

Delivering Human Solutions



AUSTRALIA

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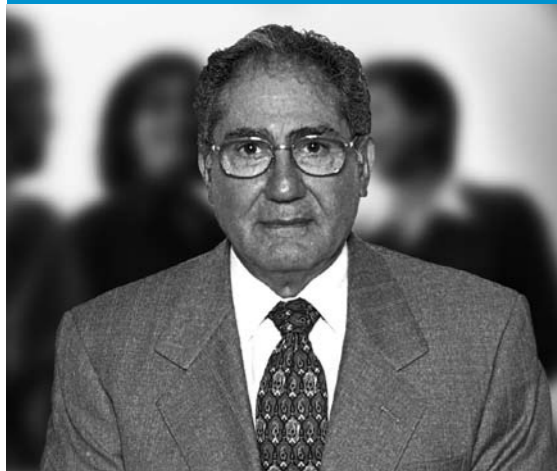
Singapore 189721



SciGen is a growing
BioPharmaceutical company
dedicated to delivering
high quality, low cost
health care products globally.

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CEO's Report



The year has been one of continuing advancement, coupled with some challenges, as the company continues to work toward achieving its vision of Delivering Human Solutions.

During the year, SciGen reached a number of financial and operational milestones.

- The company achieved health registration of its recombinant human insulin (SciLin™) in India.
- SciTropin™, SciGen's recombinant human growth hormone was registered for sale in India. Sales of insulin through SciGen's partner Shreya Life Sciences commenced in late December 2004.
- In December 2004, SciGen announced a joint development initiative with the highly reputable and publicly listed Intercell A.G. of Vienna, Austria, to explore the potential of SciGen's third generation hepatitis B vaccine – Sci-B-Vac™ – for the treatment of chronic hepatitis B infection. Pre-clinical studies are under way. The market potential for a therapeutic vaccine in the treatment of Hepatitis B could be as high as US\$3.2b
- SciGen announced a commercial partnership with accomplished European biotechnology company Berna Biotech, to market, sell and distribute Sci-B-Vac™ in Western Europe for the immunization against the Hepatitis B virus.
- SciLin™ achieved health registration in the Philippines, with the product due to be launched in November 2005.
- SciGen announced in April 2005 that it was establishing its own manufacturing facility for Sci-B-Vac™ in Israel. This would assist in a faster return to market of the product following Savient Pharmaceuticals' decision to cease manufacture of the product. Operating this new facility in conjunction with the new Shreya Biotechnology facility in India will ensure continuity of supply of Sci-B-Vac™ in the future.
- The Company entered into commercialisation agreements for the sale of SciLin™ in Sri Lanka.
- SciGen has secured the exclusive worldwide rights to manufacture, distribute and market a third generation Hepatitis B Vaccine Sci-B-Vac™.

SciGen announced a commercial partnership with accomplished European biotechnology company Berna Biotech, to market, sell and distribute Sci-B-Vac™ in Western Europe

These milestones are indicative of a growing business with the necessary sales and development activities with key partners in place. Although SciGen has not yet reached a position of positive cash flow and earnings as the company continues to invest in growth, our climbing revenues and ongoing registrations are clear hallmarks of success in the future.

Achievements are one thing, however we realise that there is still much to do in our bid to provide an appropriate return to investors as we Deliver Human Solutions to our clients.

Growth in pharmaceutical use, and generic pharmaceuticals in particular, continues to be significant in markets around the world. In 2004, whilst the growth of patented pharmaceuticals slowed to below 10%, that of generic pharmaceuticals and biotech products grew by approximately 20% as the biotechnology sector reaching US\$38b worldwide.

The market for SciGen's existing products is increasing as part of this global trend. Of immediate benefit to SciGen, governments and other parties funding healthcare are looking more to generic pharmaceuticals as a way of offering high quality pharmaceuticals at a lower price. SciGen is also well positioned with high quality, proven generic products such as human insulin (SciLin™).

For the marketing, distribution and sale of its products, SciGen focuses on the Asia Pacific region which encompasses many rapidly developing pharmaceutical markets, including those of India

and China. The whole of the Asia Pacific market recorded growth of 10.6% in 2004, with China and India achieving growth rates of 15% and 11%, respectively. This dynamic market, coupled with SciGen's ability to manufacture product at a competitive price through its strategic partnership with the Shreya Group and established sales and marketing network, make for a very positive outlook for SciGen.

SciGen's cornerstone strategic investment by Bioton SA and the complementary skills and expertise the relationship means a more solid platform for expansion of commercial activities. SciGen now has access to potential products to add to its portfolio, improved capacity for expanding global distribution, competitively priced manufacturing through the agreement with Shreya Biotech and, importantly, strategic support from a larger industry-based investor.

In keeping with our vision of Delivering Human Solutions and an acceptable return to shareholders, SciGen's medium to long term future, including entrée to the European markets, will be based on continued successful commercialisation of our existing product portfolio and strategic expansion of our networks and partnerships to secure new products.

Saul Mashaal
Executive Vice Chairman, Founder & CEO

Overview

SciGen has secured the worldwide rights to a third generation Hepatitis B vaccine with a proven record of safety and efficacy.

Hepatitis B is a virus that attacks the liver and is transmitted through the blood and infected body fluids. It is estimated that up to one in three people are infected worldwide. SciGen has built a manufacturing facility to ensure continuous supply of the Sci-B-Vac™ vaccine and as a result we have become a fully integrated BioPharmaceutical company.

In the next two years the patents of several biopharmaceutical products with a worldwide market value close to US\$15 billion dollars will expire. This poses an opportunity for SciGen's expansion into the world market with its existing product portfolio. The BioGeneric market is growing faster than the proprietary pharmaceutical market increasing the value of the generic company as a whole. SciGen is well positioned to take advantage of it.



SciGen's portfolio currently includes six biopharmaceutical products and SciTojet-2™, a drug delivery device.

SciGen acquires rights to manufacture, distribute and market biopharmaceutical products under exclusive licensing arrangements. SciGen's portfolio currently includes proprietary biotechnology-derived products, and biogeneric products, which can allow for faster entry into the market, as biogeneric products have undergone much of the clinical development and trials required to bring new drugs to market. This minimises the risks associated with early stage product development. SciGen currently undertakes R&D activities in collaboration with strategic partners and institutions.

SciGen's competitive advantage is in identifying research with commercial potential at an early stage to which it adds its expertise in gaining regulatory approval and bringing products to market.

SciGen's Business Operations

SciGen has a range of licence agreements across the Asia Pacific region and for Sci-B-Vac™ and SciFeron™ the world, and currently maintains sales and other representative offices in eight countries. SciGen's initial focus is on the nearby Asian markets which offer global growth rates in the biopharmaceutical product range due to the generally lower cost of generic products.

In addition to the sales offices noted above, SciGen has access to manufacturing facilities in Israel, Poland and The Netherlands, through its licensors and/or various contract manufacturing organisations. Additional manufacturing facilities will be available through a brand new plant currently being built in India by SciGen's partner Shreya Biotech, scheduled to be commissioned in the first half of financial year 2007.

SciGen is a Singaporean biotechnology company, established in 1988 and listed on the Australian Stock Exchange (ASX code SIE) in November 2002. SciGen is headquartered in Singapore, with offices also in Australia, USA, Korea, Vietnam, Hong Kong and Philippines and partners in India, China, Indonesia, Israel, Poland and the Netherlands.

Product Portfolio

Products in the market

Sci-B-Vac™- Recombinant hepatitis B vaccine



What is Sci-B-Vac™?

Sci-B-Vac™ is a third generation recombinant hepatitis B vaccine produced in Chinese hamster ovary (CHO) cells (mammalian cell).

Immunisation and conditions targeted by Sci-B-Vac™

Sci-B-Vac™ is a vaccination against hepatitis B. There is potential for Sci-B-Vac™ to be used together with anti-viral agents for the treatment of patients with chronic hepatitis B infection. If proven in clinical trials, this could be a major breakthrough.

Important features

- Sci-B-Vac™ contains purified recombinant pre-S1, pre-S2 and S protein antigens
- Elicits a high antibody response (possibly fewer than the standard three doses needed with existing older generation vaccines)
- Response is fast
- May be effective in immunocompromised patients
- Highly effective in "non-responder" group as shown in a small pilot study



SciTropin™- Recombinant human growth hormone



What is SciTropin™?

SciTropin™, synthesised in E.coli cells, is identical to naturally occurring human growth hormone.

Diseases and conditions targeted by human growth hormone

Human growth hormone is indicated for the treatment of:

- Short stature due to growth hormone deficiency
- Turner's syndrome
- Chronic renal insufficiency
- Cachexia in AIDS wasting
- Growth Hormone Deficiency in adults

Global market for SciTropin™

The estimated world market for human growth hormone was US\$1.6 billion dollars in 2000 with an estimated market of US\$400 million in the Asia-Pacific region.

SciLin™- Recombinant human insulin



What is SciLin™?

SciLin™ is a second-generation recombinant human insulin expressed in E. coli.

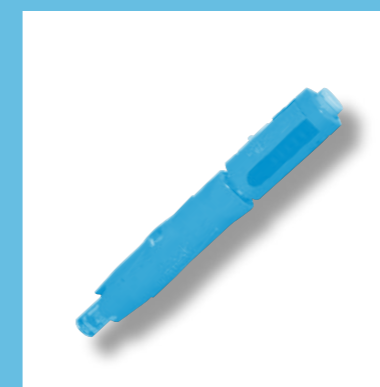
Diseases and conditions targeted by SciLin™

Insulin is used in treating diabetes.

Global market for SciLin™

The total world market for insulin is estimated to be US\$2.7 billion per annum. The total world market for diabetes therapeutics is forecast to grow by 15% per annum over the medium term.

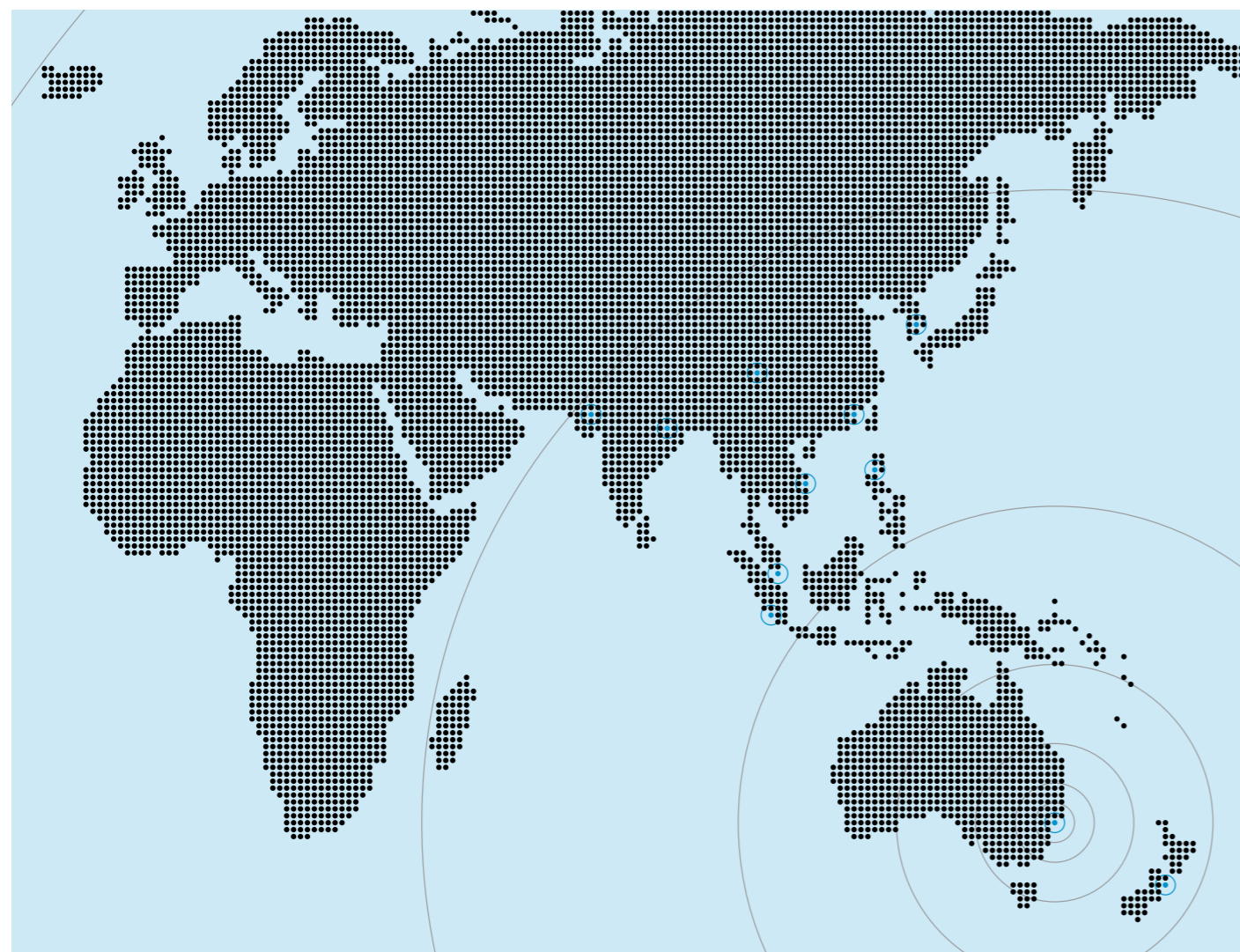
SciTojet™- Needle free delivery system



Some medications can be self administered by a patient via a needle free delivery system to which SciGen has the exclusive rights for the Asia Pacific region. The SciTojet™ releases a fine stream of product without the use of a needle. The device aids in self-administration and leads to better compliance with therapy, especially for paediatric patients.

Expansion into Asia

SciGen has continued to concentrate on building a presence in the Asian markets where the generally low cost of generics supports healthy growth rates



SciGen has continued to work toward its vision of Delivering Human Solutions while also providing an acceptable return to shareholders.

Vision

SciGen was established in 1988 and listed on the Australian Stock Exchange (ASX code SIE) in November 2002. SciGen has headquarters in Singapore and branch offices in Australia, the USA, Korea, Vietnam, Hong Kong, Israel and The Philippines. In addition, the company has business partners in India, China, Indonesia, Israel, Pakistan, Poland and the Netherlands.

During the past financial year, SciGen has continued to concentrate on building a presence in the Asian markets where the generally lower cost of generics supports healthy growth rates in the area of biopharmaceutical products.

In addition, activity has increased toward penetration of the Western European markets with establishment of a wholly owned subsidiary in Israel for the manufacture of SciGen's third generation hepatitis B vaccine, Sci-B-Vac™.

As described in the CEO's report, there have been substantial achievements for our generic insulin product. Besides Type 1 diabetes, the increased use of insulin for the treatment of Type 2 diabetes has been predicted by primary care physicians and endocrinologists in the US to fuel a marked increase in insulin use in the coming years. Our target regions include India, China and Pakistan which rate among the five largest populations of diabetes in the world, suggesting that the need for generic insulin will continue to grow.

Management continues to seek new opportunities for the commercialisation of new products and devices, however none was identified in the recent year. Our offering remains at six biopharmaceutical products and a drug delivery device.

In seeking potential products, SciGen favours suitable biogeneric products which are much closer to market than new drugs to minimise the risks associated with early stage product development.

The growth in demand for generic drugs worldwide shows no sign of abating, as populations age and governments seek to gain the best value for their health care expenditure. As patents reach their expiry date, opportunities will continue to increase.

Having identified the potential of early stage research, SciGen adds value to collaborative R&D activities through its expertise in the regulatory approval process and delivering products to market.

Our combined strategies of selecting for commercialisation products with growing markets, establishing efficient manufacturing operations and introducing the products to growth markets stand SciGen in good stead for future growth.

Sci-B-Vac™

Sci-B-Vac™ is one of the most potent hepatitis B vaccines in the world.

