

SciGen Ltd

ASX Half-year information – 31 December 2005

(ARBN 101 318 852)

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Lodged with the Australian Stock Exchange (ASX) under ASX Listing Rule 4.2A. This information should be read in conjunction with the 30 June 2005 Annual Report.

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Results for Announcement to the Market For the Half-Year Ended 31 December 2005 (Previous corresponding period: half-year ended 31 December 2004)

Revenue and Net Loss

		Percentage Change %	To	Amount S\$'000
Revenue from ordinary activities	Up	24%	To	4,475
Loss from ordinary activities after tax attributable to members	Up	65%	To	(3,636)
Net loss for the period attributable to members	Up	65%	To	(3,636)

Revenue

Revenue for the half-year increased from the prior half-year mainly due to the increase in Human Insulin sales in India.

Net Loss

The net loss has increased compared with the previous period due to:

- the increase in advertising and promotion expenses
- realised and unrealised exchange losses on the AUD cash and deposits
- increased operating expenditures incurred for the set-up of the manufacturing facility in Israel

Dividend

The company does not propose to pay any dividends for the half year ended 31 December 2005 (2004: Nil).

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Half-Year Report - 31 December 2005

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2005 and any public announcements made by SciGen Limited during the interim reporting period.

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Directors' Report For the Half-Year Ended 31 December 2005

Your directors present their report on the consolidated entity consisting of SciGen Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2005.

Directors

The following persons were directors of SciGen Limited during the whole of the half-year and up to the date of this report:

Mr. Paul Freiman (Chairman)
Mr. Saul A. Mashaal (Executive Vice Chairman, Founder & Chief Executive Officer)
Mr. Kenneth Gross
Mr. Ryszard K. Krauze
Mr. Adam Wilczega

Mr. Marian Gorecki was appointed a director on 22 November 2005 and continues in office at the date of this report.

Mr. Christopher D. Wilks and Dr. Colin S. Goldschmidt were directors from the beginning of the half-year until their resignations on 21 October 2005.

Mr. S. Iswaran was a director from the beginning of the half-year until his resignation on 26 October 2005.

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Directors' Report For the Half-Year Ended 31 December 2005

Review of Operations

A summary of consolidated revenues and results for the half-year by significant geographical segments is set out below:

	Segment Revenues		Segment Results	
	2005	*(Restated) 2004	2005	*(Restated) 2004
	S\$'000	S\$'000	S\$'000	S\$'000
Singapore	1,400	1,516	750	658
Australia	1,726	1,431	180	241
Korea	663	873	(115)	26
India	1,155	457	73	44
Vietnam	77	-	(42)	(171)
Others	1,053	423	(269)	(118)
Inter-segment eliminations	(1,901)	(1,230)	-	-
Unallocated revenue	302	136	-	-
	<u>4,475</u>	<u>3,606</u>	577	680
Unallocated revenue less unallocated expenses			(4,185)	(2,885)
Loss from ordinary activities before related income tax expense			(3,608)	(2,205)
Income tax expense			(28)	-
Loss from ordinary activities after related income tax expense			(3,636)	(2,205)
Loss from extraordinary item after related income tax			-	-
Net loss			(3,636)	(2,205)
Less: Net loss attributable to outside equity interests			-	-
Net loss attributable to members of SciGen Limited			<u>(3,636)</u>	<u>(2,205)</u>

* 2004 figures have been restated due to the adoption of new Financial Reporting Standards (refer Notes 1 and 10)

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

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

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Directors' Report For the Half-Year Ended 31 December 2005

During the half-year and for the period to-date, registration (or other significant milestones) of products were granted or achieved in the following regions (shown by ✓). Existing registrations are noted separately.

Country	Scitropin	Sci-B-Vac	SciLin
Australia	Registered		
Hong Kong	Registered	Registered	
India	Registered	GEAC Approval	Registered
Indonesia			Registered
Korea	Registered		
Philippines	Registered	Registered	Registered
Singapore	Registered	Registered	
Thailand			✓
Vietnam	✓	Registered	Registered

Other than in Indonesia and Thailand, sales of these products in the regions listed above have commenced. Sales of Scitropin™ (recombinant Human Growth Hormone) and recombinant Human Insulin (SciLin™) have continued to increase in Australia and India respectively.

The group's revenue increased by 24% over the previous half year to S\$4.475M (S\$3.606M for the half-year ended 31 December 2004). Expenses were higher than for the previous period largely as a consequence of the expanding sales and marketing activities, exchange losses due to the fall in AUD and increase in operating expenses incurred for the new manufacturing facility in Israel.

