Preliminary Final Report of SciGen Limited for the Twelve Months Ended 31 December 2012

(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 2012
Previous Corresponding Period:	Twelve months ended 31 December 2011

Results For Announcement To The Market
For the Twelve Months Ended 31 December 2012

Revenue and Net Loss

The table below allows a comparison of the business performance for the 12 months ended 31 December 2012 with the 12 months ended 31 December 2011.

	Current financial year 12 Months ended 31 December 2012 US$000	Previous financial year 12 Months ended 31 December 2011 US$000
Revenue from ordinary activities (continuing operations)	18,150	15,763
Loss from ordinary activities after related income tax	(414)	(4,664)
Profit/(loss) for the year (including discontinued operations) attributable to members	4,669	(17,020)

		Percentage Change		Amount US$ '000
Revenue from ordinary activities (continuing operations)	Up	15.1%	To	18,150
Loss from ordinary activities after related income tax	Down	91.1%	To	(414)
Profit for the year (including discontinued operations) attributable to members	Up	127.4%	To	4,669

Revenue

Revenue from continuing operations grew by 15.1% year-on-year, driven by better performance from most regions. Significant growth was attributable to our partner in Thailand as well as our subsidiaries in Australia and Korea, which recorded revenue increases of 19%, 12% and 21% respectively. In addition, profit sharing income from our ultimate holding company, Bioton S.A. increased by 4% to US$590,000 for the year.

The introduction of Gensupen (insulin injection syringes patented by Bioton Group) and Insupen tips (syringe tips), followed by various marketing initiatives have propelled the revenue of medical devices to reach US$551,000 from a meagre US$14,000 the year before.

Consolidated Statement of Comprehensive Income
Twelve Months Ended 31 December 2012

Net Loss

Transactions for sale of 100% interest in SciGen (I.L.) Ltd ("SIL") and 51% interest in Hefei-SciGen-Bioton-Biopharmaceutical Company Ltd ("HSBBC") were completed in February 2012 and March 2012 respectively. Increase in profit or loss for the period as a result of sale of the Company's interest in SIL and HSBBC amounted to US$4,705,000 and US$768,000 respectively. This comprises of the following:

(a) Reversal to profit or loss of translation reserve of disposed entities amounting to US$4,557,000 and US$725,000 were in respect of SIL and HSBBC respectively, driven by currency fluctuation and foreign exchange rates at the specific dates when the transaction was closed; and

(b) Other gain on sale of the subsidiaries amounting to US$148,000 and US$43,000 in respect of SIL and HSBBC, respectively.

The incremental profit from ordinary activities after tax of US$4,250,000 year-on-year was primarily driven by :

- Higher revenue, surpassing preceding year by US$2,387,000 which consequentially resulted in escalation of income by US$966,000 for commercial business units

- Nil impairment for the current year compared to impairment loss of US$2,173,000 in preceding year

- Gain on disposal of HSBBC amounting to US$768,000 during the year

Net profit for the year attributable to members was US$4,669,000 and mainly pertains to credit to profit and loss of gain as a result of disposal of SIL and HSBBC.

The Company's activities are focused on registration, marketing and sales of biopharmaceutical products, particularly on recombinant Human Insulin (SciLin™) and Human Growth Hormone (SciTropin A™). Sales of SciLin™ and SciTropin A™ for the year remain robust, expanding at a rate of 16% and 6% respectively.

Consolidated Statement of Comprehensive Income
Twelve Months Ended 31 December 2012

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

The Group achieved the following registrations as at the end of the period in the table below:

Country	SciTropin™ (Sandoz)	Sci-Locyte™ (INTAS)	SciLin™ (Bioton)	Pedimed™ (Pierre Fabre)	Strataderm™/ Stratamed™ (Strat Pharma)	Zonegran™ (Eisai)	Gensupen™ (Bioton) Registered through SciGen
Australia	Registered	–	–	Registered	Registered	Registered	–
China	–	–	Registered	–	–	–	Registered
Hong Kong	Registered	–	Registered	–	–	–	–
India	Registered	–	Registered	–	–	–	–
Indonesia	–	–	Registered	–	–	–	–
Korea	Registered	–	–	–	–	–	–
Malaysia	Registered	–	–	–	–	–	–
Myanmar	–	–	Registered	–	–	–	–
Pakistan	–	–	Registered	–	–	–	–
Philippines	Registered	Registered	Registered	–	–	–	Registered
Singapore	Registered	–	–	–	–	–	–
Thailand	Registered	–	Registered	–	–	–	√
Vietnam	Registered	–	Registered	–	–	–	–

Dividend

No dividends were paid during the year ended 31 December 2012 and directors do not recommend that a payment be made for the year ended 31 December 2012.

