



SciGen Limited

ASX (Appendix 4E) Preliminary Final Report

For the Twelve Months Ended 31 December 2017

(ABRN 101 318 852)

This Preliminary Final Report is provided to the Australian Stock Exchange (ASX) under ASX Listing Rule 4.3A.

Current Reporting Period: Twelve months ended 31 December 2017

Previous Corresponding Period: Twelve months ended 31 December 2016

SCIGEN LIMITED

APPENDIX 4E – PRELIMINARY FINAL REPORT

Results For Announcement To The Market For The Year Ended 31 December 2017

Revenue and Net Profit

The table below allows a comparison of the business performance for the 12 months ended 31 December 2017 with the 12 months ended 31 December 2016.

	<u>Current financial year</u> 12 Months ended 31 December 2017 US\$ '000	<u>Previous financial year</u> 12 Months ended 31 December 2016 US\$ '000
Revenue from ordinary activities	40,395	29,138
Profit from ordinary activities after related income tax	1,763	2,056
Profit for the year attributable to members	1,763	2,056

	<u>Percentage Change</u>	<u>Amount US\$ '000</u>
Revenue from ordinary activities	Up 38.6%	40,395
Profit from ordinary activities after related income tax	Down 14.2%	1,763
Profit for the year attributable to members	Down 14.2%	1,763

Revenue

The Group achieved a new milestone as revenue surpassed US\$40 million for the year ended 31 December 2017, to close at US\$40,395,000. Main drivers of revenue growth were our subsidiaries in Australia and Korea which accounted for 31% of the revenue growth. Our Australian subsidiary posted a significant growth of 61% year-on-year with first full-year sales impact of a neurology drug whilst our Korean subsidiary registered expansion of 32% year-on-year from sales of thymosin alpha 1 and paediatric supplements. A new territory entered into during the year was Bangladesh, for the sales of insulin bulk active ingredients.

Additional products were added into our oncology care range sold in Korea where revenue grew by 38% to close at US\$13,123,000 for the year. The oncology care products sold in Korea and Philippines accounted for 32% of total revenue of the Group. As mentioned above, the full-year sales impact of the neurology drug was significant and accounted for 16% of total revenue as compared to 6% in the preceding year. Existing products which recorded significant improvement in sales were paediatric supplements, hyaluronic acid for Osteoarthritis pain relief and insulin (combination of bulk active ingredients, vials and cartridges) with year-on-year growth of 139%, 60% and 34% respectively.

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Results For Announcement To The Market For The Year Ended 31 December 2017

Trading Results

Following the robust improvement in revenue, gross profit rose by 22% year-on-year. Gross margin percentage, however, posted a decline from 53% in the preceding year to 47% as margin from neurology product and insulin bulk active ingredients were relatively low compared to the existing products. Profit before interest and tax grew by 4% to US\$4,228,000 compared to preceding year of US\$4,065,000.

Net finance expense rose to US\$1,375,000 from US\$905,000, on the back of higher effective interest rate of 0.41%. After net finance expense and income tax expense of US\$1,090,000 (2016 : US\$1,104,000), the Group posted profit for the year amounting to US\$1,763,000 (2016 : US\$2,056,000). Income tax expense for the year included deferred tax expense of US\$136,000 (2016 : US\$208,000).

Focus for the coming year is on business development to boost our existing therapeutic range and expand our distribution network. We anticipate challenges with entrance of additional players in oncology care area in Korea and price competition for insulin in most territories.

Dividend

No dividends were paid during the year ended 31 December 2017 and directors do not recommend that a payment be made for the year ended 31 December 2017.

Dividend reinvestment plans

None.

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Consolidated Statement of Financial Position As At 31 December 2017

ASSETS	Note	31 December 2017 US\$ '000	31 December 2016 US\$ '000
Current Assets			
Cash and cash equivalents		6,548	4,581
Trade and other receivables	3	7,087	6,063
Inventories		2,824	2,588
Total current assets		16,459	13,232
Non-Current Assets			
Property, plant and equipment	4	107	96
Intangible assets	5	3,568	3,823
Deferred tax assets		6,011	6,147
Total non-current assets		9,686	10,066
Total assets		26,145	23,298
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables		3,260	3,106
Income tax payable		558	632
Total current liabilities		3,818	3,738
Non-Current Liabilities			
Other payables	6	11,975	10,749
Loans from ultimate holding company	7	63,637	64,580
Total non-current liabilities		75,612	75,329
Capital, reserves and non-controlling interests			
Share capital		42,530	42,530
Translation reserves		(1,134)	(1,855)
Accumulated losses		(94,681)	(96,444)
Capital deficiency		(53,285)	(55,769)
Total liabilities and equity		26,145	23,298

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes, the Report and Financial Statements for the twelve months ended 31 December 2017 and any public announcements made by SciGen Ltd in accordance with the continuous disclosure requirements.