The Group's cash reserves remain adequate to fund ongoing operations. During the period, the Company announced that a A\$30M funding facility is available from Bioton S.A. Bioton has committed in its agreement with Scitech Genetics to invest A\$30M in SciGen to accelerate the launch of SciGen's portfolio of biopharmaceutical products to market.

This report is made in accordance with a resolution of the directors.



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

Sydney
23rd February 2006

SCIGEN LTD

Consolidated Income Statement For the Half-Year Ended 31 December 2005

	Notes	6 months to 31 Dec 2005 S\$'000	*(Restated) 6 months to 31 Dec 2004 S\$'000
Continuing Operations			
Revenues from ordinary activities	2(a)	4,475	3,606
Other income (net)		(698)	332
Changes in inventories	2(b)	112	13
Purchases	2(b)	(1,695)	(1,353)
Employee benefit expenses		(2,188)	(2,253)
Depreciation & amortisation expenses		(193)	(182)
Borrowing costs		(2)	(5)
Professional & consultancy fees		(639)	(480)
Business development expenses		(1,012)	(883)
Insurance premiums		(166)	(213)
Rental expenses		(322)	(152)
Administrative expenses		(683)	(314)
Other expenses from ordinary activities		(597)	(321)
Loss from ordinary activities before income tax expense		(3,608)	(2,205)
Income tax expense		(28)	-
Loss from ordinary activities after related income tax expense		(3,636)	(2,205)
Total changes in equity not resulting from transactions with owners as owners		(3,636)	(2,205)
Earnings per security (EPS)			
		(cents)	(cents)
Basic EPS	5	(0.660)	(0.526)
Diluted EPS	5	(0.660)	(0.526)

* 2004 figures have been restated due to the adoption of new Financial Reporting Standards (refer Notes 1 and 10)

The above consolidated income statement should be read in conjunction with the accompanying notes.

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Consolidated Balance Sheet As at 31 December 2005

	Notes	31-Dec-05 S\$'000	*(Restated) 30-Jun-05 S\$'000
Current Assets			
Cash assets		9,777	15,430
Receivables		1,735	1,698
Inventories		630	548
Other		890	603
Total Current Assets		<u>13,032</u>	<u>18,279</u>
Non-Current Assets			
Property, plant and equipment		827	322
Intangible assets	3	23,079	23,208
Total Non-Current Assets		<u>23,906</u>	<u>23,530</u>
Total Assets		<u>36,938</u>	<u>41,809</u>
Current Liabilities			
Payables		1,459	2,700
Provisions		678	718
Total Current Liabilities		<u>2,137</u>	<u>3,418</u>
Non-Current Liabilities			
Payables		416	422
Total Non-Current Liabilities		<u>416</u>	<u>422</u>
Total Liabilities		<u>2,553</u>	<u>3,840</u>
Net Assets		<u>34,385</u>	<u>37,969</u>
Equity			
Share capital and share premium		65,142	65,142
Share-based payments reserve		166	165
Foreign currency translation reserve		(199)	(250)
Accumulated losses	4	(30,724)	(27,088)
Total Equity		<u>34,385</u>	<u>37,969</u>

* 2004 figures have been restated due to the adoption of new Financial Reporting Standards (refer Notes 1 and 10)

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

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Consolidated Statement of Changes in Equity For the Half-Year Ended 31 December 2005

	<u>Notes</u>	<u>31-Dec-05</u> <u>S\$'000</u>	<u>*(Restated)</u> <u>31-Dec-04</u> <u>S\$'000</u>
Total equity at the beginning of the half-year		37,969	31,788
Exchange differences on translation of foreign operations		51	(21)
Share-based payments		1	56
Loss for the half-year		<u>(3,636)</u>	<u>(2,205)</u>
Total equity at the end of the half-year		<u>34,385</u>	<u>29,618</u>

* 2004 figures have been restated due to the adoption of new Financial Reporting Standards (refer Notes 1 and 10)

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

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Consolidated Statement of Cash Flows For the Half-Year Ended 31 December 2005

