Preliminary Final Report of SciGen Limited for the Twelve Months Ended 31 December 2010

(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 2010
Previous Corresponding Period:	Twelve months ended 31 December 2009

Results For Announcement To The Market
For the Twelve Months Ended 31 December 2010

Revenue and Net Loss

The table below allows a comparison of the business performance for the 12 months ended 31 December 2010 with the 12 months ended 31 December 2009.

	Current financial period	Previous financial period restated
	12 Months ended 31/12/10 US$000	12 Months ended 31/12/09 US$000
Revenue from ordinary activities	12,369	11,251
Loss from ordinary activities after related income tax	(10,198)	(41,960)
Loss for the period attributable to members	(9,753)	(40,235)

All the following analysis is calculated by comparing the 12 months ended 31 December 2010 with 12 months ended 31 December 2009:

		Percentage Change %		Amount US$ '000
Revenue from ordinary activities	Up	9.9%	To	12,369
Loss from ordinary activities after related income tax	Down	75.7%	To	(10,198)
Loss from ordinary activities after related income tax	Down	75.8%	To	(9,753)

Revenue

Revenue surpassed the preceding year on the back of improved performance from all regions except India, coupled with the profit sharing revenue of US$0.1 million which arose from the commercialisation of Bioton's insulin in People's Republic of China.

The stop in supply to India following disruptions in payments from the distributor, contributed to a decline in revenue by US$2.6 million as compared to last year. A new product, Seruderm™, was launched during the third quarter in Australia, where initial response from the market has been encouraging.

Net Loss

Net loss for the year was primarily due to write-down of carrying value of the facility at Israel amounting to US$6.1 million and Sci-B-Vac™ licences amounting to US$2.7 million. Subsequently, the carrying value of the facility and licences is reclassified to Assets Held for Sale in the Consolidated Statement of Financial Position. In addition, group depreciation increased by US$0.8 million from the subsidiaries in Israel and China as the manufacturing facilities were put to use.

The notable reduction in net losses from the preceding year was attributable to the high provision for impairment loss and write-off of assets in 2009, which amounted to US$30.1 million coupled with the provision for the termination benefits payable to the ex-CEO of US$2.6 million. Improvement in results was further enhanced with recognition of deferred tax asset of US$7.5 million this year.

Dividend

The Company does not propose any dividend for the year.

Consolidated Statement of Comprehensive Income
Twelve Months Ended 31 December 2010

	Note	12 Months Ended 31 December 2010 US$ '000	12 Months Ended 31 December 2009 restated US$ '000
Revenue		12,369	11,251
Other income (net)		525	263
Changes in inventories of finished goods		520	1,145
Purchases		(5,558)	(6,076)
Staff costs		(6,143)	(7,192)
Depreciation of property, plant and equipment		(1,570)	(902)
Depreciation of investment property		-	(30)
Amortisation of lease prepayment		(17)	(46)
Amortisation of intangible assets		(407)	(527)
Impairment loss on property, plant and equipment		(6,080)	(17,829)
Impairment loss on intangible assets		(2,730)	(6,842)
Write-off of property, plant and equipment		-	(1,960)
Write-off of intangible assets		(5)	(3,479)
Gain on disposal of property, plant and equipment		411	-
Other expenses		(7,172)	(8,915)
Loss from operating activities		(15,857)	(41,139)
Finance income		46	535
Finance expense		(1,851)	(1,445)
Net finance expense	3	(1,805)	(910)
Loss from operating activities before income tax	3	(17,662)	(42,049)
Income tax benefits		7,464	89
Net loss for the year		(10,198)	(41,960)
Other comprehensive income			
Exchange differences on translating foreign operations, representing other comprehensive income for the year, net of tax		2,496	2,249
Total comprehensive losses for the year		(7,702)	(39,711)
Attributable to:			
Equity holders of the Company		(9,753)	(40,235)
Minority interest		(445)	(1,725)
Loss for the year		(10,198)	(41,960)
Total comprehensive losses attributable to:			
Equity holders of the Company		(7,389)	(37,986)
Minority interest		(313)	(1,725)
Total comprehensive losses for the year		(7,702)	(39,711)
Loss per share			
Basic loss per share (cents)	13	(1.766)	(7.285)

Consolidated Statement of Comprehensive Income
Twelve Months Ended 31 December 2010

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

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes, the Report and Financial Statements for the twelve months ended 31 December 2010, and any public announcements made by SciGen Ltd in accordance with the continuous disclosure requirements.