Hepatitis B

The Hepatitis B virus (HBV) is the major cause of liver disease worldwide. The World Health Organization estimates that 2 billion people (one-third of the world population) have been infected by HBV. Of these, approximately 400 million people have chronic infections that put them at high risk of ultimately developing cirrhosis of the liver and hepatocellular carcinoma. In Asia Pacific alone WHO estimates there are 250 million people with chronic HBV infections¹.

About 5% to 10% of adults who contract acute hepatitis B are unable to eliminate the virus and become carriers. About 90% of infants infected during the first year of life and 30% to 50% of children infected between one and four years of age develop chronic infection.⁵

Serious complications and sequelae of chronic HBV infection include hepatic necrosis, cirrhosis and hepatocellular carcinoma.

There are specific treatments for viral hepatitis but prevention by vaccination is the only effective medical measure to control the spread of the disease and reduce its associated morbidity and mortality. As 80% of primary liver cancers are known to be caused by HBV infection, the Centre for Disease Control and Prevention in the USA has designated the hepatitis B vaccine as the first anti-cancer vaccine.

Vaccines in general

Two types of recombinant hepatitis B vaccines are currently available.

- > Yeast derived vaccine, made by transfecting yeast cells with the DNA sequence coding for the small surface protein (containing the S epitope);
- > Mammalian cell derived vaccine (Sci-B-Vac™),^{7,8,9} made by transfecting Chinese hamster ovary (CHO) cells with the DNA sequences coding for the three surface proteins of the virus (containing the S, pre-S1 and pre-S2 epitopes).

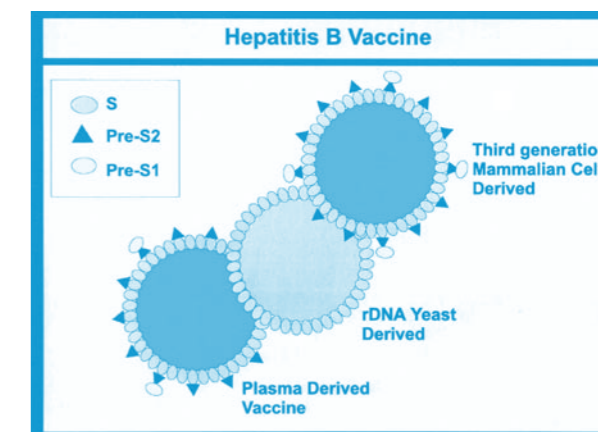
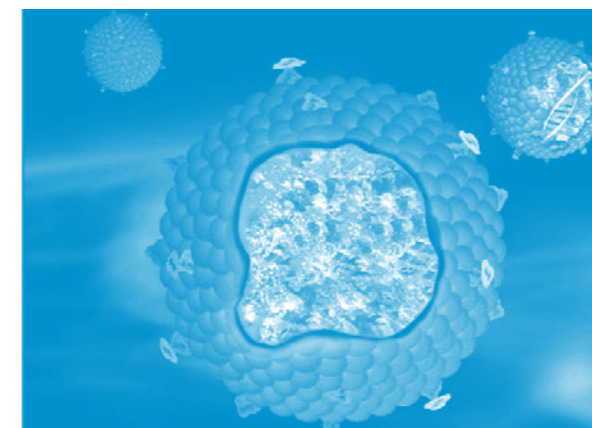
Sci-B-Vac™

Sci-B-Vac™ is a third generation, recombinant vaccine produced by culture of Chinese hamster ovary (CHO) cells. Sci-B-Vac™ contains all three epitopes (S, pre-S1 and pre-S2) of the hepatitis B virus surface antigens (HBsAg).

Available data suggest that the pre-S1 and pre-S2 epitopes in the vaccine appear to:

- > increase antibody (anti-HBs) titres;
- > elicit antibodies that promote viral clearance and prevent hepatocyte binding;
- > stimulate cellular response;
- > circumvent genetic non-responsiveness to the S antigen alone.

Sci-B-Vac™ has been tested thoroughly for safety and efficacy in over 3500 subjects/patients



“Sci-B-Vac™, is indeed a unique hepatitis B vaccine which has repeatedly been shown to be highly immunogenic and safe in neonates, babies and adults alike. While conventional yeast derived vaccines contain only one of the three hepatitis B virus envelope proteins, Sci-B-Vac™ contains two additional proteins - namely pre-S1 and pre-S2 which significantly enhance the immune response against potential encounter with the virus. This enhanced immunogenicity is manifested by a very rapid generation of high titer, neutralizing antibodies against the hepatitis B virus which appear in the majority of vaccinees already after the first (out of three) injections. Further more, in comparison with conventional yeast derived vaccines, Sci-B-Vac™ has been shown to be more immunogenic in special risk groups such as vaccinees with overweight, immune suppressed individuals i.e.patients receiving hemodialysis , healthcare workers as well as non-responders to conventional hepatitis B vaccines. These features make Sci-B-Vac™ one of the most potent hepatitis B vaccines in the world.”

Daniel Shouval MD, Dean of the Medical School at Hebrew University and Professor of Medicine, Faculty of Medicine Hadassah University Hospital and Head of the Liver Disease Group at Hadassah Hospital



Clinical Efficacy of Sci-B-Vac™

- > Sci-B-Vac™ has a faster onset of action (earlier seroconversion and seroprotection after the first and second vaccine doses).
- > Sci-B-Vac™ achieved seroprotection in 98% of vaccinees following three injections at the recommended dose of 10 mcg in adults.¹⁶
- > Sci-B-Vac™ vaccinees recorded higher anti-HBs titres compared with subjects given yeast derived vaccines.¹⁶
- > Sci-B-Vac™ is highly immunogenic and effective at low doses.¹⁶
- > Sci-B-Vac™ (20mcg) has been shown to offer protection to non-responders to conventional yeast derived vaccines.¹⁶
- > Sci-B-Vac™ has been shown to be safe and effective in over 3500 subjects (Asians and Caucasians).¹⁶

Higher levels of Hepatitis B antibodies are induced with Sci-B-Vac™ as compared with conventional vaccines. Sci-B-Vac's enhanced immunogenicity is the result of it containing three protein markers as compared with only one in the currently available yeast-derived vaccines. Sci-B-Vac™ therefore demonstrates superiority over existing vaccines that are derived from yeast cells.

Sci-B-Vac™ in special groups

Enhanced immunogenicity of Sci-B-Vac™ may confer additional advantage in the following groups:

- > immunosuppressed and dialysis patients;
- > patients who are non-responsive to yeast vaccines because of genetic makeup or age.

HBV-envelope variants ('escape mutants' of the virus) have been reported in patients who received serum derived and recombinant yeast derived HBV vaccines. Commonly, these mutants differ by one amino acid in the small surface protein. It is likely that the presence of the pre-S1 and pre-S2 epitopes in Sci-B-Vac™ may eliminate or reduce the generation of vaccine-associated escape mutants.

World wide sales of Hepatitis B vaccines is estimated to be US 1.2 billion.

A therapeutic HBV vaccine, providing a cure for HBV would significantly reduce the burden of the Hepatitis B and meet a high medical demand in an attractive market.

The World Market for Hepatitis B Vaccines

Worldwide sales of Hepatitis B vaccines is estimated to be US 1.2 billion. Significant growth in this market is expected with rising awareness of the disease and increased public health expenditure to prevent and fight the spread of the disease. In Asia, Africa and Eastern Europe, vaccination is managed largely through the public health system. In more developed economies such as Japan, US and Western Europe private sector growth is driving this market. For the future, there will be an increasing trend for rapid-acting and highly immunogenic vaccines such as Sci-B-Vac™.

Investigating the therapeutic potential of Sci-B-Vac™

SciGen is one of few companies investigating the potential of highly immunogenic vaccines such as Sci-B-Vac for therapeutic treatment of Hepatitis B. In December 2004, SciGen announced the signing of a collaborative agreement with Intercell AG for the development of a new therapeutic Hepatitis B virus ["HBV"] vaccine.

A therapeutic HBV vaccine, providing a cure for HBV would significantly reduce the burden of the disease and meet a high medical demand in an attractive market. Currently there is no therapeutic vaccine against Hepatitis B available. Pre-clinical studies on our therapeutic vaccine are ongoing and clinical trials are expected to begin in the first quarter of 2006.

The proposed therapeutic vaccine combines SciGen's already licensed pre-S1, pre-S2, Hepatitis B virus antigen (Sci-B-Vac™) with Intercell's novel synthetic Immunizer IC 31™ as an adjuvant that induces the type of immune response needed to overcome the infection. Both Companies will share the development and worldwide commercial rights to this product.

Gross estimates of the world market for immunologicals against Hepatitis B is just over USD 2 billion. If this concept can be proven in animals and then in human studies, Sci-B-Vac may be the first therapeutic vaccine to take a significant share of the Hepatitis B treatment market.

SciGen entry into the European market is a consequence of SciGen acquiring the worldwide rights to Sci-B-Vac™

Worldwide rights and SciGen Manufacturing Facility

In February 2005, we announced SciGen's entry into the European market as a consequence of SciGen acquiring worldwide rights to Sci-B-Vac™. SciGen entered into an agreement with Berna Biotech AG to be exclusive distributor for Sci-B-Vac™ in Western Europe.

In order to meet rising demands for worldwide supply, SciGen has commissioned a manufacturing facility in Israel with a capacity of 3 million doses and through a Contract Manufacturing Organization in India, Shreya Biotech with a capacity of 15 million doses. Both facilities will be equipped to comply with Good Manufacturing Practice (GMP) and other requirements of the European Medicines Evaluation Agency (EMA) and other regulatory agencies such as the TGA in Australia and the FDA in the USA.

- ¹ Hepatitis B Fact Sheet, World Health Organization website, www.who.int/inffs/en/fact204.html, revised October 2000.
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- ³ Wright TL, Lau JYN. Clinical aspects of hepatitis B virus infection. *Lancet* 1993, 342: 1340-1344.
- ⁴ Shouval D, Expert Report on the Clinical Documentation, Bio-Hep-B™/Sci-B-Vac™: A mammalian-cell derived recombinant hepatitis B virus vaccine containing S, pre-S2 and pre-S1 antigens, 19 Jan 2001, Centers for Disease Control and Prevention, Federal Register, February 23, 1999; 64 (35): 9044-9045.
- ⁵ Sitrin RD, Wampler DE, Ellis RW. Survey of licensed hepatitis B vaccines and their production processes. In: RW Ellis, ed. *Hepatitis B Vaccine in Clinical Practice*. Marcel Dekker, New York 1993, 83-101.
- ⁶ Gorecki M, Panet A, Moav N. Development of a pre-S1, pre-S2 and S recombinant hepatitis B vaccine in mammalian cells. In: Rizetto M, Purcell RH, Gerin JL, Verme G, eds. *Viral Hepatitis and Liver Disease. Proceedings of the IX Triennial International Symposium on Viral Hepatitis and Liver Disease*. Turin: Edizioni Minerva Medica, 964-969, 1997.
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- ¹⁰ Heerman KH, Goldmann U, Schwartz W, Seyffarth T, Baumgarten H, Gerlich WH. Large surface proteins of hepatitis B virus containing the pre-S sequence. *J Virol* 1984; 52: 3495-4002.
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- ¹⁴ Shouval D, Expert Report on the Clinical Documentation, Bio-Hep-B™/Sci-B-Vac™: A mammalian-cell derived recombinant hepatitis B virus vaccine containing S, pre-S2 and pre-S1 antigens, 19 Jan 2001
- ¹⁵ Hepatitis B Fact Sheet, World Health Organization website, www.who.int/inffs/en/fact204.html, revised October 2000.
- ¹⁶ Data on file
- ¹⁷ Oon CJ, Lim GK, Ye Z, Goh KT, Tan KL, Yo SL, Hopes E, Harrison TJ, Zuckerman AJ. Molecular epidemiology of HBV vaccine variants in Singapore. *Vaccine* 1995, 13: 699-702.
- ¹⁸ Hunt CM, McGill JM, Allen MI, Condeary LD. Clinical relevance of hepatitis B viral mutations. (Concise review.) *Hepatology* 2000, 31: 1037-1044.
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Annual Report – 30 June 2005

SciGen Limited ARBN 101318852
Annual Report – 30 June 2005
(In Singapore dollars)

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Corporate directory

Directors



Paul Freiman
Chairman
Member, Audit Committee
Chairman, Remuneration Committee



Kenneth Gross
Non-Executive Director
Chairman, Audit Committee



Saul A. Mashaal
Executive Vice-Chairman,
Founder & Chief Executive Officer



S. Iswaran
Non-Executive Director
Member, Remuneration Committee



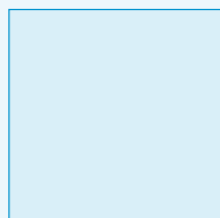
Colin S. Goldschmidt
Non-Executive Director



Ryszard K. Krauze
Non-Executive Director

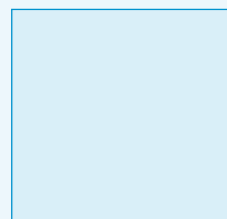


Christopher D. Wilks
Non-Executive Director
Member, Audit Committee



Adam Wilczega
Non-Executive Director

Secretaries



Lai Leng Wong



Jenny Low
Chief Financial Officer

Principal registered office in Singapore

152 Beach Road, #26-07/08 Gateway East, Singapore 189721

Principal registered office in Australia

Level 7, No. 2 Bligh Street, Sydney NSW 2000, Australia

Share and debenture registers

Computershare Investor Services Pty Limited
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South Australia, 5000, Australia

Ph: 1300 556 161 (within Australia)

Ph: (61) 3 9615 5970 (outside Australia)

Fax: (61) 8 8236 2305

Website: www.computershare.com

Auditor

PricewaterhouseCoopers

Solicitors

Allen & Gledhill

Deacons

Bankers

ANZ Bank, Ltd.

Bank Leumi Israel

Citibank, NA

DBS Bank, Ltd.

Kookmin Bank, Ltd.

Stock exchange listings

SciGen Limited is a public company incorporated in Singapore. Shares are held by Chess Depository Nominees in Australia and are publicly traded on the Australian Stock Exchange in the form of CHESS Units of Foreign Securities (CUFS) on a 1 CUF for 1 fully paid ordinary Share basis.

Website address

www.scigenltd.com

Currency

The annual report is prepared in Singapore dollars.

Directors' Report

Your directors present their report on the Company and for the Group consisting of SciGen Ltd and the entities it controlled at the end of, or during, the year ended 30 June 2005.

Directors

The directors of the company at the date of this report are:

Mr. Paul Freiman (Chairman)
 Mr. Saul A. Mashaal (Executive Vice-Chairman, Founder & Chief Executive Officer)
 Dr. Colin S. Goldschmidt
 Mr. Christopher D. Wilks
 Mr. Kenneth Gross
 Mr. S. Iswaran
 Mr. Ryszard K. Krauze (Appointed on 27 April 2005)
 Mr. Adam Wilczega (Appointed on 11 April 2005)

Mr. Barrie R. Martin and Mr. R. Peter Campbell were directors from the beginning of the financial year until their resignations on 25 February 2005.

Mr. Mark R. Compton was a director from the beginning of the financial year until his resignation on 29 June 2005.

Principal Activities

During the year, the principal continuing activities of the Company and the Group consisted of –

- Business Development;
- Collaborative research & development of biotechnology derived products;
- Sales, Marketing and Distribution;
- Health registration of those products; and
- Manufacturing through a Contract Manufacturing Organisation (in process).

The following significant change in the nature of the activities of the Company and the Group occurred during the year –

- Other new activity – establishment of a facility for the manufacture of Hepatitis B Vaccine.

Dividends

Due to the capital requirements and early stage growth of the Company, the Directors have not declared a dividend for the year ended 30 June 2005. No dividends have been paid, declared or proposed since the end of the Company's preceding financial year.