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Consolidated Statement of Profit or Loss and Other Comprehensive Income For The Year Ended 31 December 2017

		12 Months Ended 31 December 2017 US\$ '000	12 Months Ended 31 December 2016 US\$ '000
	<u>Note</u>		
Revenue		40,395	29,138
Other income (net)		40	74
Changes in inventories of finished goods		97	478
Purchases		(21,651)	(14,184)
Staff costs		(4,681)	(3,686)
Depreciation of property, plant and equipment		(44)	(39)
Amortisation of intangible assets		(353)	(340)
Write-off of intangible assets		(10)	(17)
Write-off of inventories		(39)	(53)
Other expenses		(9,526)	(7,306)
Profit before interest and tax		4,228	4,065
Finance income	8	31	9
Finance expense	8	(1,406)	(914)
Profit before income tax		2,853	3,160
Income tax expense		(1,090)	(1,104)
Profit for the year		1,763	2,056
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations, representing other comprehensive income for the year, net of tax		721	(438)
Total comprehensive profit for the year		2,484	1,618
Profit for the year attributable to:			
Equity holders of the Company		1,763	2,056
Non-controlling interest		-	-
Profit for the year		1,763	2,056
Total comprehensive profit attributable to:			
Equity holders of the Company		2,484	1,618
Non-controlling interest		-	-
Total comprehensive profit for the year		2,484	1,618
Earnings per share :			
Basic and diluted earnings per share (cents)	9	0.319	0.372

Note : There is no tax effect on the component indicated in other comprehensive income.

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes, the Report and Financial Statements for the twelve months ended 31 December 2017 and any public announcements made by SciGen Ltd in accordance with the continuous disclosure requirements.

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Consolidated Statement of Changes in Equity
For The Year Ended 31 December 2017

	Share capital US\$'000	Translation reserve US\$'000	Accumulated losses US\$'000	Net capital deficiency US\$'000
Balance at 1 January 2016	42,530	(1,417)	(98,500)	(57,387)
Profit for the year	-	-	2,056	2,056
Other comprehensive loss for the year	-	(438)	-	(438)
Balance at 31 December 2016	<u>42,530</u>	<u>(1,855)</u>	<u>(96,444)</u>	<u>(55,769)</u>
Balance at 1 January 2017	42,530	(1,855)	(96,444)	(55,769)
Profit for the year	-	-	1,763	1,763
Other comprehensive income for the year	-	721	-	721
Balance at 31 December 2017	<u>42,530</u>	<u>(1,134)</u>	<u>(94,681)</u>	<u>(53,285)</u>

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Consolidated Statement of Cash Flows For The Year Ended 31 December 2017

	12 Months to 31 December 2017 <u>US\$ '000</u>	12 Months to 31 December 2016 <u>US\$ '000</u>
Operating Activities		
Profit before income taxes	2,853	3,160
<u>Adjustments for:</u>		
Depreciation of property, plant and equipment	44	39
Amortization of intangible assets	353	340
Write-off of intangible assets	10	17
Write-off of inventories	39	53
Allowance for doubtful debts	-	(17)
Loss on disposal of property, plant and equipment	2	-
Finance income	(31)	(9)
Finance expense	1,414	866
Net foreign exchange losses	(8)	48
	<u>1,823</u>	<u>1,337</u>
Operating cash flow before working capital changes	4,676	4,497
Decrease/(Increase) in working capital		
Inventories	(275)	(384)
Trade and other receivables (Note A)	(2,156)	(2,755)
Trade and other payables (Note A)	155	436
	<u>2,400</u>	<u>1,794</u>
Cash from operations	2,400	1,794
Income taxes paid	(1,074)	(436)
Net cash inflow from operating activities	<u>1,326</u>	<u>1,358</u>
Investing Activities		
Interest received	31	9
Purchase of property, plant & equipment	(52)	(38)
Purchase of intangible assets	(103)	(100)
Net cash outflow from investing activities	<u>(124)</u>	<u>(129)</u>
Financing Activities		
Interest paid	-	(25)
Net cash outflow from financing activities	<u>-</u>	<u>(25)</u>
Net increase in cash and cash equivalents	1,202	1,204
Cash and cash equivalents at beginning of the year	4,581	3,579
Effect of exchange rate fluctuation on cash and cash equivalents	765	(202)
Cash and cash equivalents at end of the year	<u>6,548</u>	<u>4,581</u>