Consolidated Statement of Financial Position
As At 31 December 2010

	Note	31 December 2010 US$ '000	31 December 2009 restated US$ '000	31 December 2008 restated US$ '000
Non-Current Assets				
Property, plant and equipment	5	22,734	31,535	45,246
Intangible assets	6	14,266	20,508	29,827
Lease prepayments	7	826	817	1,299
Investment property	8	-	245	249
Long-term prepayments		-	-	226
Deferred tax assets		7,540	12	12
		45,366	53,117	76,859
Current Assets				
Inventories		1,079	2,636	1,260
Trade and other receivables		4,330	4,176	7,598
Cash and cash equivalents		3,926	4,889	6,092
		9,335	11,701	14,950
Assets classified as held-for-sale	9	10,800	1,051	-
Total Current Assets		20,135	12,752	14,950
Total Assets		65,501	65,869	91,809
Equity attributable to Equity Holders of Company				
Share capital	10	42,530	42,530	42,530
Translation reserves	11	1,313	(1,051)	(1,700)
Accumulated losses	12	(86,612)	(76,859)	(38,224)
Capital deficiency		(42,769)	(35,380)	2,606
Minority Interests		3,908	4,221	5,808
Total Equity		(38,861)	(31,159)	8,414
Non-Current Liabilities				
Trade and other payables		7,370	6,022	4,683
Loans from holding company		73,727	71,127	61,643
Loans from banks and other entities		754	17	124
		81,851	77,166	66,450
Current Liabilities				
Trade and other payables		21,711	19,807	16,812
Financial liabilities		-	-	7
Current tax payable		-	55	126
		21,711	19,862	16,945
Liabilities directly associated with assets classified as held for sale	9	800	-	-
Total Current Liabilities		22,511	19,862	16,945
Total Liabilities		104,362	97,028	83,395
Total Equity and Liabilities		65,501	65,869	91,809

Consolidated Statement of Financial Position
As At 31 December 2010

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes, the Report, the Financial Statements for the twelve months ended 31 December 2010, and any public announcements made by SciGen Ltd in accordance with the continuous disclosure requirements.

Consolidated Statement of Changes in Equity
Twelve Months Ended 31 December 2010

	Share capital US$'000	Translation reserve US$'000	Share option reserves US$'000	Accumulated losses US$'000	Total attributable to equity holders US$'000	Minority interest US$'000	Total equity US$'000
Balance at 1 January 2009 (restated)	42,530	(3,300)	1,600	(38,224)	2,606	5,808	8,414
Total comprehensive income / (loss) for the year	-	2,249	-	(40,235)	(37,986)	(1,725)	(39,711)
Contribution by minority shareholders of a subsidiary	-	-	-	-	-	138	138
Cancellation of share option scheme	-	-	(1,600)	1,600	-	-	-
Balance at 31 December 2009 (restated)	42,530	(1,051)	-	(76,859)	(35,380)	4,221	(31,159)
Balance at 1 January 2010 (restated)	42,530	(1,051)	-	(76,859)	(35,380)	4,221	(31,159)
Total comprehensive income / (loss) for the year	-	2,364	-	(9,753)	(7,389)	(313)	(7,702)
Balance at 31 December 2010	42,530	1,313	-	(86,612)	(42,769)	3,908	(38,861)