Consolidated Statement of Comprehensive Income
Twelve Months Ended 31 December 2012

Continuing Operations	**Note**	**12 Months Ended 31 December 2012 US$ '000**	**12 Months Ended 31 December 2011 US$ '000**
Revenue		18,150	15,763
Other income (net)		122	41
Changes in inventories of finished goods		(257)	886
Purchases		(7,786)	(7,638)
Staff costs		(4,465)	(4,485)
Depreciation of property, plant and equipment		(135)	(691)
Amortisation of lease prepayment		(4)	(17)
Amortisation of intangible assets		(498)	(505)
Impairment loss on assets held for sale		-	(1,981)
Impairment loss on intangible assets		-	(192)
Write-off of intangible assets		(17)	(43)
Loss on disposal of property, plant and equipment		(3)	(1)
Waiver of loan and payables from ultimate holding company		-	1,571
Gain on sale of subsidiary	3	768	-
Other expenses		(4,913)	(5,868)
Finance income	4	49	37
Finance expense	4	(1,225)	(1,269)
Loss before income tax		(214)	(4,392)
Income tax expense		(200)	(272)
Loss from Continuing Operations		(414)	(4,664)
Discontinued Operations			
Profit/(Loss) from Discontinued Operations (net of income tax)	5	4,557	(13,063)
Profit/(Loss) for the year		4,143	(17,727)
Other comprehensive income			
Exchange differences on translating foreign operations, representing other comprehensive income for the year, net of tax		(190)	(211)
Exchange differences reclassified to profit or loss, for the year on disposal of subsidiaries		(5,282)	-
Total comprehensive losses for the year		(1,329)	(17,938)
Profit/(Loss) for the year attributable to:			
Equity holders of the Company		4,669	(17,020)
Non-controlling interest		(526)	(707)
Profit/(Loss) for the year		4,143	(17,727)
Total comprehensive loss attributable to:			
Equity holders of the Company		(529)	(17,372)
Non-controlling interest		(800)	(566)
Total comprehensive loss for the year		(1,329)	(17,938)

Consolidated Statement of Comprehensive Income
Twelve Months Ended 31 December 2012

	Note	12 Months Ended 31 December 2012 US$ '000	12 Months Ended 31 December 2011 US$ '000
Earnings/(Loss) per share			
From continuing and discontinued operations :			
Basic earnings/(loss) per share (cents)	13	0.845	(3.082)
From continuing operations :			
Basic earnings/(loss) per share (cents)	13	0.020	(0.716)

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 2012, and any public announcements made by SciGen Ltd in accordance with the continuous disclosure requirements.

Consolidated Statement of Financial Position
As At 31 December 2012

ASSETS	Note	31 December 2012 US$ '000	31 December 2011 US$ '000 (Restated)	31 December 2010 US$ '000 (Restated)
Current Assets				
Cash and cash equivalents		1,799	1,997	3,926
Trade and other receivables		9,914	5,665	4,330
Inventories		1,829	1,958	1,079
		13,542	9,620	9,335
Assets classified as held-for-sale		-	11,312	10,800
Total current assets		13,542	20,932	20,135
Non-Current Assets				
Property, plant and equipment	6	15,400	12,880	22,792
Intangible assets	7	13,116	13,605	14,266
Lease prepayments	8	377	384	826
Long-term prepayments	9	3,000	3,000	3,000
Deferred tax assets		7,140	7,319	7,540
Total non-current assets		39,033	37,188	48,424
Total assets		52,575	58,120	68,559
LIABILITIES AND EQUITY				
Current Liabilities				
Trade and other payables		21,745	23,077	21,461
Loan from outside party	10	-	6,137	-
		21,745	29,214	21,461
Liabilities directly associated with assets classified as held-for-sale		-	2,512	800
Total current liabilities		21,745	31,726	22,261
Non-Current Liabilities				
Other payables		9,465	8,358	7,370
Bank loans		-	-	11
Loans from ultimate holding company	11	74,527	74,527	73,727
Loan from outside party	10	-	-	3,743
Total non-current liabilities		83,992	82,885	84,851
Equity attributable to Equity Holders of Company				
Share capital		42,530	42,530	42,530
Capital reserves	12	551	-	-
Translation reserves		(4,237)	961	1,313
Accumulated losses		(98,655)	(103,324)	(86,304)
Capital deficiency		(59,811)	(59,833)	(42,461)
Non-controlling interests		6,649	3,342	3,908
Net capital deficiency		(53,162)	(56,491)	(38,553)
Total liabilities and equity		52,575	58,120	68,559