Note A :

During the year ended 31 December 2017, the Company offset other receivables from the ultimate holding company amounting to US\$1,132,000 (2016 : US\$12,052,000) against the loan and interest payable to ultimate holding company.

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes, the Report and Financial Statements for the twelve months ended 31 December 2017, and any public announcements made by SciGen Ltd in accordance with the continuous disclosure requirements.

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Notes To The Consolidated Financial Information For The Year Ended 31 December 2017

1. **GOING CONCERN**
2. **BASIS OF PREPARATION**
3. **TRADE AND OTHER RECEIVABLES**
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6. **OTHER PAYABLES**
7. **LOANS FROM ULTIMATE HOLDING COMPANY**
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Notes To The Consolidated Financial Information For The Year Ended 31 December 2017

1. Going Concern

The consolidated financial statements of SciGen Ltd (the “Company”) and its subsidiaries (the “Group”) have been prepared on a going concern basis as the Company has received an undertaking from its ultimate holding company, Bioton S.A. (“Bioton”), to continue to provide the Group with financial and other support as necessary for the next twelve months to enable the Group to continue as a going concern and to support their operating and investing activities.

During the year ended 31 December 2017, the Group generated profit of US\$1,763,000 (2016 : US\$2,056,000) and had positive operating cash flow of US\$1,326,000 (2016 : US\$1,358,000). At the year end the Group had net current assets of US\$12,641,000 (2016 : US\$9,494,000) and net capital deficiency of US\$53,285,000 (2016 : US\$55,769,000).

Repayment of loan to Bioton amounted to US\$943,000 (2016 : US\$9,947,000) during the year. As at 31 December 2017, the Company has loans owing to Bioton of US\$63,637,000 (2016 : US\$64,580,000).

2. Basis of Preparation

This preliminary final report has been prepared in accordance with Singapore Financial Reporting Standards.

The significant accounting policies adopted are consistent with those applied in the Group’s consolidated financial statements for the year ended 31 December 2016, except that the Group has adopted all the new Financial Reporting Standards (“FRS”) and Interpretation of FRS (“INT FRS”) that are relevant to its operations and effective for annual period beginning 1 January 2017. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Group accounting policies and has no material effects on the amounts reported for the current or prior years’ financial statements, except for certain presentation improvements arising from Amendments to FRS 7 *Statement of Cash Flows: Disclosure Initiative*.

At the date of release of Preliminary Final Report, the following FRSs and amendments to FRSs relevant to the Group were issued but not effective :

- FRS 109 *Financial Instruments* ¹
- FRS 115 *Revenue from Contracts with Customers (with clarifications issued)* ¹
- FRS 116 *Leases* ²
- INT FRS 122 *Foreign Currency Transactions and Advance Consideration* ¹
- INT FRS 123 *Uncertainty over Income Tax Treatments* ²

¹ Applies to annual periods beginning on or after January 1, 2018, with early application permitted.

² Applies to annual periods beginning on or after January 1, 2019, with earlier application permitted if FRS 115 is adopted.

The management anticipates that the adoption of the above FRSs, INT FRSs and amendments to FRS in future periods will not have a material impact on the financial statements of the Group and of the company in the period of their initial adoption.

The preliminary final report is expressed in United States dollars, which is the Company’s functional currency and rounded to the nearest thousand, unless stated otherwise.

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United States Dollars Presentation

Transactions in foreign currencies during the financial year are converted into United States dollars at the rates of exchange prevailing at the transaction dates. Foreign currency monetary assets and liabilities are translated into United States dollars at the rate of exchange prevailing at the reporting date. Exchange differences arising are taken into the consolidated statement of comprehensive income.

