additional bonus depending on his performance shall be at the sole discretion of the Board. In FY2016, Mr Eddy Lee Yip Hang received between S\$750,000 to S\$1,000,000 as remuneration for his services to the Group. The remuneration included fixed salary, the aforesaid bonus and benefits in kind. The grant of the LYH Award will be in addition to Mr Eddy Lee Yip Hang’s remuneration as set out in his service agreement with the Company and is based on his performance as determined by the Board.

## **2.5 Financial effects of the iX Performance Share Plan**

The accounting rules in the Singapore Financial Reporting Standards are effective for financial periods beginning on or after 1 January 2005. It requires the fair value of employee services received in exchange for the grant of our Shares to be recognised as an expense. For equity-settled share-based payment transactions, the total amount to be expensed in the income statement over the vesting period is determined by reference to the fair value of each Share granted at the grant date and the number of Shares vested by the vesting date, with a corresponding increase in equity.

Before the end of the vesting period, at each balance sheet date, the entity revises its estimates of the number of Shares that are expected to vest by the vesting date and recognises the impact of this revision in the income statement with a corresponding adjustment to equity. After the vesting date, no adjustment to the income statement would be made.

As set out in the Company’s Offer Document dated 10 July 2015, the financial effects of the iX Performance Share Plan are as follows:

- a) When new Shares are issued to participants, the share capital of the Company will increase. If existing Shares are purchased, as opposed to new Shares issued, for delivery to participants, the Share Plan will have no impact on our Company’s share capital.
- b) The consolidated net tangible assets of the Company will be decreased by the amount of expenses charged to the income statement if existing Shares are purchased. If new Shares are issued, there would be no effect on the consolidated net tangible assets due to the offsetting effect of expenses recognised and increased share capital.

- c) During the vesting period, the consolidated earnings per Share would be reduced by both the expense recognised and the potential ordinary Shares to be issued under the Share Plan. Net tangible assets per Share would be diluted as a result of the reduced net tangible assets if existing Shares are purchased or the increased share capital if new Shares are issued.

### 3. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed, none of the Directors or substantial shareholders of the Company has any interest, direct or indirect in the Shares of the Company as at the Latest Practicable Date:-

Directors	Number of Shares			
	Direct Interest	% <sup>(1)</sup>	Deemed Interest	% <sup>(1)</sup>
Mr Eddy Lee Yip Hang	182,416,020 <sup>(2)</sup>	28.54	15,080,030 <sup>(3)</sup>	2.36
Mr Albert Ho Shing Tung	7,799,999	1.22	130,000	0.02
Mr Ko Kheng Hwa	479,544	0.08	–	–
Mr Low Weng Keong	729,152	0.11	–	–
Ms Claudia Teo Kwee Yee	–	–	–	–
<b>Substantial Shareholders</b>				
(other than directors)	Direct Interest	% <sup>(1)</sup>	Deemed Interest	% <sup>(1)</sup>
APPL <sup>(4)</sup>	67,981,488	10.64	–	–
Mr Jaspal Singh Narulla	41,184,000	6.44	16,380,000 <sup>(5)</sup>	2.56

#### Notes:

- (1) As a percentage of the Existing Issued Share Capital.
- (2) On 24 November 2014, Mr Eddy Lee Yip Hang agreed to transfer to Ms Catherine Mary Lee, an unrelated third party, (a) 2,000,000 Pre-Split Shares; or, as the case may be, (b) such number of Shares not exceeding 11.0% of Mr Eddy Lee Yip Hang's shareholding as at 22 October 2014 after adjusting for any subsequent consolidation or sub-division of Shares (the "Agreed Shares"), with Mr Eddy Lee Yip Hang holding 18,040,003 Pre-Split Shares as at 22 October 2014. The Agreed Shares are to be transferred for no consideration to Ms Catherine Mary Lee after our Company had been listed on 22 July 2015 and following the expiry of the period during which Mr Eddy Lee Yip Hang's shareholding is to be locked-up, as more particularly described in the section titled "Shareholders — Moratorium" of the offer document dated 10 July 2015 issued by the Company in connection with the Initial Public Offering. For the avoidance of doubt, any issuances of Shares that were undertaken, or may take place, after 22 October 2014 will not affect the number of Shares to be transferred by Mr Eddy Lee Yip Hang's to Ms Catherine Mary Lee. As at the Latest Practicable Date, no Shares have been transferred by Mr Eddy Lee Yip Hang's to Ms Catherine Mary Lee.
- (3) 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.
- (4) APPL is 100.00% owned by 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 one 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 31,200,152 shares are held in the name of CIMB Securities (Singapore) Pte Ltd.
- (5) Mr Jaspal Singh 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 by virtue of his shareholding interest in the aforesaid companies.