<u>Notes</u>	<u>6 months to 31 Dec 2005 S\$'000</u>	<u>6 months to 31 Dec 2004 S\$'000</u>
<i>Cash flows from operating activities</i>		
Receipts from customers	4,098	3,193
Payments to suppliers and employees	(9,339)	(5,861)
Interest received	302	136
Interest paid	(2)	(5)
Net cash outflows from operating activities	<u>(4,941)</u>	<u>(2,537)</u>
<i>Cash flows from investing activities</i>		
Proceeds from sale of property, plant and equipment	41	14
Repayment of loans by related parties	4	-
Payment for property, plant and equipment	(584)	(35)
Payment for intangible assets	(173)	(1,225)
Net cash outflows from investing activities	<u>(712)</u>	<u>(1,246)</u>
<i>Cash flows from financing activities</i>		
Net cash inflows from financing activities	<u>-</u>	<u>-</u>
<i>Net decrease in cash held</i>	(5,653)	(3,783)
<i>Cash at the beginning of the reporting period</i>	<u>15,430</u>	<u>9,555</u>
<i>Cash at the end of the reporting period</i>	<u><u>9,777</u></u>	<u><u>5,772</u></u>

The adoption of new Financial Reporting Standards has not resulted in any material adjustments to the statement of cash flows.

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

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Notes to the Consolidated Financial Statements For the Half-Year Ended 31 December 2005

1. Basis of Preparation

This half-year report for the interim reporting period ended 31 December 2005 has been prepared in accordance with Singapore Financial Reporting Standard 34: Interim Financial Reporting (“FRS 34”).

This half-year report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2005 and any public announcements made by SciGen Ltd during the interim reporting period.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the adoption of the following new and revised Financial Reporting Standards (“**FRS**”) and Interpretation of Financial Reporting Standards (“**INT FRS**”) that became mandatory from 1 July 2005.

FRS 1 (revised 2004) Presentation of Financial Statements
FRS 2 (revised 2004) Inventories
FRS 8 (revised 2004) Accounting Policies, Changes in Accounting Estimates and Errors
FRS 10 (revised 2004) Events after the Balance Sheet Date
FRS 16 (revised 2004) Property, Plant and Equipment
FRS 17 (revised 2004) Leases
FRS 21 (revised 2004) The Effects of Changes in Foreign Exchange Rates
FRS 24 (revised 2004) Related Party Disclosures
FRS 27 (revised 2004) Consolidated and Separate Financial Statements
FRS 32 (revised 2004) Financial Instruments: Disclosure and Presentation
FRS 33 (revised 2004) Earnings per Share
FRS 39 (revised 2004) Financial Instruments: Recognition and Measurement
FRS 102 Share-based Payments
FRS 105 Non-current Assets Held for Sale and Discontinued Operations
INT FRS 101 Changes in Existing Decommissioning, Restoration and Similar Liabilities

The adoption of the above FRS and INT FRS did not result in substantial changes to the Group’s accounting policies except as disclosed in note 10.

The comparatives have been amended as required, in accordance with the relevant transitional provisions in the respective FRS.

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Notes to the Consolidated Financial Statements For the Half-Year Ended 31 December 2005

2. Loss From Ordinary Activities

	6 months to 31 Dec 2005 S\$'000	Restated 6 months to 31 Dec 2004 S\$'000
Loss from ordinary activities before income tax includes the following items of revenue and expenses:		
(a) Revenue		
Revenue from operating activities		
Sales of goods	4,173	3,470
Revenue from outside operating activities		
Interest Income	302	136
Revenue from ordinary activities	<u>4,475</u>	<u>3,606</u>

(b) Expenses

Expenses include:

Cost of goods sold	1,583	1,340
Depreciation	64	52
Amortisation	129	129
Loss on disposal of fixed assets	9	2
Bad & Doubtful debts	-	3

The cost of the licence rights are amortised and charged to the statement of financial performance over the estimated period of right of use, which range from 8 – 20 years.

The amortisation commences from the date the product is marketed, following the successful registration of the products in any countries according to the licence agreements.