Consolidated Statement of Financial Position
As At 31 December 2012

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 2012, 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 2012

	Share capital	Capital reserves	Translation reserve	Accumulated losses	Total attributable to equity holders	Non-controlling interests	Total equity
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Balance at 1 January 2011 (restated)	42,530	-	1,313	(86,304)	(42,461)	3,908	(38,553)
Total comprehensive income / (loss) for the year	-	-	(352)	(17,020)	(17,372)	(566)	(17,938)
Balance at 31 December 2011 (restated)	42,530	-	961	(103,324)	(59,833)	3,342	(56,491)
Balance at 1 January 2012 (restated)	42,530	-	961	(103,324)	(59,833)	3,342	(56,491)
Total comprehensive loss for the year	-	-	(5,198)	4,669	(529)	(800)	(1,329)
Disposal of subsidiary	-	-	-	-	-	(3,342)	(3,342)
Transactions arising from disposal of interest in a subsidiary (Note 12)	-	551	-	-	551	7,449	8,000
Balance at 31 December 2012	42,530	551	(4,237)	(98,655)	(59,811)	6,649	(53,162)

Consolidated Statement of Cash Flows
Twelve Months Ended 31 December 2012

	12 Months to 31 December 2012 US$ '000	12 Months to 31 December 2011 US$ '000
Operating Activities		
Profit/(Loss) before income taxes	**4,343**	**(17,455)**
Adjustments for:		
Depreciation of property, plant and equipment	135	691
Amortization of intangible assets	498	505
Amortization of leasehold prepayment	4	17
Impairment loss on property, plant and equipment	-	6,213
Impairment loss on intangible assets	-	2,065
Write-down of inventories	12	950
Write-off of intangible assets	17	43
Gain on sale of subsidiary	(768)	-
Gain on sale of discontinued operation	(4,705)	-
Loss on disposal of property, plant and equipment	3	1
Allowance for doubtful debts	1	1
Waiver of loan and payables from ultimate holding company	-	(1,571)
Interest income	(49)	(37)
Interest expense	1,196	1,195
Net foreign exchange losses	29	2,439
	(3,627)	12,512
Operating cash flow before working capital changes	716	(4,943)
(Increase)/Decrease in working capital		
Inventories	129	207
Trade and other receivables	712	(2,253)
Trade and other payables **(Note A)**	(1,006)	222
Cash from/(used in) from operations	551	(6,767)
Income taxes paid	(5)	(50)
Net cash inflow/(outflow) from operating activities	546	(6,817)
Investing Activities		
Interest received	49	37
Proceeds from disposal of property, plant & equipment	8	3
Proceeds from disposal of asset-held-for-sale	150	350
Purchase of property, plant & equipment	(2,749)	(2,265)
Purchase of intangible assets	(22)	(73)
Net cash outflow from investing activities	(2,564)	(1,948)
Financing Activities		
Interest paid	(91)	(207)
Repayment of bank loans	(2)	(9)
Loans from ultimate holding company	-	1,501
Loans from outside parties **(Note B)**	1,950	5,393
Net cash inflow from financing activities	1,857	6,678
Net decrease in cash and cash equivalents	(161)	(2,087)
Cash and cash equivalents at beginning of the year	1,997	3,926
Effect of exchange rate fluctuation on cash and cash equivalents	(37)	158
Cash and cash equivalents at end of the year	**1,799**	**1,997**

Consolidated Statement of Cash Flows
Twelve Months Ended 31 December 2012

Note A :

Partial proceeds from disposal of asset held for sale amounting to US$350,000 was paid to Bioton S.A. by the purchaser. Subsequently, the Company's trade debts owing to Bioton S.A. was reduced by the same amount.

Note B :

In addition to the information disclosed in Note 10 to the consolidated financial statements, a loan was raised during the period amounting to US$1,950,000. In second quarter 2012, the loan obtained during the period amounting to US$1,950,000 plus the loan payable as at 31 December 2011 was converted to equity of a subsidiary.