Consolidated Statement of Cash Flows
Twelve Months Ended 31 December 2010

	12 Months to 31 December 2010 US$ '000	12 Months to 31 December 2009 restated US$ '000
Cash Flows from Operating Activities		
Loss before income taxes	**(17,662)**	**(42,049)**
Adjustments for:		
Depreciation of property, plant and equipment	1,570	902
Depreciation of investment property	-	30
Amortization of intangible assets	407	527
Amortization of leasehold prepayment	17	46
Impairment loss on property, plant and equipment	6,080	17,829
Impairment loss on intangible assets	2,730	6,842
Write-off of plant and equipment	-	1,960
Write-off of intangible assets	5	3,479
Gain on disposal of property, plant and equipment	(411)	-
Interest income	(46)	(22)
Interest expense	1,851	1,445
	12,203	33,038
Operating loss before working capital changes	(5,459)	(9,011)
(Increase)/Decrease in working capital		
Inventories	1,557	(1,376)
Trade and other receivables	(162)	3,658
Trade and other payables	1,121	5,903
Cash used in from operations	(2,943)	(826)
Income taxes paid	(119)	-
Net cash outflow from operating activities	(3,062)	(826)
Cash Flows from Investing Activities		
Interest received	46	22
Proceeds from disposal of property, plant & equipment	1,673	-
Purchase of property, plant & equipment	(2,164)	(8,357)
Purchase of intangible assets	(514)	(1,284)
Net cash outflow from investing activities	(959)	(9,619)
Cash Flows from Financing Activities		
Capital contribution by minority shareholders of a subsidiary	-	138
Interest paid	(80)	(18)
Repayment of bank loans	(8)	(132)
Loans from ultimate holding company	2,600	9,500
Loans from other entities	750	-
Net cash inflow from financing activities	3,262	9,488
Net decrease in cash and cash equivalents	(759)	(957)
Cash and cash equivalents at beginning of the year	4,889	6,092
Effect of exchange rate fluctuation on cash and cash equivalents	(204)	(246)
Cash and cash equivalents at end of the year	3,926	4,889

Consolidated Statement of Cash Flows
Twelve Months Ended 31 December 2010

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 2010, and any public announcements made by SciGen Ltd in accordance with the continuous disclosure requirements.

Notes to the Consolidated Financial Information
For the Twelve Months Ended 31 December 2010

Notes to the Consolidated Financial Information
For the Twelve Months Ended 31 December 2010

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 2010, the Group incurred a loss of US$10,198,000 (2009: US$41,960,000) and had negative operating cash flows of US$3,062,000. At the year end the Group had net current liabilities of US$2,376,000 (2009: negative US$7,110,000). Additional loans were provided by Bioton during the year, amounting to US$2,600,000. As at 31 December 2010, the Group has a loan from Bioton of US$73,727,000 (2009: US$71,127,000). The Group has projected to be in a net current liabilities position for at least the next twelve months from the reporting date.

Accordingly, the financial statements of the Group have been prepared assuming that the Group will continue as a going concern and do not include any adjustments relating to recoverability and classification of recorded asset amounts or to amounts and classification of liabilities that might result if the going concern basis is found to be inappropriate.

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 2009, 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 2010. The adoption of these new/revised FRSs and INT FRS 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.

The Company has retrospectively restated the prior year financial statements to correct some errors. The details of the restatements are stated in Note 17.

On 1 January, 2010 the Group adopted the following new or revised FRSs and INT FRSs that are issued by the Accounting Standard Council (ASC), and are relevant for the Group.

- FRS 27 Consolidated and Separate Financial Statements
- FRS 103 Business Combinations
- FRS 39 (Amendments) Financial Instruments: Recognition and Measurement
  - Eligible Hedged Items
  - Embedded Derivatives
- FRS 102 (Amendments) Share-Based Payment – Group Cash-settled Share-based Payment Transactions
- INT FRS 109 (Amendments) Reassessment of Embedded Derivatives
- INT FRS 117 Distributions of Non-cash Assets to Owners
- Improvements to FRSs

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.