For the purpose of the consolidation of foreign subsidiaries, whose operations are an integral part of the Company's operations, the foreign subsidiaries' statement of financial position and profit and loss are translated as follows:-

- Assets, liabilities and contributed equity are translated using closing rates at reporting date;
- Income and expenses are translated using the actual or average rates;
- Retained profits or losses are translated at cumulative average rates; and
- Exchange differences are recognised as a separate component of equity (translation reserve).

3. Trade and Other Receivables

On 22 December 2017, other receivables owing by Bioton in relation to profit sharing income amounting to US\$1,132,000 (2016 : US\$12,052,000) were offset against loan and interest owing to Bioton (Note 6 and Note 7).

4. Property, Plant and Equipment

During the year, the Group acquired property, plant and equipment of approximately US\$52,000 (2016 : US\$38,000).

The Group disposed certain of its property, plant and equipment with carrying amount of US\$2,000 for proceed of US\$4 (2016 : carrying amount of nil for proceed of US\$4).

During the year, the Group wrote off property, plant and equipment without carrying value (2016 : carrying value of nil).

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5. Intangible Assets

	<u>Licences</u> <u>US\$ '000</u>	<u>Computer</u> <u>software</u> <u>US\$ '000</u>	<u>Development</u> <u>costs</u> <u>US\$ '000</u>	<u>Total</u> <u>US\$ '000</u>
<u>Cost</u>				
At 1 January 2016	5,386	66	1,632	7,084
Additions	-	-	115	115
Write-off	-	-	(17)	(17)
Translation differences	-	-	(14)	(14)
At 31 December 2016	5,386	66	1,716	7,168
Additions	-	-	103	103
Write-off	-	-	(15)	(15)
Translation differences	-	-	23	23
At 31 December 2017	5,386	66	1,827	7,279
<u>Accumulated amortisation</u>				
At 1 January 2016	1,824	66	942	2,832
Amortisation charge for the year	216	-	124	340
Write-off	-	-	-	-
Translation differences	-	-	(3)	(3)
At 31 December 2016	2,040	66	1,063	3,169
Amortisation charge for the year	216	-	137	353
Write-off	-	-	(5)	(5)
Translation differences	-	-	6	6
At 31 December 2017	2,256	66	1,201	3,523
<u>Impairment losses</u>				
At 1 January 2016	-	-	188	188
Translation differences	-	-	(12)	(12)
At 31 December 2016	-	-	176	176
Translation differences	-	-	12	12
At 31 December 2017	-	-	188	188
<u>Carrying amount</u>				
At 31 December 2017	3,130	-	438	3,568
At 31 December 2016	3,346	-	477	3,823

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6. Other Payables

Other payables consist of interest payable on loan due to ultimate holding company. Interests on the loans shall be paid by reference to the outstanding principal sum being repaid, on the repayment date.

During the year, the Company offset interest payable on loan amounting to US\$189,000 (2016 : US\$2,106,000) against other receivables owing by Bioton (Note 3).

7. Loans from Ultimate Holding Company

The loans from ultimate holding company were made on normal commercial terms and conditions and bear interest of LIBOR 3 months + 1% (2016 : LIBOR 3 months + 1%) per annum. The effective interest rate for the loans is 2.12% (2016 : 1.71%) per annum.

During the year, the Company offset loans amounting to US\$943,000 (2016 : US\$9,946,000) against other receivables owing by Bioton (Note 3). As at 31 December 2017, the Company has loans owing to Bioton of US\$63,637,000 (2016 : US\$64,580,000).

The loans from ultimate holding company is due for repayment on 31 December 2020.