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 2012, 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 2012

Notes to the Consolidated Financial Information
For the Twelve Months Ended 31 December 2012

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 2012, the Group incurred a profit (including discontinued operations) of US$4,143,000 (2011 : loss of US$17,727,000) and had positive operating cash flow of US$546,000 (2011 : negative operating cash flow of US$6,817,000) . At the year end the Group had net current liabilities of US$8,203,000 (2011 : US$10,794,000).

No additional loans were provided by Bioton during the year (2011 : US$1,501,000). As at 31 December 2012, the Group has a loan from Bioton of US$74,527,000 (2011 : US$74,527,000). The Group has projected to be in a net current liabilities position for at least the next twelve months from the reporting date.

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 2011, 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 2012. 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.

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 110 Consolidated Financial Statements
- FRS 112 Disclosure of Interest in Other Entities
- FRS 113 Fair Value Measurement
- Amendments to FRS 19 Employee Benefits
- Amendments to FRS 32 Financial Instruments - Presentation : Offsetting Financial Assets and Liabilities
- Amendments to FRS 107 Financial Instruments - Disclosures : Offsetting Financial Assets and Liabilities

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

Notes to the Consolidated Financial Information
For the Twelve Months Ended 31 December 2012

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.

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. Other Gain on Sale of Subsidiary

On 13 March 2012, the Company closed the transaction of sale of 51% of Company's interest in HSBBC for a consideration of US$3.46 million. The sale of investment will allow the Group to focus on sales of recombinant human insulin under the trademark SciLin™ through the long-term distribution arrangement established in China with Bayer HealthCare. The Group has the assurance that increased production capacity of human insulin in Bioton's facility is able to meet the growing demand of China market. The sale of HSBBC will consequentially decrease operating cost of the Group.

Included in trade and other receivables are outstanding balance for the sale of HSBBC amounting to US$3.46 million (2011: US$NIL).

The sale transaction generated other gain amounting to US$768,000. This comprises of reversal to profit or loss of related translation reserve resulting from foreign exchange changes at the date of the transaction amounting to US$725,000 and profit on disposal of HSBBC amounting to US$43,000.

Notes to the Consolidated Financial Information
For the Twelve Months Ended 31 December 2012

4. Additional disclosure for Statement of Comprehensive Income

	12 Months Ended 31 December 2012 US$ '000	12 Months Ended 31 December 2011 US$ '000
The following items have been (charged)/credited in arriving at profit/(loss) for the year :		
Interest income received from :		
- Banks	49	37
Finance income	49	37
Interest expense paid/payable to :		
- Banks	(89)	(201)
- Ultimate holding company	(1,107)	(988)
	(1,196)	(1,189)
Exchange loss	(29)	(80)
Finance expenses	(1,225)	(1,269)

5. Discontinued Operations

On 14 February 2012, the Company closed the transaction for sale for 100% of Company's interest in SciGen (I.L.) Ltd ("SIL") and assignment of licensing rights for the manufacture of Hepatitis B vaccine (Sci-B-VacTM) to FDS Pharma LLP for a total consideration of US$2 million and royalty income of 5% on future global sales. The proceed on the disposal of net assets of SIL is US$250,000 and the Group's Sci-B-VacTM license amount is US$1,750,000. The sale of investment will allow the Group to focus on sales of recombinant human insulin and human growth hormones.

During the year ended 31 December 2012, the segment incurred net cash outflow from operating activities of US$66,000 (2011 : outflow of US$2,712,000), net cash outflow from investing activities was nil (2011 : outflow of US$10,000) and net cash outflow from financing activities of US$2,000 (2011 : inflow of 2,694,000).

Loss attributable from discontinued operations for the year ended 31 December 2012 were as follows :

	12 Months Ended 31 December 2012 US$ '000	12 Months Ended 31 December 2011 US$ '000
Revenue	217	912
Other income	8	380
Expenses	(271)	(3,740)
Other operating expenses (2011 : including impairment loss)	(145)	(8,252)
Finance income	45	1
Finance expenses	(2)	(2,364)
Loss from operating activities	(148)	(13,063)
Income tax	-	-
Loss from operating activities, net of income tax	(148)	(13,063)
Other gain on disposal of a subsidiary relating to discontinued operations (1)	4,705	-
Profit/(Loss) for the year	4,557	(13,063)