Notes to the Consolidated Financial Information
For the Twelve Months Ended 31 December 2010

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' balance sheet 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. Additional disclosure for Statement of Comprehensive Income

	12 Months Ended 31 December 2010 US$ '000	12 Months Ended 31 December 2009 restated US$ '000
The following items have been charged or (credited) in arriving at loss for the period :		
Impairment loss on lease prepayment	-	220
Finance income :		
Interest income received from banks	(46)	(22)
Deemed interest income on non-current payables	-	-
	(46)	(22)
Exchange gain	-	(513)
	(46)	(535)
Finance expense :		
Interest expense paid to banks	25	31
Interest expense payable to holding company	1,472	1,414
Other entities	55	-
	1,552	1,445
Exchange loss	299	-
	1,851	1,445
Net finance expense recognized in the condensed statement of comprehensive income	1,805	910

Notes to the Consolidated Financial Information
For the Twelve Months Ended 31 December 2010

4. Commentary on Results

Revenue of the Group improved by 9.9% despite zero sales to India during the year (2009 : US$2,553,000), following good performance in all markets within the Group.

Loss for the year primarily resulted from the impairment loss of US$8.8 million for the facility in Israel and the Sci-B-Vac™ licences. However, there was a remarkable reduction in losses from the preceding year by US$31.8 million or 76%, as stated in the "Results for Announcement To The Market". Reduction in losses was attributable to the lower provision for impairment loss and write-off of assets of US$8.8 million this year (2009 : US$30.1 million), zero provision for the termination benefits payable to the ex-CEO (2009 : US$2.6 million) and the recognition of deferred tax assets of US$7.5 million (2009 : NIL).

The Company's activities continued to be focused on the registration, manufacturing, marketing and sales of biopharmaceutical products – namely Human Growth Hormone (Scitropin™), SciGen's 3rd generation Hepatitis B Vaccine (Sci-B-Vac™) and recombinant Human Insulin (SciLin™).

A new product, anti-wrinkle serum (Seruderm™) was launched in Australia in September 2010 during the Sydney International Spa & Beauty Expo. Within the first quarter of its launch, the product attracted more than 50 customers, whose feedback have been positive.

Another new product, diabetic foot care cream (Pedimed™) was successfully registered in Australia and pre-marketing activities commenced in last quarter of 2010 during the Australian Diabetes Conference. Official launch of the product is forecast in first quarter of 2011.

During the year ended, registration of products were granted or achieved in the regions denoted by √ in the table below :

Country	SciTropin-A™ (Sandoz)	Sci-B-Vac™ (SciGen-IL)	SciLocyte™ GCSF (INTAS)	SciLin™ (Bioton)	Pedimed™ (Pierre Fabre)
Australia	Registered	-	-	-	√
Hong Kong	Registered	Registered	-	Registered	-
India	Registered	Registered	-	Registered	-
Indonesia	-	-	-	Registered	-
Israel	-	Registered	-	-	-
Korea	Registered	-	-	In progress	-
Pakistan	-	-	-	Registered	-
Philippines	Registered	Registered	Registered	Registered	-
Singapore	Registered	-	-	-	-
Thailand	In progress	-	-	Registered	-
Myanmar	-	-	-	In progress	-
Malaysia	√	-	-	-	-
China	-	-	-	Registered	-
Vietnam	√	√	-	Registered	-

Notes to the Consolidated Financial Information
For the Twelve Months Ended 31 December 2010

5. Property, Plant and Equipment

During the year, the Group acquired property, plant and equipment of approximately US$2,164,000 (2009 : US$8,435,000).

It also disposed certain of its property, plant and equipment with carrying amount of US$7,000 for proceed of US$4,000 (2009 : NIL).

During the year, the carrying value reclassified to assets classified as held for sale amounted to US$4,523,000, being the plant, property and equipment of a subsidiary in Israel.

Correction of depreciation rates, reversal of revaluation surplus on leasehold land and correction in carrying value of Construction-In-Progress were made during the year under review and have been accounted for as prior year adjustments (please refer to Note 17). In addition, reclassification of leasehold land was made to Lease Prepayment (please refer to Note 7).