Results and Review of operations and activities

A summary of consolidated revenues and results by significant geographical segments is set out below:

	Segment revenues		Segment results	
	2005 S\$'000	2004 S\$'000	2005 S\$'000	2004 S\$'000
Singapore	2,935	2,593	1,328	1,084
Australia	2,743	2,562	479	692
India	816	80	75	3
Korea	1,684	1,438	15	(353)
Pakistan	603	507	111	89
Vietnam	(51)	755	(397)	(47)
Other	469	451	(361)	(539)
Inter-segment elimination	(2,399)	(2,214)	-	-
Interest income and foreign exchange gains	895	307	-	-
	<u>7,695</u>	<u>6,479</u>	<u>1,250</u>	<u>929</u>
Unallocated			(6,812)	(5,240)
Loss from ordinary activities before income tax expenses			(5,562)	(4,311)
Income tax expense relating to ordinary activities			-	-
Net Loss			<u>(5,562)</u>	<u>(4,311)</u>

Comments on the operations and the results of those operations are set out below:

Since 1 July 2004, the Group has received registration for SciLin in India and Philippines.

Sales have commenced for each of the Group's registered products except for Oxandrin. Sales of SciTropin (recombinant human growth hormone), has continued in Australia, Hong Kong, Korea, Philippines and Singapore. SciTropin was launched in India during the year. In addition, the sales of SciLin have continued to grow in India and Pakistan.

The Group's revenue increased by 19% over the previous year to S\$7.695M (S\$6.479M in FY2004) with India as the territory showing the greatest revenue growth. The increased loss was attributable to several items including termination benefits of S\$779,000 payable to the former Chief Executive Officer (CEO) in accordance with his employment contract, increased professional fees of S\$261,000 in relation to the project study for a manufacturing facility in Singapore and increases in insurance premiums.

The Group's cash reserves remain adequate to fund ongoing operations.

Earnings per share

	The Group	
	2005 S Cents	2004 S Cents
Basic earnings per share	(1.247)	(1.029)
Diluted earnings per share	(1.247)	(1.029)

Directors' Report

Arrangements to enable directors to acquire shares and debentures

Other than the share options noted below, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' interests in shares or debentures

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares in, or debentures of, the Company and related corporations, except as follows:

	Holdings registered in the name of the director		Holdings in which the director is deemed to have an interest	
	At 30.6.2005	At 1.7.2004	At 30.6.2005	At 1.7.2004
SciGen Ltd				
(Ordinary shares of S\$0.0013133 each)				
Saul A. Mashaal *	-	-	107,692,832	108,931,015
Colin S. Goldschmidt	950,000	950,000	-	-
Christopher D. Wilks	623,000	623,000	-	-
Kenneth Gross *	-	-	107,692,832	108,931,015
Ryszard K. Krauze **	-	-	141,133,383	-
(Options to purchase ordinary shares of S\$0.0013133 each at A\$0.065 - A\$0.20 per share)				
Paul Freiman	1,000,000	1,000,000	-	-
Saul A. Mashaal	9,379,311	8,379,311	-	-
Colin S. Goldschmidt	1,000,000	4,000,000	-	-
Christopher D. Wilks	1,000,000	2,500,000	-	-
Kenneth Gross	1,000,000	1,000,000	-	-
S. Iswaran	1,000,000	1,000,000	-	-

* The above directors are deemed to have an interest in the share capital of the Company by virtue of their deemed interest of not less than 20% in the issued share capital of Scitech Genetics Pte Ltd, a shareholder of the Company.

** The above director is deemed to have an interest in the share capital of the Company by virtue of his deemed interest of not less than 20% in the issued share capital of Bioton S.A., a shareholder of the Company.

Directors' contractual benefits

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than as disclosed in the consolidated financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest, except that a certain director has an employment relationship with a related party and has received remuneration in that capacity.

Share Options

Share options granted, exercised and cancelled during the financial year, and options outstanding at the end of the financial year were as follows:-

Date of Grant	Class	Exercise Period	Exercise Price (A\$)	Number Granted	Options Exercised/ Shares Issued	Options Cancelled	Balance as at 30 Jun 2005
15 Nov 2002	Class 1	15 Nov 2003 to 15 Nov 2006	A\$0.20	-	-	2,000,000	6,500,000
27 Nov 2002	Class 3	27 Nov 2002 to 20 Feb 2005	A\$0.18	-	-	2,068,000	-
27 Nov 2002	Class 4	20 Apr 2003 to 20 Apr 2005	A\$0.18	-	-	4,500,000	-
27 Nov 2002	Class 5	20 Dec 2003 to 20 Apr 2006	A\$0.25	-	-	-	3,424,400
27 Nov 2002	Class 6	16 Jan 2005 to 16 May 2007	A\$0.15	-	-	-	1,577,500
15 Nov 2002	Class 7	15 Nov 2003 to 15 Nov 2006	A\$0.20	-	-	-	8,379,311
15 Nov 2002	Class 8*	15 Nov 2003 to 15 Nov 2006	A\$0.20	-	-	-	8,379,311
18 Nov 2003	Class 9	1 Sep 2004 to 31 Aug 2007	A\$0.22	125,000	-	1,000,000	4,412,500
28 Feb 2005	Class 10**	28 Mar 2005 to 31 Mar 2009	A\$0.065	1,000,000	-	-	1,000,000
18 Apr 2005	Class 11***	18 May 2005 to 31 Mar 2009	A\$0.065	1,000,000	-	-	1,000,000

* The exercise period for Class 8 is from 15 November 2003 to 15 November 2006 with potential to extend to 15 November 2012 upon satisfaction of certain conditions.

** Options under Class 10 were issued to a former SciGen executive director at the Annual General Meeting held on 28 February 2005. The exercise period for the 1,000,000 options is from 28 March 2005 to 31 March 2009.

*** Options under Class 11 were issued to a SciGen executive director at the Extraordinary Meeting held on 18 April 2005. The exercise period for the 1,000,000 options is from 18 May 2005 to 31 March 2009.

Class 9 Options have been allocated for issue to executives and employees under the SciGen Limited Employee Option Plan Prospectus which was lodged with ASIC on 1 September 2003.

Statutory information regarding 2005 options is as follows –

Class 9

- (i) The exercise price of the options issued during the year is A\$0.22 per ordinary share of S\$0.0013133 each.
- (ii) The options are exercisable from 1 September 2004 and expire on 31 August 2007.
- (iii) The options may be exercised in the following tranches
 - 33% on or after the first anniversary of the issue date
 - 33% on or after the second anniversary of the issue date
 - 34% on or after the third anniversary of the issue date
- (iv) The persons to whom the options have been issued have no rights to participate by virtue of the options in any issue of any other company.

Directors' Report

Class 10

- (i) The exercise price of the options issued during the year is A\$0.065 per ordinary share of S\$0.0013133 each.
- (ii) The options are exercisable from 28 March 2005 and expire on 31 March 2009.
- (iii) All the options may be exercised from 28 March 2005.
- (iv) The persons to whom the options have been issued have no rights to participate by virtue of the options in any issue of any other company.

Class 11

- (i) The exercise price of the options issued during the year is A\$0.065 per ordinary share of S\$0.0013133 each.
- (ii) The options are exercisable from 18 May 2005 and expire on 31 March 2009.
- (iii) All the options may be exercised from 18 May 2005.
- (iv) The persons to whom the options have been issued have no rights to participate by virtue of the options in any issue of any other company.

Significant changes in the state of affairs

Significant changes in the state of affairs of the Company and the Group during the financial year were as follows:-

(a) Entering into a strategic investment relationship

SciGen had reached an agreement to place 24% of the Company's equity at 7 Australian cents per share with Bioton SA, a leading biotechnology company in Poland. The placement is expected to lead to a closer working relationship in the areas of research and development, marketing and manufacturing. The transaction was completed by 4 May 2005 and the net proceeds amounted to SGD11,729,000.

(b) Hepatitis B Vaccine enters European market

SciGen had entered into an agreement with a leading European biotechnology company Berna Biotech AG to be SciGen's exclusive distributor for Sci-B-Vac in Western Europe. SciGen's entry into the European market has been made possible as a consequence of SciGen acquiring worldwide rights to Sci-B-Vac, its third generation Hepatitis B Vaccine.

(c) Development of a therapeutic Hepatitis B Vaccine

SciGen had signed an exclusive agreement for the development of a new therapeutic Hepatitis B Vaccine with Intercell AG, a Vienna-based biotechnology company. A therapeutic vaccine providing cure for Hepatitis B would significantly reduce the burden of the disease and meet a high medical demand in a multi-billion US dollar market.

(d) Temporary interruption of supply of Hepatitis B Vaccine

As a result of the renegotiation of the licence for Hepatitis B Vaccine in which SciGen secured the exclusive worldwide rights to manufacture, distribute and market the vaccine and in so doing took over the manufacture of the vaccine and gained new markets and rights for the further development of the vaccine, there was a temporary interruption and supply of Hepatitis B Vaccine during the financial year. The Company erected its own manufacturing facility through its wholly owned subsidiary company SciGen (IL) Ltd to fast track the production of Hepatitis B Vaccine whilst at the same time, working closely with Shreya Biotech, the contract manufacturer in India to ensure the prompt re-entry of the product into the market.

Matters subsequent to the end of the financial year

Since 30 June 2005, the directors are not aware of any matter or circumstance not otherwise dealt with in these financial statements that has significantly or may significantly affect the operations of the Company and the Group.

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which would substantially affect the results of the Company and of the Group for the financial year in which this report is made.

Likely developments and expected results of operations

Likely developments in the operations of the Company and the Group at the date of this report included:

- (a) The main focus for the Group during the financial year 2005/2006 is to continue to register its products and commence the commercialisation of the products in the countries where SciGen Ltd has rights to register, market and sell the products.
- (b) SciGen Ltd is intending to expand into regions other than those where it already has a presence and has executed agreements with several parties in China, Europe, Indonesia, Malaysia, Sri Lanka and Thailand.
- (c) Besides increasing its sales, SciGen Ltd is also reviewing the reduction of its operating costs by moving towards the manufacturing of its own products using the contract manufacturing arrangements with Shreya Biotech and its manufacturing plant in Israel.
- (d) SciGen Ltd is continually looking for opportunities for new products and technology to add to its product portfolio.

Further information on likely developments in the operations of the Company and the Group and the expected results of operations have not been included in this report, because the directors are of the opinion that such information is commercially sensitive.

Information on directors

Director	Experience	Particulars of directors' interests in shares and options at 30 June 2005: SciGen Ltd		
		In the name of the Director Ordinary shares	Options	Deemed Interest Ordinary shares
Mr. Paul Freiman (Chairman) (Age 71)	Mr. Freiman is the President & Chief Executive Officer of Neurobiological Technologies, Inc. (NTI). He is the former Chairman & Chief Executive Officer of Syntex Corporation, where he had a long & successful career and was instrumental in the sales of Syntex to Roche Holdings for USD\$5.3 billion. Mr. Freiman currently serves as Chairman of the Board of Digital Gene Technologies and is also a director of Burrill & Company, Penwest Pharmaceutical Co., Calypte Biomedical Corporation, Omware, Inc., PHYTOS Inc. and Otsuka Pharmaceutical Manufacturers Association of America.	-	1,000,000	-

Directors' Report

Information on directors (continued)

Director	Experience	Particulars of directors' interests in shares and options at 30 June 2005: SciGen Ltd		
		In the name of the Director Ordinary shares	Options	Deemed Interest Ordinary shares
Mr. Saul A. Mashaal (Executive Vice-Chairman, Founder & Chief Executive Officer) (Age 69)	Mr. Mashaal is the Executive Vice-Chairman, Founder & Chief Executive Officer of SciGen Ltd. A graduate in Pharmacy from the University of Paris (Sorbonne) with a Master Degree in Business Administration from Windsor University. Mr. Mashaal has more than 35 years experience in the pharmaceutical industry first in product management with Syntex Corporation (Now Roche) and with 3M Health & Sciences Sector where he had a long and successful career in Clinical Research, International Business Development and in the management of subsidiary companies. He founded SciGen (formerly SciTech Genetics) in 1998 where he remained as the CEO until September 2001 and reappointed in June 2005.	-	9,379,311	107,692,832
Dr. Colin S. Goldschmidt (Age 51)	Dr. Goldschmidt has been the managing director of Sonic Healthcare Limited and its subsidiaries since 1992. Prior to which he was the Medical Director of Douglass Hanly Moir Pathology. Dr. Goldschmidt completed his Australian Pathology Fellowship training in Sydney in 1986. He is also a non-executive director of Silex Limited and Independent Practitioner Network Limited.	950,000	1,000,000	-
Mr. Christopher D. Wilks (Age 47)	Mr. Wilks is a consultant with a background in chartered accounting and investment banking. He has been a director of Sonic Healthcare Limited since 1989 and has played a major role in Sonic's development since he became an Executive Director in 1992. He was also responsible for the spin out of Silex Systems Limited in 1996 and its subsequent listing on the ASX in 1998. Mr. Wilks is an executive director with Silex Limited and a non-executive director of Independent Practitioner Network Limited.	623,000	1,000,000	-
Mr. Kenneth Gross (Age 76)	Mr. Gross co-founded Goldmark Plastic Compounds in 1957. The Company has since become a major distributor of plastic raw materials within the United States. In addition, Mr. Gross holds a number of directorships in various companies involved in chemical, metals, engineering resins and lubricating oils. Mr. Gross is presently the Chairman and Chief Executive Officer of Goldmark Plastics Inc.	-	1,000,000	107,692,832

Particulars of directors' interests in shares and options at 30 June 2005: SciGen Ltd

Director	Experience	In the name of the Director Ordinary shares	Options	Deemed Interest Ordinary shares
Mr. S. Iswaran (Age 43)	Mr. Iswaran is a Managing Director of Temasek Holdings (Private) Limited, a Singaporean investment holding company with assets exceeding S\$50 million. He is responsible for private equity investments. Mr. Iswaran has broad experience in the public, private and NGO sectors of Singapore and other ASEAN countries. He has held senior civil service appointments in several Singaporean government ministries including the Ministry of Trade and Industry where he had responsibility for policies and negotiations pertaining to multilateral trade in the context of ASEAN, APEC and the World Trade Organisation. Mr. Iswaran is the Deputy Speaker of Parliament in the Singapore Government.	-	1,000,000	-
Mr. Ryszard K. Krauze (Age 49)	Ryszard Krauze is the chairman of the Supervisory Board of Bioton S.A., SciGen's strategic partner, a Polish company being one of the largest biotechnological companies in Central and Eastern Europe and one of the few producers of recombinant human insulin in the world. Bioton is listed on the Warsaw Stock Exchange and Mr. Krauze, through his company "Prokom Investments", is the main shareholder in Bioton. Mr. Krauze is also the founder, key shareholder and president of Prokom Software, the largest IT group in Central and Eastern Europe employing over 4,300 people. Ten years after its establishment in 1987, Prokom Software became the first Polish IT company to be launched on the London and the Warsaw Stock Exchanges. Today, the Prokom Software Group comprises fifteen companies, all leaders in their respective IT fields on the Polish market. Mr. Krauze is also the president and owner of Prokom Investments. The business activity of this company is essentially modeled on a private equity fund with a portfolio in a wide range of strategic sectors, as well as significant real estate holdings. Prokom Investments carries out in Poland's capital city Warsaw, the most modern, unique and large-scale construction project in Central Europe with total value exceeding USD1.3 billion. Mr. Krauze is the vice president of the Confederation of Polish Employers, and since 1994 serves as the honorary Consul for the Republic of Austria. He is also a member of Supervisory Boards of many enterprises within the Prokom Software and the Prokom Investments capital groups. Mr. Krauze is also the initiator and founder of the ATP International Tennis Tournament Idea Prokom Open in Poland and the owner of Poland's master basketball team Prokom Trefl Sopot.	-	-	141,133,383

Directors' Report

Information on directors (continued)