Notes to the Consolidated Financial Information
For the Twelve Months Ended 31 December 2012

(1) The disposal of SIL generated other gain amounting to US$4,705,000, this comprises of reversal to profit on loss of the related translation reserve resulting from foreign exchange changes at the date of the transaction amounting to US$4,557,000 and profit on disposal of SIL amounting to US$148,000

The net assets of SIL at the date of disposal were as follows :

	14 February 2012
	US$'000
Net assets disposed of	102
Group's share of translation reserve reversed on disposal	(4,557)
	(4,455)
Profit on disposal	4,705
Total consideration	250

The Sci-B-Vac™ licence of the Group at the date of disposal were as follows :

	14 February 2012
	US$'000
Licence disposed of	1,750
Profit on disposal	-
Total consideration	1,750

Total consideration :	
Satisfied by cash in current year, and net cash inflow arising on disposal	150
Satisfied by reduction of trade debts to Bioton S.A.	350
To be satisfied by cash in subsequent financial year, as per the sales agreement	1,500
Total consideration	2,000

A profit of US$4,705,000 was generated on the disposal of SIL. No tax charge or credit arose on the transaction.

6. Property, Plant and Equipment

During the year, the Group acquired property, plant and equipment of approximately US$2,749,000 (2011 : US$2,265,000).

It also disposed certain of its property, plant and equipment with carrying amount of US$11,000 for proceed of US$8,000 (2011 : carrying amount of US$4,000 for proceed of US$3,000).

Notes to the Consolidated Financial Information
For the Twelve Months Ended 31 December 2012

7. Intangible Assets

	Licences US$ '000	Computer software US$ '000	Development costs US$ '000	Total US$ '000
Cost				
At 1 January 2011	13,666	74	1,511	15,251
Additions	-	-	73	73
Write-off	-	-	(43)	(43)
Transfer to assets held for sale	-	(6)	-	(6)
Translation differences	-	-	(33)	(33)
At 31 December 2011	13,666	68	1,508	15,242
Additions	-	7	15	22
Write-off	-	-	(17)	(17)
Translation differences	-	-	5	5
At 31 December 2012	13,666	75	1,511	15,252
Accumulated amortisation				
At 1 January 2011	496	68	421	985
Amortisation charge for the year	340	5	160	505
Transfer to assets held for sale	-	(5)	-	(5)
Translation differences	-	-	(40)	(40)
At 31 December 2011	836	68	541	1,445
Amortisation charge for the period	340	-	158	498
Translation differences	-	-	(1)	(1)
At 31 December 2012	1,176	68	698	1,942
Impairment losses				
At 1 January 2011	-	-	-	-
Impairment loss for the year	-	-	192	192
At 31 December 2011	-	-	192	192
Translation differences	-	-	2	2
At 31 December 2012	-	-	194	194
Carrying amount				
At 31 December 2011	12,830	-	775	13,605
At 31 December 2012	12,490	7	619	13,116

The write-off relates to development costs for product which will not be sold and is therefore, obsolete.

8. Lease Prepayments

Lease prepayments as at 31 December 2012 pertain to leasehold land held by a subsidiary situated in India.

Notes to the Consolidated Financial Information
For the Twelve Months Ended 31 December 2012

9. Long-term Prepayments

In the preceding year, the Company paid a third party contractor to acquire the rights to enhanced design plans relating to construction of large scale production facilities for a sum of US$3,000,000. The sum was paid in advance for the work.

10. Loan from Outside Party

On 15 March 2010, the Company announced that an outside party ("outside party") had entered into an investment agreement ("Investment Agreement") with the Company and SciGen BioPharma (a wholly owned subsidiary in India) to acquire 49.99% interest in SciGen BioPharma upon the satisfaction of payment of a total consideration of US$8,000,000 by the outside party. The consideration was denominated in United States dollar with the functional currency of the SciGen BioPharma being in India Rupee (INR).

As of 31 December 2011, receipts from the outside party amounted to US$6,136,000 comprising of US$3,136,000 convertible debenture and US$3,000,000 loan payable. The convertible debenture shall be convertible into shares of the SciGen BioPharma subject to the completion of conditions as stated in the Investment Agreement by March 31, 2012. The convertible debenture and loan shall mature on March 31, 2012 at principal amount plus interest of 6% per annum. Conversion option can be exercised by the outside party on 31 March 2012 or upon the complete settlement of total consideration of US$8,000,000, whichever is earlier.