6. Intangible Assets

	Licences US$ '000	Computer software US$ '000	Development costs US$ '000	Total US$ '000
Cost				
At 1 January 2009	28,743	69	1,657	30,469
Additions	773	1	755	1,529
Disposals / write-off	(3,479)	-	-	(3,479)
At 31 December 2009 (restated)	26,037	70	2,412	28,519
Additions	32	4	478	514
Disposals / write-off	-	-	(5)	(5)
Transfer to assets held for sale	(12,407)	-	(1,387)	(13,794)
Translation differences	4	-	13	17
At 31 December 2010	13,666	74	1,511	15,251
Accumulated amortisation				
At 1 January 2009	614	28	-	642
Amortisation charge for the year	262	20	245	527
Impairment losses	6,153	-	689	6,842
At 31 December 2009 (restated)	7,029	48	934	8,011
Amortisation charge for the period	216	20	171	407
Impairment losses	2,730	-	-	2,730
Transfer to assets held for sale	(9,482)	-	(689)	(10,171)
Translation differences	2	-	6	8
At 31 December 2010	495	68	422	985
Net Book Value				
At 31 December 2009	19,008	22	1,478	20,508
At 31 December 2010	13,171	6	1,089	14,266

The write-off relates to licences for products which were not utilised and is therefore, obsolete.

The transfer to asset held for sale pertain to Sci-B-Vac™ licences and development costs which sale will be made simultaneously with the net assets of the Company's subsidiary in Israel (please refer to Note 9).

Notes to the Consolidated Financial Information
For the Twelve Months Ended 31 December 2010

An impairment loss of US$2.7 million is accounted for the Sci-B-Vac™ licences and is based on the recoverable amount on the value to sell the intangible assets (please refer to Note 9).

7. Lease prepayment

During the year, leasehold land of US$455,000 was reclassified to lease prepayment from property, plant and equipment.

8. Investment Property

During the year, the Group disposed investment property with carrying amount of US$204,000 for proceed of US$615,000 (2009 : NIL).

9. Assets Held for Sale

The net assets of the Company's subsidiary in Israel, SciGen (I.L.) Ltd. and the Sci-B-Vac™ licences and development costs in SciGen Ltd (collectively known as the "Assets") are presented as assets held for sale following the decision aimed at focusing on recombinant human insulin as its core product and investing in the development of insulin-related products, which is the global strategy of the ultimate holding company.

An impairment loss of US$6.1 million and US$2.7 million is accounted for the property, plant and equipment of SciGen (I.L.) Ltd and Sci-B-Vac™ licences respectively, which is based on conservative estimate of the transaction price. The impairment loss has been recognised in the statement of comprehensive income for the year ended 31 December 2010.

The lease prepayment held in the Company's subsidiary in the People's Republic of China, Hefei-SciGen-Bioton Biopharmaceutical Company Ltd, at carrying value of US$1.1 million in the preceding year was sold in third quarter of 2010.

The major classes of assets and liabilities comprising the sale are as follows :

	2010 US$ '000	2009 US$ '000
Lease prepayment	-	1,051
SciGen (I.L.) Ltd and Sci-B-Vac™ licences :		
Property, plant and equipment	4,523	-
Licences and patents	3,622	-
Inventories	2,150	-
Trade and other receivables	156	-
Cash and bank	349	-
Total assets classified as held for sale	10,800	1,051
Trade and other payables, and total liabilities associated with assets classified as held for sale	(800)	-
Net assets held for sale	10,000	1,051

Notes to the Consolidated Financial Information
For the Twelve Months Ended 31 December 2010

10. Contributed Equity

	2010 US$ '000	2009 US$ '000
At 1 January and 31 December	42,530	42,530

11. Reserves

	2010 US$ '000	2009 restated US$ '000
1. Share option reserve		
At 1 January	-	1,600
Share-based payment	-	-
	-	1,600
Cancellation of share option scheme	-	(1,600)
	-	-

The share option scheme for a director was cancelled in June 2009.