Director	Experience	Particulars of directors' interests in shares and options at 30 June 2005: SciGen Ltd		
		In the name of the Director Ordinary shares	Options	Deemed Interest Ordinary shares
Mr. Adam Wilczega (Age 50)	<p>Mr. Wilczega is a graduate of the Foreign Trade Faculty at the Warsaw School of Economics in Warsaw in 1997. Mr. Wilczega is the President of the Management Board/ General Manager of Bioton S.A.</p> <p>Bioton S.A. managed by Mr. Wilczega owes its position and achievements to a large extent to the effort put in by the President. An undoubted success that crowns the works commenced in 1997 is the elaboration of the technology and the implementation of the production of human recombinant insulin, manufactured using the biosynthesis method. Currently, Bioton S.A. is the fourth company worldwide and the first in Poland to produce biosynthetic insulin for industrial purposes. Since March 2005, Bioton S.A., has been listed on the Warsaw Stock Exchange.</p> <p>Mr. Wilczega was earlier a director at the Varimex Foreign Trade Company and between 1984 and 1989 was delegated as the director to the Commercial and Technical Centre in Cairo.</p>	-	-	-

Meetings of directors

The numbers of meetings of the Company's Board of directors and of each board committee held during the year ended 30 June 2005, and the numbers of meetings attended by each director were:

	Full meetings of directors		Meetings of committees			
	A	B	Audit		Remuneration	
	A	B	A	B	A	B
Mr. Paul Freiman (Chairman)	7	7	-	-	-	-
Mr. Mark R. Compton* (Managing Director and Chief Executive Officer) (Resigned on 29 June 2005)	5	6	-	-	-	-
Mr. Saul A. Mashaal * (Executive Vice-Chairman, Founder & Chief Executive Officer)	7	7	-	-	-	-
Dr. Colin S. Goldschmidt **	6	7	-	-	-	-
Mr. Christopher D. Wilks	7	7	2	2	-	-
Mr. Kenneth Gross	7	7	2	2	-	-
Mr. S. Iswaran	6	7	-	-	-	-
Mr. Barrie R. Martin (Resigned 25 February 2005)	4	4	2	2	-	-
Mr. R. Peter Campbell (Resigned 25 February 2005)	4	4	-	-	-	-
Mr. Ryszard K. Krauze (Appointed 27 April 2005)**	-	1	-	-	-	-
Mr. Adam Wilczega (Appointed 11 April 2005) **	1	1	-	-	-	-

A = Number of meetings attended

B = Number of meetings held during the time the director held office or was a member of the committee during the year

* = Executive director

** = Not a member of a committee

Directors' and executives' emoluments

The Remuneration Committee, comprising the following non-executive directors –

- Paul Freiman (Appointed as Chairman on 25 February 2005)
- S. Iswaran
- Barrie R. Martin (Resigned on 25 February 2005)
- R. Peter Campbell (Resigned on 25 February 2005)

advises the Board on remuneration policies and practices generally, and makes specific recommendations on remuneration packages and other terms of employment for the Managing Director, Vice Chairman (who is an executive director) and remuneration for non-executive directors. In reviewing remuneration levels, the Board takes into account financial performance in addition to other goals related to business development and operational issues.

Executive remuneration and other terms of employment are reviewed annually by the Managing Director having regard to performance against goals set at the start of the year, relevant comparative information and independent expert advice. As well as base salary, remuneration packages include superannuation, performance-related bonuses and fringe benefits.

Remuneration packages are set at levels that are intended to attract and retain executives capable of managing the Company and the Group's operations.

Remuneration of non-executive directors is determined by the Board within the maximum amount approved by the shareholders from time to time. Options are issued but bonuses are not payable to non-executive directors.

Directors' Report

Details of the nature and amount of each element of the emoluments of each director of SciGen Ltd and each of the 5 officers of the Company and the Group receiving the highest emoluments are set out in the following tables.

Non-executive directors of SciGen Ltd

Name	Directors' base fee S\$	Options S\$	Total S\$
Mr. Paul Freiman	49,920	-	49,920
Dr. Colin S. Goldschmidt	37,729	-	37,729
Mr. Christopher D. Wilks	37,729	-	37,729
Mr. R. Peter Campbell (Resigned on 25 February 2005)	24,942	-	24,942
Mr. Kenneth Gross	37,729	-	37,729
Mr. Barrie R. Martin (Resigned on 25 February 2005)	33,256	-	33,256
Mr. S. Iswaran	30,000	-	30,000
Mr. Ryszard K. Krauze (Appointed on 27 April 2005)	-	-	-
Mr. Adam Wilczega (Appointed on 11 April 2005)	-	-	-

Executive directors of SciGen Ltd

Name	Base Salary S\$	Motor Vehicle/Transport Allowance S\$	Bonus S\$	Super-annuation S\$	Options S\$	Directors Fees S\$	Other Benefits S\$	Total S\$
Mr. Mark R. Compton (Resigned on 29 June 2005)	457,262	51,700	85,446	79,134	24,810	-	812,985	1,511,337
Mr. Saul A. Mashaal *	349,586	41,777	27,818	-	18,990	37,748	178,226	654,145

* Included in base salary is a consultancy fee of S\$222,809 payable to a corporation in which Mr. Saul A. Mashaal has an interest. The amount was paid for services of Mr. Saul A. Mashaal.

The amount disclosed above and below for remuneration relating to options represents the fair values of options at the date they were granted to executive directors and other executives during the year ended 30 June 2005. Fair values have been independently determined using the Binomial approximation option valuation model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradable nature of the option, the current price and expected volatility of the underlying share, the expected dividend yield and the risk-free interest rate for term of the option.

Further information on the options, including the numbers of options granted to directors and other executives, is set out in the following sections of this report.

Other executives of SciGen Ltd

Name	Base Salary S\$	Motor Vehicle/Transport Allowance S\$	Bonus S\$	Super-annuation S\$	Options S\$	Other Benefits S\$	Total S\$
Ms. Jenny Low	149,518	12,000	13,039	13,681	-	-	188,238
Dr. G. Balasubramaniam	99,593	12,000	44,694	14,000	5,270	-	175,557
Ms. Liza Domingo	58,289	2,318	9,160	2,294	-	36,798	108,859
Mr. Eric Tang	78,101	-	3,112	4,053	-	6,160	91,426
Mr. Marcus Poh	50,700	9,000	19,576	9,981	-	-	89,257

Other executives of the Consolidated entities

Name	Base Salary S\$	Motor Vehicle/Transport Allowance S\$	Bonus S\$	Super-annuation S\$	Options S\$	Other Benefits S\$	Total S\$
Dr. Eric Meyer (Resigned on 30 June 2005)	274,436	-	4,229	21,168	-	129,952	429,785
Ms. Jenny Low	149,518	12,000	13,039	13,681	-	-	188,974
Mr. Peter Clark	122,926	22,506	(5,726)	36,268	-	-	175,974
Dr. G. Balasubramaniam	99,593	12,000	44,694	14,000	5,270	-	175,557
Ms. Wendy Weis	122,735	-	-	10,685	-	-	133,420

"Other executives" are officers who are involved in, concerned in, or who take part in, the management of the affairs of the Company and/or related bodies corporate.

Information on loans to directors are set out in note 25 to the financial statements.

Share options granted to directors and executives

Options over un-issued ordinary shares of the Company granted during or since the end of the financial year to any of the directors or the 5 most highly remunerated officers of the Company and the Group as part of their remuneration were as follows:

	Options granted
Directors	
Mr. Mark R. Compton (Resigned 29 June 2005)	1,000,000
Mr. Saul A. Mashaal	1,000,000
Other executives of the Group	
Dr. G. Bala Subramaniam	125,000

Class 9 options issued under the SciGen Ltd Employee Option Plan is at the Exercise price of A\$0.22 per option. The Term of the issued options is 4 years.

Class 10 options issued to the former Chief Executive Officer, Mr. Mark R. Compton, are at the exercise price of A\$0.065 per option. The term of the issued options is 4 years.

Class 11 options issued to the new Chief Executive Officer, Mr. Saul A. Mashaal, are at the exercise price of A\$0.065 per option. The term of the issued options is 4 years.

Insurance of officers

During the financial year, SciGen Ltd paid a premium of S\$73,423 to insure the directors and officers of the Company and its controlled entities, and the managers of each of the divisions of the Company and the Group.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the Company and the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

Directors' Report

Auditor

The auditors, PricewaterhouseCoopers, have expressed their willingness to accept re-appointment.

On behalf of the Directors



Saul A. Mashaal
*Executive Vice-Chairman,
Founder & Chief Executive Officer*



Paul Freiman
Chairman

Singapore
19 September 2005

Statement by Directors

In the opinion of the directors,

(a) the financial statements set out on pages 39 to 72 are drawn up so as to give a true and fair view of the state of affairs of the Company and the Group at 30 June 2005, the results of the business, cash flows and changes in equity of the Company and of the Group for the financial year then ended, and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the directors



Saul A. Mashaal
*Executive Vice-Chairman,
Founder & Chief Executive Officer*



Paul Freiman
Chairman

Date: 19 September 2005

Corporate Governance Statement

SciGen Ltd (the “Company” or “SciGen”) and the Board are committed to achieving and demonstrating the highest standards of corporate governance. The Company’s corporate governance framework is largely consistent with the Best Practice recommendations released by the Australian Stock Exchange Corporate Governance Council when taking into account the size and scope of the company. The Company and its controlled entities together are referred to as the Group in this statement.

A summary of the compliance status of the Group under the broad Principle headings as defined in the Guidelines is shown below.

Principle 1

Lay solid foundations for management and oversight

The relationship between the Board and senior management is important to the Group’s long-term success. Day to day management of the Group’s affairs and the implementation of the corporate strategy and policy initiatives are formally delegated by the Board to the Managing Director and senior executives.

The directors are responsible to the shareholders for the performance of the company in both the short and longer term and seek to balance sometimes competing objectives in the best interests of the Group as a whole. Their focus is to enhance the interests of shareholders and other key stakeholders and to ensure the Group is properly managed.

Role of the Board

(a) The Directors are responsible for the direction and supervision of SciGen’s business and for its overall corporate governance. This includes ensuring that internal controls and reporting procedures are adequate and effective. The Directors recognise the need to maintain the highest standards of behaviour, ethics and accountability.

(b) The primary functions of the Board include:

- (1) formulating and approving objectives, strategies and long-term plans for SciGen’s continued development and operation, in conjunction with management;
- (2) monitoring the implementation of these objectives, strategies and long-term plans to ensure SciGen, to the best of its ability, delivers shareholder value;
- (3) approval of management recommendations on capital expenditure;
- (4) monitoring SciGen’s overall performance and financial results, including adopting annual budgets and approving SciGen’s financial statements;
- (5) ensuring that adequate systems of internal control exist and are appropriately monitored for compliance;
- (6) selecting and reviewing the performance of the Managing Director and reviewing the performance of senior operating management;
- (7) ensuring significant business risks are identified and appropriately managed;
- (8) ensuring that SciGen meets the statutory, regulatory and reporting requirements of the ASX and requirements under Australian and Singaporean Corporations law;
- (9) ensuring that SciGen, its Directors, officers, employees and associates are aware of and comply with all relevant laws and regulations;
- (10) reporting to Shareholders on performance; and
- (11) deciding the payment of dividends to Shareholders.

(c) The Board consists of the Chairman (Non-Executive), Vice-Chairman (who is an executive director and the Chief Executive Officer) and six other non-executive Directors. The term of Directors’ appointments is governed by SciGen’s Constitution. At least one third of Directors must retire and seek re-election at each Annual General Meeting of SciGen. Mr. Paul Freiman and Mr. Kenneth Gross, having attained the age of 70 years, are required to seek re-election annually, under the provision of the Singapore Companies Act.

(d) The Board has established an Audit Committee and a Remuneration Committee. From time to time, the Board may determine to establish specific purpose sub-committees to deal with specific issues.

Principle 2

Structure the Board to add value

Board members

Details of the members of the Board, their experience, expertise, qualifications are set out in the directors’ report under the heading “Information on directors”. There are seven non-executive directors (inclusive of the Chairman), two of whom are deemed independent under the principles set out in the Guidelines, and one executive director at the date of signing the directors’ report.

Directors’ independence

The Board does not comprise of a majority of independent directors as defined by the Corporate Governance Council Guidelines. However the Board believes that the composition of the Board currently brings the right mix of complementary skills, experience and representation for the Company and its shareholders at this point in its life.

Term of office

The company’s Constitution specifies that at least one third of directors must retire from office at each annual general meeting (AGM). Where eligible, a director may stand for re-election subject to the following limitation imposed by Singapore Companies Act:

- on attaining the age of 70 years a director will retire at each AGM and may seek re-election.

Roles of the Chairman and Chief Executive Officer (CEO)

The Chairman is responsible for leading the Board, ensuring that Board activities are organised and efficiently conducted and for ensuring directors are properly briefed for meetings. The CEO is responsible for implementing Group strategies and policies.

Commitment

The Board held 7 board meetings during the year.

The number of meetings of the company’s Board of directors and of each board committee held during the year ended 30 June 2005, and the number of meetings attended by each director is disclosed on page 27.

It is the company’s practice to allow its executive directors to accept appointments outside the company with prior written approval of the Chairman.

Conflict of interests

Entities connected with Mr. Kenneth Gross, Mr. Saul A. Mashaal and Mr. Paul Freiman had business dealings with the Company and the Group during the year, as described in note 25 to the financial statements. In accordance with the Board charter the directors concerned declare their interests in those dealings to the company and take no part in decisions relating to them or the preceding discussions.

Independent professional advice

Directors and Board committees have the right, in connection with their duties and responsibilities, to seek independent professional advice at the company’s expense. Prior written approval of the Chairman is required, but this will not be unreasonably withheld.

Nomination Committee

The Company does not have a formally constituted nomination committee given the early stage of the Company’s development and the complete nature of the Board composition currently. When new directors are required, the Board will appoint a nomination committee to consider membership.

Scientific Advisory Board

The Group has a pool of expert scientists known collectively as the Scientific Advisory Board. These scientists are able to be accessed by the Group to seek expert scientific advice related to the Group’s activities. The members of the panel are:-

- Professor Marian Gorecki
- Professor Chan Soh Ha
- Professor Daniel Shouval
- Professor David Handelsman

Corporate Governance Statement

Performance assessment

It is intended that the Board may undertake an annual self-assessment of its collective performance. The process may be facilitated by an independent third party.

In addition, each board committee may undertake an annual self assessment on the performance of the committee and achievement of committee objectives.

The Chairman intends when possible annually assess the performance of individual directors and meet privately with each director to discuss this assessment. The Chairman's performance may be reviewed by the Board.

Principle 3

Promote ethical and responsible decision-making

Code of Conduct

The company has developed a Code of Conduct (the Code) which has been reviewed by the Board and will apply to all directors and employees. The Code will be regularly reviewed and updated as necessary to ensure it reflects the highest standards of behaviour and professionalism and the practices necessary to maintain confidence in the Group's integrity.

In summary, the Code requires that at all times all company personnel act with the utmost integrity, objectivity and in compliance with the letter and the spirit of the law and company policies.

The purchase and sale of company securities by directors and employees is only permitted during the sixty day period following the release of the half-yearly and annual financial results to the market and sixty day period follow with Annual General Meeting. Any transactions undertaken must be notified to the company secretary in advance.

Principle 4

Safeguard integrity in financial reporting

Board committees

The Board has established two committees to assist in the execution of its duties and to allow detailed consideration of complex issues. Current committees of the Board are the Remuneration and Audit committees. Each is comprised entirely of non-executive directors.

Committee charters have been written setting out each committees' role and responsibilities, composition, structure, membership requirements and the manner in which the committee is to operate. These charters will be available on the Company's website. Matters determined by committees are submitted to the full board as recommendations for board decision, as required unless the Board has delegated the authority for a decision to the appropriate committee.

Minutes of committee meetings are tabled at subsequent board meetings.

Audit committee

The non-executive directors on the committee are:

Mr. Kenneth Gross (Chairman)
Mr. Paul Freiman
Mr. Christopher D. Wilks

Mr. Barrie R. Martin was chairman of the committee until his resignation on 25 February 2005.