During the 2nd quarter of 2012, with the full satisfaction of the consideration and conditions as set out under the Investment Agreement, the outside party exercised the option to convert the debenture into equity of SciGen BioPharma. Accordingly, the convertible debenture and loan were extinguished by way of issuance of new shares by SciGen BioPharma and transfer of part of existing shares held by the Company which, in aggregate represents 49.99% of interest in equity of SciGen BioPharma. The Company retains 50.01% shareholdings in SciGen BioPharma and retains control of the subsidiary based on the terms stated in the shareholders' agreement.

11. Loan from Ultimate Holding Company

The loans from ultimate holding company bear interest of LIBOR 3 months + 1% (2011 : LIBOR 3 months + 1%) per annum. The loans and interest payable are due for repayment on 31 December 2015. The effective interest rate for the loan is 1.48% (2011 : 1.31%) per annum.

12. Capital Reserves

The capital reserve represents effects of changes in ownership interest in SciGen BioPharma when there is no loss of control (refer to Note 10). The difference between the amount by which the change in non-controlling interest and the fair value of the consideration received is recognised directly in equity and attributed to owners of the company.

	2012 US$ '000	2011 US$ '000
Proceeds on changes in ownership interest in subsidiary (Note 10)	8,000	-
Non-controlling interest	(7,449)	-
Positive movement recognised in capital reserves	551	-

Notes to the Consolidated Financial Information
For the Twelve Months Ended 31 December 2012

13. Earnings/(Loss) Per Share

From continuing and discontinued operations

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

		12 Months Ended 31 December 2012 US$ '000	12 Months Ended 31 December 2011 US$ '000
(i)	Profit/(Loss) for the purposes of basic earnings/(loss) per share	4,669	(17,020)
		Number of shares	
		('000)	**('000)**
(ii)	Weighted average number of ordinary shares for the purposes of basic earnings/(loss) per share	552,270	552,270

From continuing operations

The calculation of the basic loss per share from continuing operations attributable to the ordinary owners of the Company is based on the following data :

	12 Months Ended 31 December 2012 US$ '000	12 Months Ended 31 December 2011 US$ '000
Profit/(Loss) for the year attributable to owners of the Company	4,669	(17,020)
Less :		
Profit/(Loss) for the year from discontinued operations	4,557	(13,063)
Profit/(Loss) for the purposes of basic earnings/(loss) per share from continued operations	112	(3,957)

14. Net Tangible Liabilities Per Share

	2012 (US¢ per share)	2011 (US¢ per share)
Net tangible liabilities per share	(13.294)	(14.018)

Notes to the Consolidated Financial Information
For the Twelve Months Ended 31 December 2012

15. 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.

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.
The segment is classified as discontinued operations for years ended 31 December 2011 and 2012.

Philippines
Includes sales and marketing activities.

China
Includes regulatory activities (2011 : includes sales, marketing and manufacturing activities).

Others
Comprises operations carried on in Indonesia, Pakistan, Vietnam, Hong Kong and Malaysia. None of these segments meets any of the quantitative thresholds for determining reportable segments in 2012 or 2011.

Major customers
Revenue from two end-customers, from Thailand and Philippines, represent approximately US$5,639,000 (2011 : US$4,891,000 from Thailand and Philippines) of the Company's total revenue.

Notes to the Consolidated Financial Information
For the Twelve Months Ended 31 December 2012

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

	Singapore	Australia	India	Korea	Thailand	Philippines	China	Others	Unallocated	**Continuing Operations**	**Discontinued Operations**	**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, 2012												
Revenue												
Sales to external customers	26	8,124	-	3,045	4,046	1,593	-	1,316	-	**18,150**	**217**	**18,367**
Inter-segment sales	3,010	(2,064)	-	(946)	-	-	-	-	-	**-**	**-**	**-**
Total sales revenue	3,036	6,060	-	2,099	4,046	1,593	-	1,316	-	**18,150**	**217**	**18,367**
Results												
Segment results	(27)	1,609	(1,709)	574	472	454	(141)	795	(2,241)	**(214)**	**4,557**	**4,343**
Income tax expense												**(200)**
Profit for the year												**4,143**
Non-controlling interest												**526**
Profit attributable to equity holders												**4,669**