	2010 US$ '000	2009 restated US$ '000
2. Foreign currency translation reserve		
At 1 January	(1,051)	(3,300)
Foreign currency translation reserves movement during the year	2,364	2,249
At 31 December	1,313	(1,051)
Total Reserves		
At 1 January	(1,051)	(1,700)
At 31 December	1,313	(1,051)

12. Accumulated Losses

	12 Months Ended 31 December 2010 US$ '000	12 Months Ended 31 December 2009 restated US$ '000
At 1 January	(76,859)	(38,224)
Net loss for the year	(9,753)	(40,235)
	(86,612)	(78,459)
Cancellation of share option scheme	-	1,600
At 31 December	(86,612)	(76,859)

Notes to the Consolidated Financial Information
For the Twelve Months Ended 31 December 2010

13. Loss Per Share

	12 Months Ended 31 December 2010 US$ '000	12 Months Ended 31 December 2009 restated US$ '000
Basic and diluted loss per share is based on:		
(i) Net loss attributable to ordinary shareholders	(9,753)	(40,235)
	Number of shares	
	('000)	**('000)**
(ii) Weighted average number of ordinary shares at end of the financial year	552,270	552,270

14. Net Tangible Liabilities Per Share

	2010 (US¢ per share)	2009 restated (US¢ per share)
Net tangible liabilities per share	(9.620)	(9.355)

Notes to the Consolidated Financial Information For the Twelve Months Ended 31 December 2010

15. Segment Information

Segment information is presented in respect of the Group's geographical 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 investments (other than the investment property) and related revenue, loans and expenses, corporate assets and head office expenses.

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.

India
Includes sales and marketing and manufacturing activities.

Korea
Includes sales and marketing activities.

Thailand
Includes sales and marketing activities.

Israel
Includes sales and marketing and manufacturing activities.

Vietnam
Includes sales and marketing activities.

Philippines
Includes sales and marketing activities.

China
Includes sales and marketing and manufacturing activities.

Others
Comprises operations carried on in Indonesia and Pakistan. None of these segments meets any of the quantitative thresholds for determining reportable segments in 2010 or 2009.

Major customers
Revenue from two customers, namely from Vietnam and Thailand, represent approximately US$3,895,000 (2009 : US$4,226,000 from India and Thailand) of the Company's total revenue.

Notes to the Consolidated Financial Information
For the Twelve Months Ended 31 December 2010

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

	Singapore	Australia	India	Korea	Thailand	Israel	Vietnam	Philippines	China	Others	Eliminations	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
For year ended 31 Dec, 2010												
Revenue												
Sales to external customers	2	4,868	-	1,668	2,213	164	1,682	1,351	-	421	-	12,369
Inter-segment sales	2,553	-	-	-	-	-	-	-	-	-	(2,553)	-
Total sales revenue	2,555	4,868	-	1,668	2,213	164	1,682	1,351	-	421	(2,553)	12,369
Results												
Segment results	(24)	1,348	(801)	93	298	(10,636)	268	240	(907)	231	-	(9,890)
Unallocated revenue less unallocated expenses												(7,772)
Loss from operating activities before income tax												(17,662)
Income tax expense												7,464
Loss for the period												(10,198)

	Singapore	Australia	India	Korea	Thailand	Israel	Vietnam	Philippines	China	Others	Eliminations	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
As at 31 Dec, 2010												
Segment Assets												
Total non-current assets	-	374	13,223	20	-	-	-	3	9,777	-	-	23,397
Deferred tax assets	-	174	-	-	-	-	-	-	-	-	-	174
Total current assets	2	1,629	3,978	1,250	184	7,227	4	494	838	119	-	15,725
Segment assets	2	2,178	17,201	1,270	184	7,227	4	497	10,614	119	-	39,296
Unallocated assets												26,205
Total assets												65,501
Segment liabilities												
Segment liabilities	-	(122)	(3,642)	(102)	(55)	(800)	-	(100)	(2,409)	-	-	(7,230)
Unallocated liabilities												(97,132)
Total liabilities												(104,362)

Notes to the Consolidated Financial Information
For the Twelve Months Ended 31 December 2010