8. Additional disclosure for Statement of Comprehensive Income

The following items have been (charged)/credited in arriving at profit/(loss) for the year :

	12 Months Ended 31 December 2017 <u>US\$ '000</u>	12 Months Ended 31 December 2016 <u>US\$ '000</u>
Interest income received from :		
- Banks	31	9
Finance income	31	9
Interest expenses paid/payable to :		
- Other entities	-	(25)
- Ultimate holding company	(1,414)	(841)
	(1,414)	(866)
Exchange gain(loss)	8	(48)
Finance expense	(1,406)	(914)

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9. Earnings Per Share

Calculation of the basic earnings per share attributable to the ordinary owners of the Company is based on the following data :

	12 Months Ended 31 December 2017 <u>US\$ '000</u>	12 Months Ended 31 December 2016 <u>US\$ '000</u>
(i) Profit/(Loss) for the purposes of basic earnings per share	1,763	2,056
	Number of shares	
	('000)	('000)
(ii) Weighted average number of ordinary shares for the purposes of basic earnings per share	552,270	552,270

10. Net Tangible Liabilities Per Share

	<u>2017</u> <u>(US¢ per</u> <u>share)</u>	<u>2016</u> <u>(US¢ per</u> <u>share)</u>
Net tangible liabilities per share	11.383	11.904

11. Details of Entities Over Which Control has been Gained or Lost

Not applicable.

12. Details of Associates and Joint Venture Entities

Not applicable.

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Notes To The Consolidated Financial Information For The Year Ended 31 December 2017

13. Segment Information

Segment information is presented in respect of the Group's reportable segments. The reportable segment presentation is based on the Group's management and internal reporting structure, used for its strategic decision-making purposes. Intersegment pricing is determined on mutually agreed terms.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly head office expenses and head office assets and liabilities (primarily intangible assets and deferred tax assets, loans from ultimate holding company).

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, and intangible assets other than goodwill.

The Group's reportable segments are as follows:

Singapore

The home country of the parent entity which is also the main operating entity. The areas of operation are principally corporate office functions and sales and marketing.

Australia

Includes sales and marketing activities.

Korea

Includes sales and marketing activities.

Thailand

Includes sales and marketing activities.

Bangladesh

Includes sales and marketing activities.

Philippines

Includes sales and marketing activities.

China

Includes regulatory activities.

Others

Comprises operations carried on in Indonesia, Pakistan, Vietnam, Hong Kong, Myanmar and Malaysia. None of these segments meets any of the quantitative thresholds for determining reportable segments in 2017 or 2016.

Major customers

Revenue from two end-customers based in Thailand and Philippines, represent approximately US\$5,887,000 (2016 : US\$5,078,000 from Thailand, Myanmar and Philippines) of the Group's total revenue.

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Information regarding the Group's reportable segments is presented below.

	<u>Singapore</u>	<u>Australia</u>	<u>Korea</u>	<u>Thailand</u>	<u>Bangladesh</u>	<u>Philippines</u>	<u>China</u>	<u>Others</u>	<u>Unallocated</u>	<u>Total</u>
<u>For year ended 31 Dec 2017</u>	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Revenue										
Sales to external customers	5,498	9,331	16,096	4,476	1,101	1,413	-	2,480	-	40,395
Inter-segment sales	<u>(5,410)</u>	<u>2,329</u>	<u>3,081</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total sales revenue	<u>88</u>	<u>11,660</u>	<u>19,177</u>	<u>4,476</u>	<u>1,101</u>	<u>1,413</u>	<u>-</u>	<u>2,480</u>	<u>-</u>	<u>40,395</u>
Results										
Segment results	<u>16</u>	<u>(22)</u>	<u>4,913</u>	<u>233</u>	<u>99</u>	<u>(172)</u>	<u>(146)</u>	<u>1,427</u>	<u>(3,495)</u>	2,853
Income tax expense										<u>(1,090)</u>
Profit for the year										<u>1,763</u>
As at 31 Dec 2017										
Segment Assets										
Total non-current assets	-	70	63	-	-	1	2	-	3,539	3,675
Deferred tax assets	-	-	-	-	-	-	-	-	6,011	6,011
Total current assets	<u>31</u>	<u>3,662</u>	<u>10,284</u>	<u>638</u>	<u>-</u>	<u>646</u>	<u>175</u>	<u>272</u>	<u>751</u>	16,459
Total assets	<u>31</u>	<u>3,732</u>	<u>10,347</u>	<u>638</u>	<u>-</u>	<u>647</u>	<u>177</u>	<u>272</u>	<u>10,301</u>	26,145
Segment liabilities										
Total liabilities	<u>-</u>	<u>(977)</u>	<u>(1,647)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6)</u>	<u>-</u>	<u>(76,800)</u>	(79,430)