Details of these directors' qualification, expertise, experience and attendance at audit committee meetings are set out in the directors' report on pages 20 - 30. The Chairman is not an independent director. The members have been selected because of the particular skills and experience they contribute to the committee.

The Chief Operating Officer, Chief Financial Officer and Auditor attend Audit Committee Meetings as required throughout the year. Time is allocated for the Audit Committee to meet with the Auditor without management being present. The responsibilities of the Audit Committee are to:

- (a) assist the Board to discharge fiduciary responsibilities with regard to SciGen's accounting, control and reporting practices by monitoring the internal control environment and management over corporate assets;
- (b) review internal controls and any changes thereto approved and submitted by SciGen's Chief Financial Officer;
- (c) provide assurance regarding the quality and reliability of financial information used by the Board to enable the Board to maintain confidence in the financial reports;
- (d) oversee the activities of the external audit staff of SciGen and to review SciGen's risk management policies and internal control processes;
- (e) review and recommend to the Board the adoption of SciGen's annual financial statements; and
- (f) liaise with and review the performance of the external auditor, who may be invited to attend Audit Committee meetings to discuss financial matters and business risk.

Corporate reporting

The CEO and CFO have made the following certifications in writing to the Board:

- that the company's financial reports are complete and present a true and fair view, in all material respects, of the financial condition and operational results of the Company and Group and are in accordance with relevant accounting standards.
- that the above statements founded on a sound system of risk management and internal compliance and control and which implement the policies adopted and that the Company's risk management and internal compliance and control is operating efficiently and effectively in all material aspects.

External auditors

The company and audit committee policy is to appoint external auditors who clearly demonstrate quality and independence. The performance of the external auditor is reviewed annually, taking into consideration assessment of performance and existing value. PricewaterhouseCoopers were appointed as the external auditors in 2 August 1999. It is PricewaterhouseCoopers policy to rotate audit engagement partners on listed companies at least every seven years and under CLERP 9, this will become every five years.

An analysis of fees paid to the external auditors, including a break-down of fees for non-audit services, is provided in note 21 to the financial statements. It is the policy of the external auditors to provide an annual declaration of their independence to the audit committee.

Risk assessment and management

The Board is responsible for ensuring there are adequate policies in relation to risk oversight and management, and internal control systems. In summary, the company policies are designed to ensure strategic, operational, legal, reputation and financial risks are identified, assessed, addressed and monitored to enable achievement of the Group's business objectives.

Considerable importance is placed on maintaining a strong control environment. There is an organisation structure with clearly drawn lines of accountability and delegation of authority. Adherence to the code of conduct is required at all times and the Board actively promotes a culture of quality and integrity.

Remuneration committee

The remuneration committee consists of the following non-executive directors:

Mr. Paul Freiman (Chairman)
Mr. S Iswaran

Mr. Barrie R. Martin was a chairman from the beginning of the financial year until his resignation on 25 February 2005.

Mr. R. Peter Campbell was a member from the beginning of the financial year until his resignation on 25 February 2005.

Corporate Governance Statement

Details of these directors' qualifications, experience and attendance at remuneration committee meetings are set out in the directors' report on pages 20 - 30.

The remuneration committee advises the Board on remuneration policies and practices generally, and makes specific recommendations on remuneration packages and other terms of employment for executive and non-executive directors.

Further information on directors' remuneration is set out in the directors' report and notes 19 to the financial statements.

Principle 5

Make timely and balanced disclosure

Continuous disclosure and shareholder communication

The CEO has been nominated as the person responsible for communications with the Australian Stock Exchange (ASX). This role includes responsibility for ensuring compliance with the continuous disclosure requirements in the ASX listing rules and overseeing and co-ordinating information disclosure to the ASX, analysts, brokers, shareholders, the media and the public.

The company complies with written policies and procedures of the ASX on information disclosure that focus on continuous disclosure of any information concerning the company and its controlled entities that a reasonable person would expect to have a material effect on the price of the company's securities.

All information disclosed to the ASX is posted on the company's web site as soon as it is disclosed to the ASX. When analysts are briefed on aspects of the Group's operations, the material used in the presentation is released to the ASX and posted on the company's web site.

All shareholders receive a copy of the company's annual report unless they have indicated otherwise. In addition, the company seeks to provide opportunities for shareholders to participate through electronic means. All recent company announcements, media briefings, details of company meetings, press releases and financial reports are available on the company's website www.scigenltd.com.

The website also includes a feedback mechanism and an option for shareholders to register their email address for email updates of company matters.

Principle 6

Respect the rights of shareholders

The Company has developed a website which contains sections dealing specifically with investor information.

All ASX and other important announcements are published on the website simultaneously with their release into the public domain.

Shareholders can also email the company and receive updates or answers to specific questions where appropriate.

In terms of external audit, a formal invitation has been extended by the Board to the Audit Partner at PricewaterhouseCoopers to attend the annual general meeting of the Company and through the Chairman will be available to answer questions relating to the conduct of the audit.

Principle 7

Recognise and manage risk

SciGen is committed to the management of risks to protect its employees, assets, earnings, markets, reputation and the environment.

The Board has implemented risk management procedures throughout the company that aim to identify the sources of risk and loss, quantify the impact of these sources and control and reduce the risk through practical and cost effective control measures. This will continue to be reviewed and enhanced.

In addition, SciGen uses risk-financing techniques, including insurance, to reduce the financial impact of any uncontrollable or catastrophic losses.

The audit committee of the Board currently accepts the role and responsibility of over seeing the control of financial risk. The committee ensures that adequate internal controls and risk-financing measures (such as insurance) are in place. These measures provide some protection against financial events.

In terms of more general risk management, managers in each country where SciGen employs staff are responsible for conforming to local occupational health and safety requirements. Given the relatively small size of the company and its geographic diversity it is not considered useful to constitute a formal Risk Management Committee at this point.

Further risk policy development will be undertaken in consultation with the Audit Committee and Board as appropriate.

Principle 8

Encourage enhanced performance

The Chairman of SciGen has the responsibility of reviewing the performance of each director.

The CEO is assessed annually and the Remuneration Committee will makes certain recommendations regarding salary adjustments. The CEO undertakes an annual review (using a structured system) of his direct reports.

Each year budgets provide for training and education of staff, both internally and externally.

Principle 9

Remunerate fairly and responsibly

The Annual Report of the Company contains detailed information of the remuneration of directors and senior executives. This information includes references to share option allocations.

The Audit Committee and the Board will review the term of any proposed scheme for the retirement benefits, other than the statutory superannuation, for non-executive directors.

Principle 10

Recognise the legitimate interests of stakeholders

The Company is in the process of implementing the policies of the Code of Conduct throughout the company. Recognition and stakeholder rights is a key element with this process.

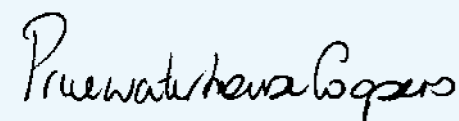
Auditors' Report to the Members of SciGen Ltd

We have audited the financial statements of SciGen Ltd and the consolidated financial statements of the Group for the financial year ended 30 June 2005 set out on pages 39 to 72. These financial statements are the responsibility of the Company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we plan and perform our audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion,

- (a) the accompanying financial statements of the Company and consolidated financial statements of the Group are properly drawn up in accordance with the provisions of the Singapore Companies Act ("the Act") and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company and of the Group at 30 June 2005, the results, cash flows and changes in equity of the Company and of the Group for the financial year ended on that date; and
- (b) the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.



PricewaterhouseCoopers

Sydney
19 September 2005

Financial Report – 30 June 2005

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This financial report covers both SciGen Ltd as an individual entity (the Company) and the Group consisting of SciGen Ltd and its controlled entities.

SciGen Ltd is a company limited by shares, incorporated and domiciled in Singapore. Its registered office and principal place of business is:

SciGen Ltd
152 Beach Road
#26-07/08 Gateway East
Singapore 189721

Accordingly all amounts in these financial statements are in Singapore Dollars (S\$).

A description of the nature of the Company and the Group's operations and its principal activities is included in the directors' report on pages 20 - 30, which are not part of this financial report.

Through the use of the internet, we have ensured that our corporate reporting is timely, complete, and available globally at minimum cost to the company. All press releases, financial reports and other information are available on our website: www.scigenltd.com

For queries in relation to our reporting please call (65) 6779 6638 or (61) 2-9234-1700 or e-mail scigenmail@scigen.com.au

Income Statements

(in Singapore dollars)

For the year ended 30 June 2005

	Notes	The Group		The Company	
		2005 S\$'000	2004 S\$'000	2005 S\$'000	2004 S\$'000
Revenue from ordinary activities (including finance income)	3	7,695	6,479	5,370	4,686
Changes in inventories		66	(125)	(5)	(223)
Purchases		(2,725)	(2,317)	(2,628)	(2,132)
Employee benefits expense (staff costs)		(5,444)	(4,089)	(3,986)	(2,854)
Depreciation and amortisation expenses		(350)	(286)	(311)	(258)
Other expenses	4	(4,793)	(3,952)	(4,180)	(3,340)
Loss from operating activities		(5,551)	(4,290)	(5,740)	(4,121)
Borrowing costs expense (finance costs)	5	(11)	(21)	(10)	(20)
Loss from ordinary activities before related income tax expense	5	(5,562)	(4,311)	(5,750)	(4,141)
Income tax expense	6	-	-	-	-
Net loss		(5,562)	(4,311)	(5,750)	(4,141)
		<i>S Cents</i>	<i>S Cents</i>		
Basic earnings per share	28	(1.247)	(1.029)		
Diluted earnings per share	28	(1.247)	(1.029)		

The accompanying notes formed an integral part of these financial statements.
Auditors Report – Page 38

Balance Sheets

(in Singapore dollars)

For the year ended 30 June 2005

	Notes	The Group		The Company	
		2005 S\$'000	2004 S\$'000	2005 S\$'000	2004 S\$'000
Current Assets					
Cash assets	7	15,430	9,555	13,726	9,339
Receivables	8	1,698	1,475	933	796
Inventories	9	532	466	264	269
Others	10	603	621	361	406
Total current assets		18,263	12,117	15,284	10,810
Non-current Assets					
Investments in subsidiaries	11	-	-	3,587	3,086
Fixed assets	12	315	191	237	116
Intangible assets	13	23,208	22,557	23,208	22,557
Total non-current assets		23,523	22,748	27,032	25,759
Total assets		41,786	34,865	42,316	36,569
Current Liabilities					
Payables	14	2,700	2,238	1,611	2,014
Provisions	15	718	419	395	217
Total current liabilities		3,418	2,657	2,006	2,231
Non-current liabilities					
Payables	16	422	429	422	429
Total non-current liabilities		422	429	422	429
Total liabilities		3,840	3,086	2,428	2,660
Net Assets		37,946	31,779	39,888	33,909
Equity					
Parent entity interest					
Share capital	17	724	550	724	550
Share premium reserve	18(a)	64,418	52,863	64,418	52,863
Accumulated losses	18(b)	(27,196)	(21,634)	(25,254)	(19,504)
Total parent entity interest		37,946	31,779	39,888	33,909
Total equity		37,946	31,779	39,888	33,909

The accompanying notes form an integral part of these financial statements.
Auditors' report – Page 38

Statements of Changes in Equity (in Singapore dollars)

For the year ended 30 June 2005

	Share Capital S\$ '000	Share Premium S\$ '000	Accumulated Losses S\$ '000	Total S\$ '000
The Group				
Balance at 1 July 2004	550	52,863	(21,634)	31,779
Net loss and total recognised loss for the financial year	-	-	(5,562)	(5,562)
Issue of ordinary shares	174	11,641	-	11,815
Expenses relating to the placement	-	(86)	-	(86)
Balance at 30 June 2005	724	64,418	(27,196)	37,946
Balance at 1 July 2003	550	52,863	(17,323)	36,090
Net loss and total recognised loss for the financial year	-	-	(4,311)	(4,311)
Balance at 30 June 2004	550	52,863	(21,634)	31,779
The Company				
Balance at 1 July 2004	550	52,863	(19,504)	33,909
Net loss and total recognised loss for the financial year	-	-	(5,750)	(5,750)
Issue of ordinary shares	174	11,641	-	11,815
Expenses relating to the placement	-	(86)	-	(86)
Balance at 30 June 2005	724	64,418	(25,254)	39,888
Balance at 1 July 2003	550	52,863	(15,363)	38,050
Net loss and total recognised loss for the financial year	-	-	(4,141)	(4,141)
Balance at 30 June 2004	550	52,863	(19,504)	33,909

The accompanying notes form an integral part of these financial statements.
Auditors' report – Page 38

Cash Flows Statements (in Singapore dollars)

For the year ended 30 June 2005

	Notes	The Group		The Company	
		2005 S\$'000	2004 S\$'000	2005 S\$'000	2004 S\$'000
Cash flows from operating activities					
Receipts from customers (inclusive of goods and services tax)		6,556	5,432	4,617	4,264
Payments to suppliers and employees (inclusive of goods and services tax)		(10,587)	(10,383)	(9,548)	(8,404)
		(4,031)	(4,951)	(4,931)	(4,140)
Interest received		362	307	348	300
Borrowing costs		(11)	(21)	(10)	(20)
Other expense		(3)	-	-	-
Net cash outflows from operating activities	27	(3,683)	(4,665)	(4,593)	(3,860)
Cash flows from investing activities					
Payments for property, plant and equipment		(224)	(81)	(180)	(65)
Payments for patents and trademarks		(1,964)	(3,071)	(2,087)	(3,071)
Loan to related parties		-	-	(500)	(867)
Proceeds from sale of property, plant and equipment		(1)	-	-	-
Repayment of loans by related parties		18	3	18	3
Net cash outflows from investing activities		(2,171)	(3,149)	(2,749)	(4,000)
Cash flows from financing activities					
Proceeds from issues of shares and other equity securities		11,729	-	11,729	-
Net cash inflows from financing activities		11,729	-	11,729	-
Net increase (decrease) in cash held					
Cash at the beginning of the financial year		5,875	(7,814)	4,387	(7,860)
Cash at the end of the financial year	7	9,555	17,369	9,339	17,199
		15,430	9,555	13,726	9,339

The accompanying notes form an integral part of these financial statements.
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Notes to the Financial Statements

For the year ended 30 June 2005

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Notes to the Financial Statements

For the year ended 30 June 2005

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

Note 1 Summary of significant accounting policies

(a) Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (“FRSs”). The financial statements have been prepared under the historical cost convention. The preparation of financial statements in conformity with Singapore Financial Reporting Standards requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management’s best knowledge of current event and actions, actual results may ultimately differ from those estimates.

The financial statements are expressed in Singapore Dollars.

(b) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and all its subsidiaries made up to the end of the financial year. Subsidiaries are those entities in which the Group has an interest of more than one half of the voting rights or otherwise has power to exercise control over the operations. Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases. All intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated, unrealised losses are also eliminated unless cost cannot be recovered. Where necessary, accounting policies for subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

(c) Deferred income tax

Deferred income tax is provided, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Currently enacted tax rates are used in the determination of deferred income tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

(d) Foreign currency translation

(i) Measurement currencies

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of underlying events and circumstances relevant to that entity (“the measurement currency”). The consolidated financial statements are presented in Singapore Dollars, which is the measurement currency of the Company.

(ii) Transactions and balances

Transactions in foreign currencies during the financial year are converted to the measurement currency at the rates of exchange prevailing at the transaction dates. Foreign currency monetary assets and liabilities are translated into Singapore dollars at the rates of exchange prevailing at the balance sheet date. Exchange differences arising are taken to the income statements.

(iii) Foreign controlled entities

For the purpose of consolidation of foreign subsidiaries, whose operations are an integral part of the Company’s operations, the balance sheets are translated into Singapore dollars at the exchange rates prevailing at the balance sheet date, except for plant and equipment, licences, share capital and share premium which are stated at historical cost, and the results are translated using the average exchange rates during the financial year. The exchange differences arising on translation of foreign subsidiaries are taken to the consolidated income statement.