	Singapore	Australia	India	Korea	Thailand	Philippines	China	Israel	Others	Unallocated	**Total**
	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, 2012											
Segment Assets											
Total non-current assets	-	330	15,531	3	-	3	5	-	-	16,021	**31,893**
Deferred tax assets	-	-	-	-	-	-	-	-	-	7,140	**7,140**
Total current assets	4	3,137	1,346	1,262	733	613	27	-	343	6,077	**13,542**
Segment assets	4	3,467	16,877	1,265	733	616	32	-	343	29,238	**52,575**
Unallocated assets											
Total assets											
Segment liabilities											
Segment liabilities	-	(357)	(3,231)	(163)	-	80	-	-	16	(102,082)	**(105,737)**
Unallocated liabilities											
Total liabilities											

Notes to the Consolidated Financial Information
For the Twelve Months Ended 31 December 2012

	Singapore	Australia	India	Korea	Thailand	Philippines	China	Others	Unallocated	Continuing Operations	Discontinued Operations	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, 2011												
Revenue												
Sales to external customers	7	7,278	7	2,520	3,390	1,501	48	1,012	-	**15,763**	**912**	**16,675**
Inter-segment sales	3,378	(1,877)	-	(1,501)	-	-	-	-	-	**-**	**-**	**-**
Total sales revenue	3,385	5,401	-	1,019	3,390	1,501	48	1,012	-	**15,753**	**912**	**16,675**
Results												
Segment results	(35)	833	(1,808)	476	405	368	(1,768)	650	(3,513)	**(4,392)**	**(13,063)**	**(17,455)**
Income tax expense												**(272)**
Loss for the period												**(17,727)**
Non-controlling interest												**707**
Loss attributable to equity holders												**(17,020)**

	Singapore	Australia	India	Korea	Thailand	Philippines	China	Israel	Others	Unallocated	Total
	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, 2011											
Segment Assets											
Total non-current assets	-	404	12,963	30	-	2	7	-	-	16,463	**29,869**
Deferred tax assets	-	179	-	-	-	-	-	-	-	7,140	**7,319**
Total current assets	2	2,652	2,448	1,630	1,044	560	8,729	846	128	2,893	**20,932**
Segment assets	2	3,235	15,411	1,660	1,044	562	8,736	846	128	26,496	**58,120**
Unallocated assets											
Total assets											
Segment liabilities											
Segment liabilities	-	(426)	(5,031)	(140)	-	(157)	(1,916)	(596)	(2)	(106,343)	**(114,611)**
Unallocated liabilities											
Total liabilities											

16. Retrospective Restatement of Error

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 and Consolidated Statement of Changes in Equity 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 as at 31 December 2010 were restated as follows :

	Note	Previously reported US$'000	After restatement US$'000
Trade and other payables	a	21,711	21,461
Accumulated losses	a	(86,554)	(86,304)

Notes :

(a) Reversal of liability accrued in year 2006 (US$250,000) in relation to validation tests, where the creditor did not conform to the terms of contract.

The items in Consolidated Statement of Financial Position as at 31 December 2011 were restated as follows :

	Note	Previously reported US$'000	After restatement US$'000
Trade and other payables	b	23,327	23,077
Accumulated losses	b	(103,574)	(103,324)

Notes :

(b) Reversal of liability accrued in year 2006 (US$250,000) in relation to validation tests, where the creditor did not conform to the terms of contract.

The items in Consolidated Statement of Changes in Equity as at 31 December 2010 were restated as follows :

	Note	Previously reported US$'000	After restatement US$'000
Accumulated losses	c	(86,554)	(86,304)
Total attributable to equity holders	c	(42,711)	(42,461)
Total equity	c	(38,803)	(38,553)

Notes :

(c) Reversal of liability accrued in year 2006 (US$250,000) in relation to validation tests, where the creditor did not conform to the terms of contract.

Notes to the Consolidated Financial Information
For the Twelve Months Ended 31 December 2012

The items in Consolidated Statement of Changes in Equity as at 31 December 2011 were restated as follows :

	Note	Previously reported US$'000	After restatement US$'000
Accumulated losses	d	(103,574)	(103,324)
Total attributable to equity holders	d	(60,083)	(59,833)
Total equity	d	(56,741)	(56,491)

Notes :

(d) Reversal of liability accrued in year 2006 (US$250,000) in relation to validation tests, where the creditor did not conform to the terms of contract.

Accordingly, there is no impact on financial year 2011 loss for the year.

17. 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.