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	<u>Singapore</u>	<u>Australia</u>	<u>Korea</u>	<u>Thailand</u>	<u>Bangladesh</u>	<u>Philippines</u>	<u>China</u>	<u>Others</u>	<u>Unallocated</u>	<u>Total</u>
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<u>For year ended 31 Dec 2017</u>										
Other segment information										
Capital expenditure on property plant and equipment intangible assets	<u>92</u>	<u>40</u>	<u>18</u>	<u>-</u>	<u>-</u>	<u>3</u>	<u>2</u>	<u>-</u>	<u>-</u>	<u>155</u>
Material non-cash items										
Write-off of inventories	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>39</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>39</u>
Write-off of intangible assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10</u>

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	<u>Singapore</u>	<u>Australia</u>	<u>Korea</u>	<u>Thailand</u>	<u>Philippines</u>	<u>China</u>	<u>Others</u>	<u>Unallocated</u>	<u>Total</u>
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
For year ended 31 Dec 2016									
Revenue	5,937	4,802	11,166	4,028	1,042	-	2,163	-	29,138
Sales to external customers	<u>(5,796)</u>	<u>2,448</u>	<u>3,348</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Inter-segment sales	<u>141</u>	<u>7,250</u>	<u>14,514</u>	<u>4,028</u>	<u>1,042</u>	<u>-</u>	<u>2,163</u>	<u>-</u>	<u>29,138</u>
Total sales revenue									
Results	<u>3</u>	<u>305</u>	<u>4,433</u>	<u>248</u>	<u>(143)</u>	<u>(139)</u>	<u>1,222</u>	<u>(2,769)</u>	3,160
Segment results									<u>(1,104)</u>
Income tax expense									<u>2,056</u>
Profit for the year									
As at 31 Dec 2016									
Segment Assets	-	60	48	-	3	-	-	3,808	3,919
Total non-current assets	-	-	-	-	-	-	-	6,147	6,147
Deferred tax assets	<u>22</u>	<u>3,876</u>	<u>6,756</u>	<u>726</u>	<u>381</u>	<u>140</u>	<u>258</u>	<u>1,073</u>	13,232
Total current assets	<u>22</u>	<u>3,936</u>	<u>6,804</u>	<u>726</u>	<u>384</u>	<u>140</u>	<u>258</u>	<u>11,028</u>	23,298
Total assets									
Segment liabilities	<u>-</u>	<u>(1,884)</u>	<u>(1,123)</u>	<u>-</u>	<u>(63)</u>	<u>(11)</u>	<u>(4)</u>	<u>(75,982)</u>	(79,067)
Total liabilities									

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	<u>Singapore</u>	<u>Australia</u>	<u>Korea</u>	<u>Thailand</u>	<u>Philippines</u>	<u>China</u>	<u>Others</u>	<u>Unallocated</u>	<u>Total</u>
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<u>For year ended 31 Dec 2016</u>									
Other segment information									
Capital expenditure on property, plant and equipment / intangible assets	<u>-</u>	<u>7</u>	<u>48</u>	<u>-</u>	<u>2</u>	<u>-</u>	<u>-</u>	<u>96</u>	<u>153</u>
Material non-cash items									
Write-off of inventories	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>35</u>	<u>-</u>	<u>-</u>	<u>18</u>	<u>53</u>
Write-off of intangible assets	<u>-</u>	<u>17</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17</u>

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14. Contingent Liabilities

The Company provided corporate financial guarantee up to Polish zloty 62,000,000, equivalent to US\$17,770,000 as at 31 December 2017 (2016 : US\$14,790,000) in favour of a bank in Poland as a secondary security for a term loan facility granted to Bioton.

Management has evaluated the fair value of the corporate guarantee and is of the view that the fair value of the benefits derived from the guarantee to the bank in Poland is minimal and hence it is not recognised in the financial statements.

At the end of the reporting period, the Company was not required to fulfil any corporate guarantee to bank.

15. Information on Audit or Review

This preliminary final report is based on accounts to which one of the following applies.

The accounts have been audited. The accounts have been subject to review.

The accounts are in the process of being audited or subject to review. The accounts have not yet been audited or reviewed.

16. Description of any Likely Audit Dispute or Qualification

Not applicable.