Notes to the Financial Statements

For the year ended 30 June 2005

Note 1 Summary of significant accounting policies (continued)

(e) Revenue recognition

Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid. Revenue from the sale of product is recognised at the time of delivery. For sales on consignment, the revenue is recognised when the products are delivered by the distributors to their customers.

Interest income is accrued on a day to day basis.

(f) Cash

For purposes of the statement of cash flows, cash includes deposits at call with financial institutions and other highly liquid investments with short periods to maturity which are readily convertible to cash on hand and are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts.

(g) Receivables

All trade debtors are recognised at the amounts receivable and they are generally settled within 30 - 120 days depending upon the credit terms per territory.

Collectibility of trade debtors is reviewed on an ongoing basis. Debts, which are known to be uncollectible are written off in the period in which they are identified. A provision for doubtful debts is raised for any doubtful debts following a review of all outstanding amounts at balance sheet date.

(h) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a first-in first-out basis and includes all costs in bringing the inventories to their present location and condition. Net realisable value is the price at which the inventories can be realised in the normal course of business after allowing for the costs of realisation and, where appropriate, the cost of conversion from their existing state to a finished condition.

Allowance for obsolete, slow-moving and defective inventories is made where necessary.

(i) Investments

Investments in subsidiaries are stated at cost less impairment losses in the Company's balance sheet. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

On disposal of an investment the difference between net disposal proceeds and its carrying amount is taken to the income statement.

(j) Fixed assets and depreciation

Fixed assets are stated at historical cost less accumulated depreciation.

Depreciation is calculated on a straight-line basis to write off the cost of the fixed assets over its expected useful life. Estimates of remaining useful lives are made on a regular basis for all assets, with annual reassessments for major items. The expected useful lives are as follows:

Plant and Machinery	5 years
Office Equipment	3 – 5 years
Office Furniture & Fittings	5 – 10 years

Repairs and maintenance are taken to the income statement during the financial period in which they are incurred. The cost of major renovations and restorations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of originally assessed standard of performance of the existing asset will flow to the Group, and depreciated over the remaining useful life of the asset.

Notes to the Financial Statements

For the year ended 30 June 2005

Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in profit/(loss) from operations.

(k) Accounting for Leases

Operating lease payments are charged to the income statement on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

(l) Licences

The initial costs of acquiring licence rights are capitalised and stated at cost less accumulated amortisation. The costs of licence rights are amortised on a straight-line basis and charged to the income statements over their estimated periods of right of use, which range from 8 to 20 years. The amortisation commences from the dates the products have been marketed, following the successful registrations of the products in any country or group of countries according to the licence agreements. Where an indication of impairment exists, the carrying amount of a licence right is assessed and written down to its recoverable amount.

(m) Impairment of assets

At each balance sheet date, the Company and the Group reviews all the carrying amounts of its non-current assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately.

(n) Trade and other creditors

These amounts represent liabilities for goods and services provided to the Company and the Group prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid between 30 – 60 days of recognition.

(o) Employee benefits

(i) Defined contribution plans

The Group's contribution to defined contribution plans are recognised in the financial year to which they relate.

(ii) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long-service leave as a result of services rendered by employees up to the balance sheet date.

(iii) Equity compensation benefits

No compensation expense is recognised when share options are issued under SciGen Ltd Employee Share Option Scheme. When the options are exercised, the proceeds received net of any transaction costs are taken to share capital (nominal value) and share premium.

(p) Borrowing costs

Borrowing costs are recognised as expenses in the period in which they are incurred.

Notes to the Financial Statements

For the year ended 30 June 2005

Note 1 Summary of significant accounting policies (continued)

(q) Earnings per share

(i) Basic earnings per share

Basic earnings per share is determined by dividing net profit after income tax attributable to members of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(r) Provisions

Provisions are recognised when there is a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

(s) Research and development

Given the current stage of development of the Group, all research and development costs are expensed as incurred.

(t) Impacts of adopting Singapore equivalent to IFRS

As a Singapore incorporated entity, SciGen is required to prepare and present its statutory accounts in accordance with the Singapore Financial Reporting Standards ("FRSs"). FRSs are closely modelled after the International Accounting Standards ("IASs") and International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board. These Singapore equivalents to IFRSs are referred to hereafter as FRSs. As part of this process a number of new FRSs have been issued which will apply from 1 January 2005. The adoption of the new FRSs will be first reflected in the consolidated entity's financial statements for the half-year ending 31 December 2005 and the year ending 30 June 2006.

Most adjustments required on transition to new FRSs will be made, retrospectively, against opening retained earnings as at 1 July 2004.

The known or reliably estimable impacts on the financial report for the year ended 30 June 2005 had it been prepared using new FRSs are set out below. The expected financial effects of adopting new FRSs are shown for each line item in the income statements and balance sheets, with descriptions of the differences. No material impacts are expected in relation to the statements of cash flows.

Although the adjustments disclosed in this note are based on management's best knowledge of expected standards and interpretations, and current facts and circumstances, these may change. For example, amended or additional standards or interpretations may be issued by Council on Corporate Disclosure and Governance (CCDG). Therefore, until the company adopts the new FRSs in the next financial year, the possibility cannot be excluded that the accompanying disclosures may have to be adjusted.

Notes to the Financial Statements

For the year ended 30 June 2005

Impact on the income statements

Descriptions	Notes	The Group			The Company		
		Existing GAAP S\$'000	Effect of Change S\$'000	New FRS S\$'000	Existing GAAP S\$'000	Effect of Change S\$'000	New FRS S\$'000
Revenue from ordinary activities	a,b	7,695	(534)	7,161	5,370	(250)	5,120
Other income	b	-	715	715	-	250	250
Changes in inventories		66	-	66	(5)	-	(5)
Purchases		(2,725)	-	(2,725)	(2,628)	-	(2,628)
Employee benefits expense	c	(5,444)	(113)	(5,557)	(3,986)	(113)	(4,099)
Depreciation & amortisation expenses	a	(350)	(7)	(357)	(311)	-	(311)
Borrowing costs		(11)	-	(11)	(10)	-	(10)
Other expenses from ordinary activities		(4,793)	-	(4,793)	(4,180)	-	(4,180)
Loss From Ordinary Activities Before Income Tax Expense		(5,562)	61	(5,501)	(5,750)	(113)	(5,863)
Income tax expense relating to ordinary activities		-	-	-	-	-	-
Loss From Ordinary Activities After Related Income Tax Expense		(5,562)	61	(5,501)	(5,750)	(113)	(5,863)
Total Changes in Equity not resulting from transactions with owners as owners		(5,562)	61	(5,501)	(5,750)	(113)	(5,863)

Earnings per security (EPS)

	S Cents	S Cents	S Cents
Basic EPS	(1.247)	0.014	(1.233)
Diluted EPS	(1.247)	0.014	(1.233)

Notes to the Financial Statements

For the year ended 30 June 2005

Note 1 Summary of significant accounting policies (continued)

Impact on the balance sheets

Descriptions	Notes	The Group			The Company		
		Existing GAAP S\$'000	Effect of Change S\$'000	FRS S\$'000	Existing GAAP S\$'000	Effect of Change S\$'000	FRS S\$'000
Current Assets							
Cash Assets		15,430	-	15,430	13,726	-	13,726
Receivables		1,698	-	1,698	933	-	933
Inventories	a	532	16	548	264	-	264
Other		603	-	603	361	-	361
Total Current Assets		18,263	16	18,279	15,284	-	15,284
Non-Current Assets							
Investments in subsidiaries		-	-	-	3,587	-	3,587
Property, plant & equipment	a	315	7	322	237	-	237
Intangibles		23,208	-	23,208	23,208	-	23,208
Total Non-Current Assets		23,523	7	23,530	27,032	-	27,032
Total Assets		41,786	23	41,809	42,316	-	42,316
Current Liabilities							
Payables		2,700	-	2,700	1,611	-	1,611
Provisions		718	-	718	395	-	395
Total Current Liabilities		3,418	-	3,418	2,006	-	2,006
Non-Current Liabilities							
Payables		422	-	422	422	-	422
Total Non-Current Liabilities		422	-	422	422	-	422
Total Liabilities		3,840	-	3,840	2,428	-	2,428
Net Assets		37,946	23	37,969	39,888	-	39,888
Equity							
Contributed equity & reserves							
Contributed equity		724	-	724	724	-	724
Share premium		64,418	-	64,418	64,418	-	64,418
Share-based payments reserve	c	-	165	165	-	165	165
Accumulated losses	a,c	(27,196)	108	(27,088)	(25,254)	(165)	(25,419)
Foreign currency translation reserve	a	-	(250)	(250)	-	-	-
Total Equity		37,946	23	37,969	39,888	-	39,888

Notes to the Financial Statements

For the year ended 30 June 2005

Notes explaining the impacts on the income statements and balance sheets

(a) Foreign currency translation reserve : cumulative translation differences

Under the new FRS 21 the foreign subsidiaries' balance sheet and profit and loss will be translated as follows:-

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

This will result in a change to the current accounting policy, under which the foreign subsidiaries' balance sheets are translated into Singapore dollars at the exchange rates prevailing at the balance sheet date, except for plant and equipment, licences, share capital and share premium which are stated at historical cost, and the foreign subsidiaries' results are translated using the average exchange rates during the financial year. The exchange differences arising on translation of foreign subsidiaries are taken to the consolidated income statements.

If the policy required under the new FRS 21 had been applied during the year ended 30 June 2005, the group's retained loss at 30 June 2005 would have been S\$273,000 lower, the group's net loss for the year ended 30 June 2005 would have been S\$174,000 lower, and the foreign currency translation reserve of the group at June 2005 would have decreased by S\$250,000.

(b) Reclassification of other income

Under FRS, foreign exchange gains are classified as other income. This is in contrast to the current treatment under which such items are classified as revenue.

If the policy required under FRS had been applied during the year ended 30 June 2005, the group's revenue from ordinary activities would have been S\$715,000 lower and the group's other income would be S\$715,000 higher.

(c) Equity-based compensation benefits

Under FRS 102 Share-based payment, from 1 July 2004 the group and the company is required to recognise an expense for those options that were issued to employees under the SciGen Ltd Employee Option Plan after 22 November 2002 but that had not vested by 1 January 2005.

This will result in a change to the current accounting policy under which no expense is recognised for equity-based compensation.

If the policy required had been applied during the year ended 30 June 2005, the company's and the group's retained loss at 30 June 2005 would have been S\$165,000 higher, with a corresponding increase in the share-based payments reserve. For the year ended 30 June 2005, the company's and group's employee benefits expense would have been S\$113,000 higher, with a corresponding increase in the net movement in the share-based payments reserve.

Notes to the Financial Statements

For the year ended 30 June 2005

Note 2 Segment information

Business segments

The Company and the Group operates in one business segment being the Bio-technology derived pharmaceutical industry.

Geographical segments

The Company and the Group's operates predominately in the following main geographical areas:

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 & marketing.

Australia

Includes sales and marketing activities.

India

Includes sales and marketing activities.

Korea

Includes sales and marketing activities.

Pakistan

Includes sales and marketing activities.

Vietnam

Includes sales and marketing activities.

Others

Comprises operations carried on in Hong Kong, Philippines, Indonesia and other countries in South East Asia.

Notes to the Financial Statements

For the year ended 30 June 2005

	Singapore		Australia		India		Korea		Pakistan		Vietnam		Other/ Inter-Segment Eliminations/ Unallocated		Consolidated	
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
Sales to external customers	536	379	2,743	2,562	816	80	1,684	1,438	603	507	(51)	755	1,364	758	7,695	6,479
Intersegment sales	2,399	2,214	-	-	-	-	-	-	-	-	-	-	(2,399)	(2,214)	-	-
Total sales revenue	2,935	2,593	2,743	2,562	816	80	1,684	1,438	603	507	(51)	755	(1,035)	(1,456)	7,695	6,479
Segment results	1,328	1,084	479	692	75	3	15	(353)	111	89	(397)	(47)	(361)	(539)	1,250	929
Unallocated revenue less unallocated expenses															(6,812)	(5,240)
Profit from ordinary activities before related income tax expense															(5,562)	(4,311)
Income tax expense															-	-
Net loss															(5,562)	(4,311)
Segment assets	18,015	9,910	1,142	655	364	81	823	888	240	127	83	444	283	283	20,950	12,388
Unallocated assets															20,836	22,477
Consolidated Total assets															41,786	34,865
Segment liabilities	(1,949)	(2,419)	(1,249)	(340)	-	-	(103)	38	-	-	(33)	(27)	(99)	(65)	(3,433)	(2,813)
Unallocated liabilities															(407)	(273)
Consolidated Total liabilities															(3,840)	(3,086)
Depreciation and amortisation expense	(2)	(1)	(3)	(1)	-	-	(4)	(6)	-	-	(10)	(6)	(331)	(272)	(350)	(286)
Capital Expenditure on Property, Plant and Equipment/Intangibles	6	2	16	11	-	-	-	5	-	-	-	8	203	55	225	81

Notes to the Financial Statements

For the year ended 30 June 2005

Note 2 Segment information (continued)

Due to errors in elimination of inter-company sales, the inter-segment revenue for Singapore in 2004 was understated by S\$1,067,000. This error also affected the segment results for Singapore and Korea by the same amount. The error has been corrected by restating each of the affected segment information line items for the prior year.

Accounting policies

Segment revenues, expenses, assets and liabilities are those that are directly attributable to a segment and the relevant portion that can be allocated to the segment on a reasonable basis. Segment assets include all assets used by a segment and consist primarily of operating cash, receivables, inventories, property, plant and equipment, net of related provisions. Segment liabilities consist primarily of trade and other creditors and employee entitlements.

Segment revenues, expenses and results include transfers between segments. Such transfers are priced on an "arm's-length" basis and are eliminated on consolidation.

Note 3 Revenue

	The Group		The Company	
	2005 S\$'000	2004 S\$'000	2005 S\$'000	2004 S\$'000
Revenue from operating activities				
Sale of goods	6,800	6,172	4,772	4,386
Revenue from outside the operating activities				
Interest	362	307	348	300
Net foreign exchange gain	533	-	250	-
Revenue from ordinary activities	7,695	6,479	5,370	4,686

Note 4 Other expenses from ordinary activities

	The Group		The Company	
	2005 S\$ '000	2004 S\$ '000	2005 S\$ '000	2004 S\$ '000
Professional & Consultancy Fees	1,006	564	870	465
Advertising & Promotional Expenses	746	681	488	455
Insurance Premium	357	156	339	132
Rental Expenses	348	337	149	123
Regulatory & Clinical Research Expenses	506	340	1,028	840
Net Foreign Exchange Loss	-	189	-	145
Others	1,830	1,685	1,306	1,180
	4,793	3,952	4,180	3,340

Notes to the Financial Statements

For the year ended 30 June 2005

Note 5 Loss from ordinary activities

	The Group		The Company	
	2005 S\$'000	2004 S\$'000	2005 S\$'000	2004 S\$'000
Loss from ordinary activities is arrived at after:				
Charging:				
Auditors' remuneration				
- Auditor fees	104	102	93	91
- Non audit fees	30	37	21	25
Depreciation				
- Plant and machinery	5	6	6	5
- Office equipment	78	51	42	27
- Office furniture and fittings	9	8	5	5
Net loss on disposal of fixed assets	9	16	5	13
Amortisation of licences	258	221	258	221
Directors' remuneration	2,078	1,222	2,003	1,089
Professional fees paid to directors	155	165	155	165
Professional fees paid to a corporation in which a director has an interest	223	232	223	232
Net foreign exchange losses	-	189	-	145
Rental expenses – operating leases	338	337	144	123
Bad debts written off	3	1	-	-
Research and development	104	196	104	750
Defined contribution plans				
- Superannuation expenses of defined plans including Central Provident Fund	196	170	112	101
Interest Expense				
- Others persons	11	21	10	20

Note 6 Income tax

There is no tax expense on the results for the financial year for the Group and the Company as the Company and its subsidiaries have all incurred losses for tax purposes.