#### **4. DIRECTORS' RECOMMENDATIONS**

The Board (save for Mr Eddy Lee Yip Hang) had been tasked to review the proposed participation by Mr Eddy Lee Yip Hang in the iX Performance Share Plan and the proposed grant of the LYH Award to Mr Eddy Lee Yip Hang under the iX Performance Share Plan. The Board (save for Mr Eddy Lee Yip Hang) is of the opinion that the proposed participation by Mr Eddy Lee Yip Hang in the iX Performance Share Plan is in the interests of the Company. The Board (save for Mr Eddy Lee Yip Hang) is of the opinion that the proposed grant of the LYH Award is in the interests of the Company.

Save for Mr Eddy Lee Yip Hang who has abstained from making any recommendation in respect of the proposed participation by Mr Eddy Lee Yip Hang in the iX Performance Share Plan and the proposed grant of the LYH Award, the Directors are of the view that the proposed participation by Mr Eddy Lee Yip Hang in the iX Performance Share Plan and the proposed grant of the LYH Award are in the interests of the Company and accordingly recommend that Shareholders vote in favour of Ordinary Resolution 10 and Ordinary Resolution 11 as set out in the Notice of AGM.

#### **5. ABSTENTION FROM VOTING**

Pursuant to Rule 858 of the Catalist Rules, Shareholders who are eligible to participate in the iX Performance Share Plan must abstain from voting on any resolution relating to the iX Performance Share Plan.

Accordingly, Mr Eddy Lee Yip Hang will abstain and will procure his Associates to abstain from voting in respect of Ordinary Resolution 10 and Ordinary Resolution 11 at the AGM and will also decline to accept appointment as proxy to vote at and attend the forthcoming AGM in respect of Ordinary Resolution 10 and Ordinary Resolution 11 unless the Shareholder concerned has given specific instructions as to the manner in which his votes are to be cast.

As Ms Tang Choy Leng Jane is an Associate of Mr Eddy Lee Yip Hang, she is not considered an independent Shareholder for the purposes of Rule 852 of the Catalist Rules. Accordingly, Ms Tang Choy Leng Jane will abstain from voting in respect of Ordinary Resolution 10 and Ordinary Resolution 11 at the AGM. Additionally, Ms Tang Choy Leng Jane will decline to accept appointment as proxy to vote at and attend the forthcoming AGM in respect of Ordinary Resolution 10 and Ordinary Resolution 11 unless the Shareholder concerned has given specific instructions as to the manner in which his votes are to be cast.

#### **6. ACTION TO BE TAKEN BY SHAREHOLDERS**

A Shareholder who is unable to attend the AGM and wishes to appoint a proxy to attend and vote on his behalf should complete, sign and return the Proxy Form (attached to the Notice of AGM) in accordance with the instructions printed thereon as soon as possible and in any event so as to reach 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 fixed for the AGM. The completion and return of the Proxy Form by a Shareholder does not preclude him from attending and voting at the AGM in person in place of the proxy if he so wishes.

#### **7. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at the registered office of the Company at 350 Orchard Road, #16-10 Shaw House, Singapore 238868 during normal business hours from the date hereof up to and including the date of the AGM:

- (a) the Offer Document of the Company dated 10 July 2015;
- (b) the constitution of the Company;
- (c) the Annual Report of the Company for the financial year ended 30 June 2016; and
- (d) the Rules of the Plan.

## 8. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Letter and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Letter constitutes full and true disclosure of all material facts about the Proposed Resolutions, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Letter misleading. Where information in this Letter has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Letter in its proper form and context.

Yours faithfully,

For and on behalf of the Board of  
**iX Biopharma Ltd.**

Eddy Lee Yip Hang  
Chairman and CEO

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