For year ended 31 Dec, 2009	Singapore US$'000	Australia US$'000	India US$'000	Korea US$'000	Thailand US$'000	Israel US$'000	Vietnam US$'000	Philippines US$'000	China US$'000	Others US$'000	Eliminations US$'000	Total US$'000
Revenue												
Sales to external customers	10	3,937	2,553	879	1,673	-	1,074	1,017	-	108	-	11,251
Inter-segment sales	2,198	-	-	-	-	-	-	-	-	-	(2,198)	-
Total sales revenue	2,208	3,937	2,553	879	1,673	-	1,074	1,017	-	108	(2,198)	11,251
Results												
Segment results	(9)	1,630	(6,969)	(201)	219	(15,038)	202	130	(3,611)	(44)	-	(23,691)
Unallocated revenue less unallocated expenses												(18,358)
Loss from operating activities before income tax												(42,049)
Income tax expense												89
Loss for the period												(41,960)

As at 31 Dec, 2009	Singapore US$'000	Australia US$'000	India US$'000	Korea US$'000	Thailand US$'000	Israel US$'000	Vietnam US$'000	Philippines US$'000	China US$'000	Others US$'000	Eliminations US$'000	Total US$'000
Segment Assets												
Total non-current assets	-	96	12,550	21	-	11,115	-	3	8,218	-	-	32,003
Deferred tax assets	-	-	-	-	-	12	-	-	-	-	-	12
Total current assets	-	2,070	3,511	464	174	2,648	462	429	2,057	76	-	11,891
Segment assets	-	2,166	16,061	485	174	13,775	462	432	10,275	76	-	43,906
Unallocated assets												21,963
Total assets												65,869
Segment liabilities												
Segment liabilities	-	(124)	(3,277)	(80)	(23)	(793)	(362)	(50)	(1,512)	-	-	(6,221)
Unallocated liabilities												(90,807)
Total liabilities												(97,028)

Notes to the Consolidated Financial Information
For the Twelve Months Ended 31 December 2010

16. Other Significant Information

Significant events that occurred during the financial year were as follows:-

a. Major investment in SciGen Ltd's subsidiary in India

On 15th March 2010, SciGen Ltd (the "Company") announced that it had signed an investment agreement with Anglo Gulf Ltd (the "Anglo Gulf") for the issue and allotment of new shares in SciGen BioPharma Pvt Ltd (the "Subsidiary"), which is 100% owned by the Company and operating in India. This transaction involves a cash injection of US$8 million by Anglo Gulf for 49.99% interest in the equity of the Subsidiary. Following the issue of new shares in the Subsidiary to Anglo Gulf, the Company will continue to retain control of the Subsidiary.

The funds injected by Anglo Gulf will expedite the completion of the manufacturing facility of the Subsidiary. The facility, when completed, will be manufacturing recombinant human insulin and potentially other biotechnological products.

Anglo Gulf is a part of the Indian MJ Group which has 30 years presence in the pharmaceutical industry and extensive experience in the development, sales and marketing of biotechnology derived and other pharmaceutical products.

b. Change of shareholding of Bioton S.A.

On 7th May 2010, SciGen Ltd announced that Bioton S.A. ("Bioton"), which holds over 90% of the shares in SciGen Ltd has increased its shareholding from 90.54% to 95.02%.

The additional shares were acquired at AUD7,428,068 and payment was made in the form of ordinary shares of Bioton, where Bioton delivered 89,474,460 newly issued ordinary shares ("New Shares") in Bioton at the issue price of PLN0.22 per one New Share with an implied swap ratio of 3.6136 New Shares per one share in SciGen. The shares are purchased from HBS S.A., acting as representative for certain minority shareholders of SciGen Ltd.

c. Agreement with Bayer HealthCare in Peoples' Republic of China ("China")

In the preceding year, on 10th July 2009, SciGen Ltd (the "Company") announced that together with its holding company, Bioton S.A. ("Bioton"), an exclusive supply and distribution agreement (the "Distribution Agreement") has been signed with Bayer HealthCare ("Bayer"). The Distribution Agreement is to realise the group's strategic goal of expansion of the insulin franchise through alliances with blue-chip pharma companies on most important global markets. Collaboration with Bayer facilitates the availability of SciLin™ to diabetes patients throughout China.