The Company has unutilised tax losses of approximately S\$20,704,132 (2004: S\$16,166,613) available for offsetting against future taxable income, subject to there being no substantial change in shareholders, confirmation by relevant tax authorities and the fulfilment of certain conditions. Deferred tax benefits on these unutilised tax losses, amounting to approximately S\$4,140,826 (2004: S\$3,556,655), have not been recognised by the Company.

The Group has unutilised tax losses of approximately S\$23,850,235 (2004: S\$20,456,869) available for offsetting against future taxable income, subject to there being no substantial change in shareholders, confirmation by relevant tax authorities and the fulfilment of certain conditions. Deferred tax benefits on these unutilised tax losses, amounting to approximately S\$4,770,047 (2004: S\$4,500,511), have not been recognised by the Group.

Notes to the Financial Statements

For the year ended 30 June 2005

Note 7 Current assets – Cash assets

	The Group		The Company	
	2005 S\$'000	2004 S\$'000	2005 S\$'000	2004 S\$'000
Cash at bank and on hand	1,522	515	1,023	299
Deposits at call	13,908	9,040	12,703	9,040
	<u>15,430</u>	<u>9,555</u>	<u>13,726</u>	<u>9,339</u>

Cash assets are denominated in the following currencies:

	The Group		The Company	
	2005 S\$'000	2004 S\$'000	2005 S\$'000	2004 S\$'000
Singapore Dollars	152	146	151	146
United States Dollars	1,783	4,926	545	4,926
Australian Dollars	13,205	4,313	13,022	4,265
Others	290	170	8	2
	<u>15,430</u>	<u>9,555</u>	<u>13,726</u>	<u>9,339</u>

Bank deposits on call have an average maturity of 1 month (2004:1 month) from the end of the financial year with the following weighted average effective interest rates

	The Group		The Company	
	2005	2004	2005	2004
Singapore Dollars	0.63%	0.94%	0.63%	0.94%
United States Dollars	1.55%	0.86%	1.55%	0.86%
Australian Dollars	5.21%	4.60%	5.21%	4.60%
Others	2.48%	-	-	-

Note 8 Current assets – Receivables

	The Group		The Company	
	2005 S\$'000	2004 S\$'000	2005 S\$'000	2004 S\$'000
Trade debtors	1,612	1,369	843	688
Amounts due from directors or director of related entity	315	333	315	333
	<u>1,927</u>	<u>1,702</u>	<u>1,158</u>	<u>1,021</u>
Less: Provision for doubtful debts	(229)	(227)	(225)	(225)
	<u>1,698</u>	<u>1,475</u>	<u>933</u>	<u>796</u>

Notes to the Financial Statements

For the year ended 30 June 2005

Concentrations of credit risk with respect to trade receivables are limited to the Group's large number of customers, who are internationally dispersed, cover a large spectrum of manufacturing and distribution and have a variety of end markets in which they sell. Due to these factors, management believes that no additional credit risk beyond amounts provided for collection losses is inherent in the Group's and Company's trade receivables.

The carrying amounts of Receivables approximate their fair value.

Receivables are denominated in the following currencies:

	The Group		The Company	
	2005 S\$'000	2004 S\$'000	2005 S\$'000	2004 S\$'000
Singapore Dollar	167	176	167	177
United States Dollar	712	516	712	516
Australian dollar	238	167	-	-
Korean Won	527	513	-	-
Others	54	103	54	103
	<u>1,698</u>	<u>1,475</u>	<u>933</u>	<u>796</u>

Note 9 Current assets – Inventories

	The Group		The Company	
	2005 S\$'000	2004 S\$'000	2005 S\$'000	2004 S\$'000
Finished goods – at cost	532	466	264	269

Note 10 Current assets – Others

	The Group		The Company	
	2005 S\$'000	2004 S\$'000	2005 S\$'000	2004 S\$'000
Sundry Deposits	205	192	171	162
Other Debtors	161	83	104	-
Staff Advances	(3)	4	(5)	3
Prepayments	240	342	91	241
	<u>603</u>	<u>621</u>	<u>361</u>	<u>406</u>

The carry amounts of current assets approximate their fair value.

Notes to the Financial Statements

For the year ended 30 June 2005

Note 11 Non-current assets - Investments in subsidiaries

	The Company	
	2005 S\$ '000	2004 S\$ '000
Unquoted equity shares, at cost (see note 26)	1,144	1,144
Less: Provision for impairment of investment	(1,144)	(1,144)
	-	-
Amounts due from subsidiaries	3,587	3,086
	3,587	3,086

The amounts due from subsidiaries are unsecured and interest free. There are no fixed terms of repayment but repayment is not expected within the next 12 months from the balance sheet date.

The fair values for the amounts due from the subsidiaries are as follows:-

	The Company	
	2005 S\$ '000	2004 S\$ '000
Amounts due from subsidiaries	3,196	2,674

The fair values are determined from the discounted cash flows analysis using a discount rate based upon the borrowing rate which the directors expect would be available to the Group and the Company at the balance sheet date.

Notes to the Financial Statements

For the year ended 30 June 2005

Note 12 Non-current assets – Fixed assets

(a) The Group

	Plant and machinery S\$ '000	Office equipment S\$ '000	Office furniture & fittings S\$ '000	Total S\$ '000
Cost				
At 1 July 2004	28	287	67	382
Additions	-	190	34	224
Disposal	-	(83)	-	(83)
At 30 June 2005	28	394	101	523
Accumulated Depreciation				
At 1 July 2004	20	157	14	191
Depreciation charge	5	78	9	92
Disposals	-	(75)	-	(75)
At 30 June 2005	25	160	23	208
Net book value At 30 June 2005	3	234	78	315
Net book value At 30 June 2004	8	130	53	191

(b) The Company

	Plant and machinery S\$ '000	Office equipment S\$ '000	Office furniture & fittings S\$ '000	Total S\$ '000
Cost				
At 1 July 2004	28	157	40	225
Additions	-	148	32	180
Disposals	-	(51)	-	(51)
At 30 June 2005	28	254	72	354
Accumulated Depreciation				
At 1 July 2004	19	84	6	109
Depreciation charge	6	42	5	53
Disposals	-	(45)	-	(45)
At 30 June 2005	25	81	11	117
Net book value At 30 June 2005	3	173	61	237
Net book value At 30 June 2004	9	73	34	116

Notes to the Financial Statements

For the year ended 30 June 2005

Note 13 Non-current assets – Intangible assets

(a)	The Group		The Company	
	2005 S\$'000	2004 S\$'000	2005 S\$'000	2004 S\$'000
Cost				
At 1 July	23,269	23,269	23,269	23,269
Additions	909	-	909	-
At 30 June	24,178	23,269	24,178	23,269
Accumulated Amortisation				
At 1 July	712	491	712	491
Amortisation charged	258	221	258	221
At 30 June	970	712	970	712
Net Book Value	23,208	22,557	23,208	22,557

(b) Type of licences in respect of biologics

	Cost	Duration of licences
	S\$'000	
Rights to market and distribute	11,168	10-20 years from date of first approval for sales in specified group countries
Rights to market and distribute	2,633	10-20 years from date of first approval for sale in specified countries
Right to use technology to establish large scale production facility	8,662	10-20 years from date of approval in licensed territory. Renewable for additional period of 7 years for royalty payment and royalty free after 17 years.
Right to develop, manufacture, market, distribute and sell	1,715	99 years from 10 November 1993 (agreement date). Automatic renewal for 99 years
	24,178	

Some of the licences to market and distribute require the Company to obtain the relevant regulatory approvals in countries specified in the agreements within a specified period of time, failing which the licence agreements can be terminated. The countries are largely within the Asia Pacific region.

The licence with the right to use technology requires the Company to erect and operate a facility or use a Contract Manufacturer Organisation (CMO) with a minimal production capacity.

The licence with the right to develop and manufacture requires the Company to fund the development of the product undertaken by the licensor. The development fee is payable to the licensor in instalments over the stages of the development as stipulated in the licence agreement.

In assessing the carrying amount of the licences, the directors rely on the use of estimates of:

- the future cash inflows and outflows to be derived from the licences;
- the risk adjusted discount rate to be applied to these future cash flows; and
- the useful lives of these intangibles.

The directors consider that, in arriving at the above estimates, they have made the best assessment they can, taking into account of the conditions prevailing at 30 June 2005 and current information available to them, including an independent valuation carried out by Aoris Nova Pty Ltd on 27 July 2005 which confirms that the fair value of the major licence is in excess of its carrying value.

The financial obligations to the licensors arising from the acquisition of these licences are disclosed in notes 14 and 16 to the financial statements.

Notes to the Financial Statements

For the year ended 30 June 2005

Note 14 Current liabilities – Payables

	The Group		The Company	
	2005 S\$'000	2004 S\$'000	2005 S\$'000	2004 S\$'000
Trade creditors	1,369	679	1,202	560
Short-term portion of obligation to licensors	173	1,225	173	1,225
Other creditors	1,158	334	236	229
	2,700	2,238	1,611	2,014

The amount payable to licensors are unsecured and interest-free

The carrying amounts of payables approximate their fair value.

Payables are denominated in the following currencies:

	The Group		The Company	
	2005 S\$'000	2004 S\$'000	2005 S\$'000	2004 S\$'000
Singapore Dollar	124	243	124	243
United States Dollar	1,360	1,740	1,360	1,740
Australian Dollar	1,022	204	-	-
Korean Won	27	20	-	-
Others	167	31	127	31
	2,700	2,238	1,611	2,014

Note 15 Current liabilities – Provisions

	The Group		The Company	
	2005 S\$'000	2004 S\$'000	2005 S\$'000	2004 S\$'000
Employee benefits	492	336	175	135
Other accruals	226	83	220	82
	718	419	395	217

The carrying amounts of provisions approximate their fair value.

The provisions are denominated in the following currencies:

	The Group		The Company	
	2005 S\$'000	2004 S\$'000	2005 S\$'000	2004 S\$'000
Singapore Dollar	148	75	148	75
United States Dollar	116	42	116	42
Australian dollar	302	201	75	64
Korean Won	76	65	-	-
Others	76	36	56	36
	718	419	395	217

Notes to the Financial Statements

For the year ended 30 June 2005

Note 16 Non-current liabilities – payables

	The Group		The Company	
	2005 S\$'000	2004 S\$'000	2005 S\$'000	2004 S\$'000
Long-term portion of obligations to licensors	422	429	422	429

The amount payable to licensors are unsecured, interest-free and payable as follows:

	2005 S\$'000	2004 S\$'000	2005 S\$'000	2004 S\$'000
Payable after 30 June 2006	422	429	422	429
Total	422	429	422	429

The fair value of the long-term portion of obligations to licensors is as follows:-

	The Group		The Company	
	2005 S\$'000	2004 S\$'000	2005 S\$'000	2004 S\$'000
Long-term portion of obligations to licensors	386	382	386	382

The fair values are determined from the discounted cash flows analysis using a discount rate based upon the borrowing rate which the directors expect would be available to the Group and the Company at the balance sheet date.

Note 17 Share capital

	The Group		The Company	
	2005 S\$'000	2004 S\$'000	2005 S\$'000	2004 S\$'000
(a) Share capital				
Authorised :				
761,412,500 ordinary of S\$0.0013133 each (2004 : 456,847,500 ordinary of S\$0.0013133 each)	1,000	600	1,000	600
Issued and Fully Paid :				
At the beginning of financial year				
- 418,965,443 ordinary shares of S\$0.0013133 each (2004 : 418,965,443 ordinary shares of S\$0.0013133 each)	550	550	550	550
Issue of shares during the financial year				
- 132,304,877 ordinary shares of S\$0.0013133 each (2004 : Nil ordinary shares)	174	-	174	-
At the end of financial year	724	550	724	550

The issued share capital was increased from S\$550,248 to S\$724,010 –

- On 8 March 2005 by way of an allotment of 37,882,057 ordinary shares of S\$0.0013133 at a premium of S\$0.0889796 per share, for cash.
- On 4 May 2005 by way of an allotment of 94,422,820 ordinary shares of S\$0.0013133 at a premium of S\$0.0875936 per share, for cash.

The newly issued share rank pari passu in all respect with previously issued shares.

Notes to the Financial Statements

For the year ended 30 June 2005

(a) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

(c) Share Options

Information relating to the SciGen Ltd Class 1 to Class 11 options, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the financial year are set out in note 29.

Note 18 Share premium reserve and accumulated losses

	The Group		The Company	
	2005 S\$'000	2004 S\$'000	2005 S\$'000	2004 S\$'000
(a) Share Premium Reserve				
Share Premium	64,418	52,863	64,418	52,863
Movements:				
Share Premium Reserve				
At 1 July	52,863	52,863	52,863	52,863
Share premium on shares allotted during the year	11,641	-	11,641	-
Less : Expenses relating to the placement	(86)		(86)	
At 30 June	64,418	52,863	64,418	52,863
(b) Accumulated losses				
At 1 July	(21,634)	(17,323)	(19,504)	(15,363)
Net losses attributable to members of SciGen Ltd	(5,562)	(4,311)	(5,750)	(4,141)
At 30 June	(27,196)	(21,634)	(25,254)	(19,504)

Notes to the Financial Statements

For the year ended 30 June 2005

Note 19 Remuneration of directors

	Directors of entities in the Company and the Group		Directors of the Company	
	2005	2004	2005	2004
	S\$	S\$	S\$	S\$
Income paid or payable, or otherwise made available, to directors by entities in the Company and the Group and related parties in connection with the management of affairs of the parent entity or its controlled entities*	2,455,414	1,619,465	2,380,882	1,485,961

*Excluding executives of the parent entity who are only directors of wholly-owned controlled entities.

The above remuneration includes consultancy fees for Mr. Saul A. Mashaal.

Options are granted to executive directors under the SciGen Class 1, 7, 8, 10 & 11 options, details of which are set out in note 25. Details of options granted to and exercised by directors during the year ended 30 June 2005 are set out in note 25.

The amounts disclosed for remuneration of directors exclude the assessed fair values of options granted to directors during the year ended 30 June 2005 at the date they were granted as disclosed in the directors' report. Fair values have been independently determined using an appropriate option pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradable nature of the option, the current price and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

Note 20 Remuneration of executives

	Executive officers of the Group		Executive officers of the Company	
	2005	2004	2005	2004
	S\$	S\$	S\$	S\$
Remuneration received, or due and receivable, from entities in the Company and the Group and related parties by executive officers (other than directors):				
Executive officers of the Company and the Group	1,487,083	1,036,781	653,337	406,574
	Outstanding 30 June 2004	Granted	Exercised	Outstanding 30 June 2005
Options				
Executive officers (other than directors) of the Company and the Group	2,625,000	125,000	-	2,750,000

Directors and executives comprise the key management of the Group.

Notes to the Financial Statements

For the year ended 30 June 2005

Note 21 Remuneration of auditors

	The Group		The Company	
	2005	2004	2005	2004
	S\$	S\$	S\$	S\$
During the year the auditor of the parent entity and its related practices earned the following remuneration:				
PricewaterhouseCoopers				
Audit or review of the entity or any entity in the Company and the Group	104,732	101,734	93,418	90,695
Total audit and other assurance services	104,732	101,734	93,418	90,695
Other accounting advisory services	29,725	37,063	21,026	25,410
Total remuneration	134,457	138,797	114,444	116,105

Note 22 Contingent liabilities

Contingent liabilities

As at the balance sheet date, the Company has given an undertaking to provide continuing financial support to its subsidiaries. The net liabilities of the subsidiaries at the balance sheet date amounted to S\$1,566,545 (2004: \$1,797,236).