Following the execution of the agreement, the Company entered into a profit sharing agreement with Bioton, whereby the Company will receive a share of the revenues from the Distribution Agreement. The profit share is specified as price per vial/cartridge of the product sold and paid by Bayer in China for a period of 15 years starting from the date of the first commercial sales of the product under the Distribution Agreement.

Notes to the Consolidated Financial Information
For the Twelve Months Ended 31 December 2010

17. Retrospective Restatement of Errors

Certain restatements have been made to the prior year's financial statements to enhance comparability with the current year's financial statements following the correction of errors to comply with the FRS.

As a result, certain line items have been amended in the Consolidated Statement of Financial Position, Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cashflow and the related notes to the financial statements. Comparative figures have been adjusted to conform to the current year's presentation.

The items in Consolidated Statement of Financial Position were restated as follows :

	Note	Previously reported US$'000	After restatement US$'000
Property, plant and equipment	a	37,355	31,535
Lease prepayments	b	362	817
Trade and other receivables	c	4,165	4,176
Accumulated losses	d	71,388	76,859
Trade and other payables	e	(19,691)	(19,807)

Notes :

(a) Correction of Construction-In-Progress capitalised in prior years (US$-4,103,000), reversal of revaluation surplus of land (US$-1,215,000), correction of depreciation rates used by a subsidiary (US$-581,000), reclassification of leasehold prepayment (US$-455,000), difference in land premium (US$-13,000), reversal of impairment loss overstated (US$547,000)
(b) Reclassification of leasehold prepayment (US$455,000)
(c) Correction of prepayment balances (US$12,000)
(d) Correction of Construction-In-Progress capitalised in prior years (US$4,105,000), reversal of revaluation reserves (US$1,215,000), correction of depreciation rates used by a subsidiary (US$581,000), difference in land premium (US$13,000), accruals for land transfer fees (US$110,000), correction of gratuity provision (US$6,000), reversal of impairment loss overstated (US$-547,000), correction of prepayment (US$-12,000)
(e) Correction of accruals and gratuity balances (US$-116,000)

The restatements have resulted in an increase in net loss of 2009 by US$1,598,000, and was restated in the Consolidated Statement of Comprehensive Income for the year ended 31 December 2009.

The items in Consolidated Statement of Comprehensive Income were restated as follows :

	Note	Previously reported US$'000	After restatement US$'000
Other operating income	f	251	263
Staff cost	g	(7,186)	(7,192)
Depreciation of property, plant and equipment	h	(710)	(902)
Amortisation of intangible assets	i	(282)	(527)
Impairment loss on property, plant and equipment	j	(18,376)	(17,829)
Other expenses	k	(7,219)	(8,933)
Basic loss per share		(6.996)	(7.285)

Notes to the Consolidated Financial Information
For the Twelve Months Ended 31 December 2010

Notes :

(f) Correction of prepayment balances (US$12,000)
(g) Understatement of gratuity balances (US$-6,000)
(h) Understatement of depreciation expense in prior year due to error in use of depreciation rates by a subsidiary (US$-192,000)
(i) Understatement of amortisation expense in prior year for development costs (US$-245,000)
(j) Reversal of impairment loss overstated (US$547,000).
(k) Error in capitalisation of Construction-In-Progress in prior years (US$-1,836,000), difference in land premium (US$-13,000), under-accruals for land transfer fees (US$-110,000), under-capitalisation of development costs (US$245,000)

The restatements have resulted in a decrease in total equity attributable to equity holders by US$5,471,000 in 2009, and was restated in the Consolidated Statement of Changes in Equity.

The item in Consolidated Statement of Changes in Equity was restated as follows :

	Note	Previously reported US$'000	After restatement US$'000
Total equity attributable to equity holders	l	(29,909)	(35,380)

Notes :

(l) Correction of Construction-In-Progress capitalised in prior years (US$-4,105,000), reversal of revaluation reserves (US$-1,215,000) correction of depreciation rates used by a subsidiary (US$-581,000), difference in land premium (US$-13,000), accruals for land transfer fees (US$-110,000), correction of gratuity provision (US$-6,000), reversal of impairment loss overstated (US$547,000), correction of prepayment (US$12,000)

18. 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.