Note 23 Commitments for expenditures

	The Group		The Company	
	2005	2004	2005	2004
	S\$'000	S\$'000	S\$'000	S\$'000
Lease commitments				
Commitments in relation to leases contracted for at the reporting date but not recognised as liabilities, payable:				
Within one year	460	279	157	94
Later than one year but not later than 5 years	3,935	572	3,508	163
	4,395	851	3,665	257
Representing:				
Non-cancellable operating leases	4,395	851	3,665	257
	4,395	851	3,665	257

Notes to the Financial Statements

For the year ended 30 June 2005

Note 24 Employee benefits

	The Group		The Company	
	2005 S\$'000	2004 S\$'000	2005 S\$'000	2004 S\$'000
Employee benefit and related on-costs liabilities				
Provision for employee benefits – current (note 15)	492	336	175	135
Aggregate employee entitlement and related on-costs liabilities	492	336	175	135
	Number		Number	
Employee numbers				
Average number of employees during the financial year	42	44	30	32

Set out below are summaries of options granted to executive directors and employees.

Grant date	Expiry date	Exercise price A\$	Balance at start 1 July 04 Number	Issued during the year Number	Exercised during the year Number	Lapsed during the year Number	Balanced at end of the year Number
Consolidated and parent entity – 2005							
15 Nov 2002	15 Nov 2006	A\$0.20	8,379,311	-	-	-	8,379,311
15 Nov 2002	15 Nov 2006	A\$0.20	8,379,311	-	-	-	8,379,311
15 Nov 2002	15 Nov 2006	A\$0.20	1,500,000	-	-	-	1,500,000
31 Aug 2003	31 Aug 2007	A\$0.22	1,787,500	125,000	-	1,000,000	912,500
28 Feb 2005	31 Mar 2009	A\$0.065	-	1,000,000	-	-	1,000,000
18 Apr 2005	31 Mar 2009	A\$0.065	-	1,000,000	-	-	1,000,000
Total			20,046,122	2,125,000	-	1,000,000	21,171,122
Consolidated and parent entity – 2004							
15 Nov 2002	15 Nov 2006	A\$0.20	8,379,311	-	-	-	8,379,311
15 Nov 2002	15 Nov 2006	A\$0.20	8,379,311	-	-	-	8,379,311
15 Nov 2002	15 Nov 2006	A\$0.20	1,500,000	-	-	-	1,500,000
31 Aug 2003	31 Aug 2007	A\$0.22	-	1,817,500	-	30,000	1,787,500
Total			18,258,622	1,817,500	-	30,000	20,046,122

Note 25 Related parties

Directors

The names of persons who were directors of SciGen Ltd at any time during the financial year are as follows: Mark R. Compton; Saul A. Mashaal; Paul Freiman; Barrie R. Martin; Colin S. Goldschmidt; Christopher D. Wilks; R. Peter Campbell; Kenneth Gross; S. Iswaran, Adam Wilczega and Ryszard K. Krauze. All of these persons were also directors during the year ended 30 June 2005, except for Adam Wilczega and Ryszard K. Krauze who were appointed on 11 April 2005 and 27 April 2005 respectively. Mr. Mark R. Compton was a director from the beginning of the financial year until his resignation on 29 June 2005. Mr. Barrie R. Martin and Mr. R. Peter Campbell were directors from the beginning of the financial year until their resignation on 25 February 2005.

Remuneration and retirement benefits

Information on remuneration of directors is disclosed in notes 19.

Notes to the Financial Statements

For the year ended 30 June 2005

Loans to directors and director-related entities

Loans to directors of entities in the Company and the Group and their director-related entities disclosed in note 8 :

	The Group		The Company	
	2005 S\$ '000	2004 S\$ '000	2005 S\$ '000	2004 S\$ '000
Amounts due from Director-related entities (Unsecured)	315	333	315	333
Less : Provision for doubtful debts	(225)	(225)	(225)	(225)
	90	108	90	108

Transactions of directors and director-related entities concerning shares or share options

Aggregate numbers of shares and share options of SciGen Ltd acquired or disposed of by directors of the company and Company and the Group or their director-related entities from the company:

	2005 Number	2004 Number
Acquisitions		
Ordinary shares	141,181,978	-
Class 1, 4, 10 & 11 options over ordinary shares	2,000,000	1,000,000
Disposals		
Ordinary shares	(1,238,183)	-
Class 1, 4, 10 & 11 options over ordinary shares	(4,500,000)	-
The establishment of the Class 1, 7 & 8 SciGen Ltd Options scheme were approved by shareholders at the extraordinary general meetings held on 15 November 2002. The Class 10 SciGen Ltd Option scheme was approved by the shareholders at the annual general meeting held on 28 February 2005. The Class 11 SciGen Ltd Option scheme was approved by the shareholders at the extraordinary general meeting held on 18 April 2005. The terms and conditions of these schemes are described in note 29. All other transactions relating to shares and options of the company, including the payment and receipt of dividends, were on the same basis as similar transactions with other shareholders.		
Aggregate numbers of shares and share options of SciGen Ltd held directly, indirectly or beneficially by directors of the company or the Company and the Group or their director-related entities at balance date:		
	2005 Number	2004 Number
Ordinary shares		
Saul A. Mashaal	107,692,832	108,931,015
Colin S. Goldschmidt	950,000	950,000
Christopher D. Wilks	623,000	623,000
Kenneth Gross	107,692,832	108,931,015
Mark R. Compton	100,400	100,400
Barrie R. Martin	50,000	1,405
Adam Wilczega	141,133,383	-
Ryszard K Krauze	141,133,383	-
Share Options		
Paul Freiman	1,000,000	1,000,000
Mark R. Compton	9,379,311	8,379,311
Saul A. Mashaal	9,379,311	8,379,311
Colin S. Goldschmidt	1,000,000	4,000,000
Christopher D. Wilks	1,000,000	2,500,000
R. Peter Campbell	-	1,000,000
Kenneth Gross	1,000,000	1,000,000
Barrie R. Martin	-	1,000,000
S. Iswaran	1,000,000	1,000,000

Notes to the Financial Statements

For the year ended 30 June 2005

Note 25 Related parties (continued)

Other transactions with directors and director-related entities

A director, Saul A. Mashaal, is a director and shareholder of Mashaal Enterprises Ltd. Saul A. Mashaal through Mashaal Enterprises Ltd has provided consultancy services to the Company for several years on normal commercial terms and conditions.

Yehuda Zelig, is a director of SciGen (IL) Ltd. Yehuda Zelig has provided consultancy services to the Company on normal commercial terms and conditions.

Aggregate amounts of each of the above transactions with directors and their director-related entities:

	The Group		The Company	
	2005 S\$	2004 S\$	2005 S\$	2004 S\$
Mashaal Enterprises – Saul Mashaal	222,809	231,820	222,809	231,820
Yehuda Zelig	70,158	-	70,158	-

Wholly-owned group

The wholly-owned group consists of SciGen Ltd and its wholly-owned controlled entities, SciGen (Australia) Pty Ltd, SciGen Korea Ltd and SciGen IL Ltd. Interests held in these controlled entities are set out in note 26.

Transactions between SciGen Ltd and other entities in the wholly-owned group during the years ended 30 June 2005 and 2004 consisted of:

- loans advanced by SciGen Ltd
- loans repaid to SciGen Ltd
- the sale of products by SciGen Ltd.
- investment by and issue of share capital to SciGen Ltd.

The above transactions were made on normal commercial terms and conditions and at market rates, except that there are no fixed terms for the repayment of principal on loans advanced by SciGen Ltd.

	The Company	
	2005 S\$'000	2004 S\$'000
Aggregate amounts included in the determination of loss from ordinary activities before income tax that resulted from transactions with entities in the wholly-owned group:		
- Sales	2,399	2,214
- Research and development expense	604	554
Aggregate amounts receivable from entities in the wholly-owned group at balance date	3,587	3,086

Other related parties

Aggregate amounts included in the determination of loss from ordinary activities before income tax that resulted from transactions with other related parties:

	The Group		The Company	
	2005 S\$	2004 S\$	2005 S\$	2004 S\$
Purchases of goods from Bioton S.A.	907,811	528,544	907,811	528,544

Aggregate amounts brought to account in relation to transactions with other related parties:

	The Group		The Company	
	2005 S\$	2004 S\$	2005 S\$	2004 S\$
Amounts payable to Bioton S.A.	623,564	175,097	623,564	175,097

Notes to the Financial Statements

For the year ended 30 June 2005

Note 26 Investments in controlled entities

Name of entity	Country of incorporation	Class of shares	Equity-holding	
			2005 %	2004 %
SciGen (Australia) Pty Ltd	Australia	Ordinary	100%	100%
SciGen Korea Ltd	Korea	Ordinary	100%	100%
SciGen (IL) Ltd	Israel	Ordinary	100%	-

Note 27 Reconciliation of loss from ordinary activities after income tax to net cash outflows from operating activities

	The Group		The Company	
	2005 S\$'000	2004 S\$'000	2005 S\$'000	2004 S\$'000
Loss from ordinary activities after related income tax	(5,562)	(4,311)	(5,750)	(4,141)
Depreciation and amortisation	350	286	318	258
Loss on disposal of fixed assets	9	16	5	13
Change in operating assets and liabilities, net of effects from purchase of controlled entity and sale:-				
Increase in receivables	(240)	(558)	(155)	(119)
Decrease in inventories	(67)	125	5	224
Increase in other operating assets	18	(253)	45	(185)
Increase in trade creditors	1,517	880	769	975
Decrease in other operating liabilities	(7)	(854)	(7)	(855)
Decrease in other provisions	299	4	177	(30)
Net cash outflows from operating activities	(3,683)	(4,665)	(4,593)	(3,860)

Note 28 Earnings per share

	The Group	
	2005 S Cents	2004 S Cents
Basic earnings per share	(1.247)	(1.029)
Diluted earnings per share	(1.247)	(1.029)

	The Group	
	2005 Number	2004 Number
Weighted average number of shares used as the denominator		
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	445,905,060	418,965,443
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	445,905,060	418,965,443

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For the year ended 30 June 2005

Note 28 Earnings per share (continued)

	The Group	
	2005 S\$'000	2004 S\$'000
Reconciliations of earnings used in calculating earnings per share		
Basic earnings per share		
Net loss	(5,562)	(4,311)
Earnings used in calculating basic earnings per share	<u>(5,562)</u>	<u>(4,311)</u>
Diluted earnings per share		
Net loss	(5,562)	(4,311)
Earnings used in calculating diluted earnings per share	<u>(5,562)</u>	<u>(4,311)</u>
Information concerning the classification of securities		

(a) Options

Options granted to employees under the Class 1 through to Class 11 Option Plans are considered to be anti-dilutive potential ordinary shares. Therefore they have not been included in the determination of basic and diluted earnings per share. Details relating to the options are set out in note 29.

Note 29 Share options

Set out below are the different classes of options granted, exercised and cancelled during the financial year, and options as at the end of the financial year:-

Grant date	Class	Exercise Period	Exercise Price A\$	Options Granted	Options Exercised	Options Cancelled	Balance as at 30 June 2005
15 Nov 2002	Class 1	15 Nov 2003 to 15 Nov 2006	A\$0.20	-	-	2,000,000	6,500,000
27 Nov 2002	Class 3	27 Nov 2002 to 20 Feb 2005	A\$0.18	-	-	2,068,000	-
27 Nov 2002	Class 4	20 Apr 2003 to 20 Apr 2005	A\$0.18	-	-	4,500,000	-
27 Nov 2002	Class 5	20 Dec 2003 to 20 Apr 2006	A\$0.25	-	-	-	3,424,400
27 Nov 2002	Class 6	16 Jan 2005 to 16 May 2007	A\$0.15	-	-	-	1,577,500
15 Nov 2002	Class 7	15 Nov 2003 to 15 Nov 2006	A\$0.20	-	-	-	8,379,311
15 Nov 2002	Class 8 *	15 Nov 2003 to 15 Nov 2006	A\$0.20	-	-	-	8,379,311
18 Nov 2003	Class 9	1 Sep 2004 to 31 Aug 2007	A\$0.22	125,000	-	1,000,000	4,412,500
28 Feb 2005	Class 10 **	28 Mar 2005 to 31 Mar 2009	A\$0.065	1,000,000	-	-	1,000,000
18 Apr 2005	Class 11 ***	18 May 2005 to 31 Mar 2009	A\$0.065	1,000,000	-	-	1,000,000

* The exercise period for Class 8 is from 15 November 2003 to 15 November 2006 with potential to extend to 15 November 2012 upon satisfaction of certain conditions.

** Options under Class 10 were issued to a SciGen executive director at the Annual General Meeting held on 28 February 2005. The exercise period for the 1,000,000 option is from 28 March 2005 to 31 March 2009.

*** Options under Class 11 were issued to a SciGen executive director at the Extraordinary Meeting held on 18 April 2005. The exercise period for the 1,000,000 option is from 18 May 2005 to 31 March 2009.

No shares have been issued during the financial year by virtue of the exercise of options to take up un-issued shares of the Company or of its subsidiaries.

No option holder has any right under the options to participate in any other share issue of the company or of any other entity.

Notes to the Financial Statements

For the year ended 30 June 2005

Note 30 Financial risk management

Financial risk factors

The Group's activities expose it to a variety of financial risks, including the effects of changes in debt and equity market prices, foreign currency exchange rates and interest rates. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Risk management is carried out under policies approved by the Board of Directors.

(i) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures primarily with respect to United States Dollars. Entities in the Group use natural hedging for each foreign currency exposure risk in connection with the measurement currency.

(ii) Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates, with the exception of the effect of cash assets. The Group has no significant interest bearing liabilities.

(iii) Credit risk

The Group has no significant concentrations of credit risk. The Group has policies in place to ensure that sales of products are made to customers with an appropriate credit history.

(iv) Liquidity risk

The Group monitors cash flows on a regular basis to ensure availability of cash for day-to-day operations.

Note 31 Event occurring after balance sheet date

The directors are not aware of any event occurring after balance sheet date that has significantly or may significantly affect the operations of the Company and the Group.

Note 32 Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of SciGen Ltd on 19 September 2005.

Shareholder Information

The shareholder information set out below was applicable as at 31 August 2005

A Distribution of equity securities

Analysis of numbers of equity security holders by size of holding:

	Ordinary shares Shares
1 – 1,000	120,710
1,001 – 5,000	500,987
5,001 – 10,000	1,130,308
10,001 – 100,000	52,665,159
100,001 and over	496,853,156
	551,270,320

There were 573 holders of less than a marketable parcel of ordinary shares.

B Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest holders of quoted equity securities are listed below:

Name	Ordinary shares Number held	Percentage of issued shares
Bioton SA	141,133,383	25.60%
Scitech Genetics Pte Ltd.	107,692,832	19.54%
Sonic Healthcare Ltd	48,104,885	8.73%
Jardvan Pty Ltd	21,458,704	3.89%
Merrill Lynch (Australia) Nominees Pty Ltd	6,000,000	1.09%
J P Morgan Nominees Australia Ltd	3,974,928	0.72%
Polly Pty Ltd	3,812,646	0.69%
Citicorp Nominees Pty Ltd	3,489,435	0.63%
Dr. Thomas Davis	2,970,485	0.54%
Bardavis Pty Ltd	2,970,000	0.54%
Depofo Pty Ltd	2,500,000	0.45%
ANZ Nominees Limited	2,195,136	0.40%
Mr. Wensley Carroll	2,000,000	0.36%
Mr. Paul Bernard Mccarthy	2,000,000	0.36%
Dr. Raymond Andrew Mckinley	1,765,861	0.32%
Mr. Lawrence Chan	1,532,500	0.28%
Dankab Pty Ltd	1,500,000	0.27%
Pencars Pty Ltd	1,500,000	0.27%
Quintal Pty Ltd	1,500,000	0.27%
Ms. Sandra Mary Green	1,483,786	0.27%
	359,584,581	65.22%

C Substantial holders

Substantial holders in the company are set out below:

	Number held	Percentage
Ordinary shares		
Bioton S.A.	141,133,383	25.60%
Scitech Genetics Pte Ltd	107,692,832	19.54%
Sonic Healthcare Ltd	48,104,885	8.73%

D Voting rights

The voting rights attaching to each class of equity securities are set out below:

(a) Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

(b) Options

No voting rights.