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Notes to the Consolidated Financial Statements For the Half-Year Ended 31 December 2005

3. Intangible Assets

	31 Dec 05 S\$'000	Restated 30 Jun 05 S\$'000
<u>Cost</u>		
Balance at beginning of financial period	24,178	23,269
Additions	-	909
Balance at end of financial period	<u>24,178</u>	<u>24,178</u>
<u>Accumulated amortisation</u>		
Balance at beginning of financial period	(970)	(712)
Amortisation charge	(129)	(258)
Balance at end of financial period	<u>(1,099)</u>	<u>(970)</u>
<u>Net Book Value</u>	<u>23,079</u>	<u>23,208</u>

4. Accumulated Losses

	31 Dec 05 S\$'000	Restated 30 Jun 05 S\$'000
Balance at beginning of financial period/year	(27,088)	(21,587)
Net loss for the period/year	(3,636)	(5,501)
Balance at end of financial period/year	<u>(30,724)</u>	<u>(27,088)</u>

5. Earnings Per Share

	6 months to 31 Dec 2005 (cents)	Restated 6 months to 31 Dec 2004 (cents)
Basic EPS	(0.660)	(0.526)
Diluted EPS	(0.660)	(0.526)

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Notes to the Consolidated Financial Statements For the Half-Year Ended 31 December 2005

6. Segment Information

Segment Revenues

	External Sales		Inter-Segment		Total	
	6 months to 31 Dec 2005	Restated 6 months to 31 Dec 2004	6 months to 31 Dec 2005	Restated 6 months to 31 Dec 2004	6 months to 31 Dec 2005	Restated 6 months to 31 Dec 2004
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<i>Singapore</i>	243	286	1,157	1,230	1,400	1,516
<i>Australia</i>	1,726	1,431	-	-	1,726	1,431
<i>Korea</i>	663	873	-	-	663	873
<i>India</i>	1,155	457	-	-	1,155	457
<i>Vietnam</i>	77	-	-	-	77	-
<i>Other</i>	309	423	744	-	1,053	423
Total of all segments					6,074	4,700
Eliminations					(1,901)	(1,230)
Unallocated					302	136
Revenue from Ordinary Activities					4,475	3,606

Segment Results

	6 months to 31 Dec 2005	Restated 6 months to 31 Dec 2004
	S\$'000	S\$'000
<i>Singapore</i>	750	658
<i>Australia</i>	180	241
<i>Korea</i>	(115)	26
<i>India</i>	73	44
<i>Vietnam</i>	(42)	(171)
<i>Others</i>	(269)	(118)
Total of all segments	577	680
Eliminations	-	-
Unallocated	(4,185)	(2,885)
Loss from ordinary activities before income tax expense	(3,608)	(2,205)
Income tax expense relating to ordinary activities	(28)	-
Net Loss	(3,636)	(2,205)

7. Other Significant Information

Significant events occurring during the financial period were as follows:-

- a. Entered into distribution agreement of Hepatitis B Vaccine in China
SciGen has signed a commercialization agreement with Hefei Life Science Park Investment & Development Co, for distribution of its hepatitis B product, Sci-B-Vac™, in China. Under the agreement, Hefei Life Science Park Investment & Development Co is required to order and pay for minimum annual quantities of Sci-B-Vac™.

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Notes to the Consolidated Financial Statements For the Half-Year Ended 31 December 2005

7. Other Significant Information (continued)

- b. Mandatory conditional offer for SciGen Ltd by Bioton S.A.
SciGen Limited is currently subject to a take-over offer from Bioton S.A. As Bioton's total equity interest in SciGen increased from approximately 26.5% to 44.7% of the issued share capital of SciGen following the acquisition of the entire Scitech Genetics' shareholding in the issued share capital of SciGen, Bioton is required to make a mandatory conditional general offer for all the SciGen shares not already owned in accordance with the Singapore Code on Take-overs and Mergers (the "Code"). Bioton's offer documents were despatched to SciGen's shareholders on 8 February 2006.
- c. Termination of human growth hormone supply agreement
SciGen has received a letter from Ferring AG, which acquired SciGen's supplier Biotechnology General, terminating its Supply Agreement of Human Growth Hormone for Singapore and South Korea. Currently, SciGen and Ferring are in negotiations to explore continued collaboration in marketing the product in these two markets. SciGen has adequate supply to service its customers in both countries and has taken the necessary steps to protect its franchise in this therapeutic indication not only in the Asia Pacific region but throughout the world.
- d. Insulin registered in Thailand
SciGen has received the licence to market its insulin product SciLin™ in Thailand. Preparations are underway for the launch of Scilin in Thailand to occur early next year.
- e. Establishment of manufacturing facility in China
SciGen, Hefei Life Science & Technology Investment and Development ("Hefei"), and Bioton have agreed to form a joint venture in order to establish a manufacturing facility in China. The facility will manufacture a range of biopharmaceuticals including SciGen's Human Insulin and Hepatitis B Vaccines. The equity interests in the joint venture company will be as follows: SciGen – 51%, Hefei – 25% and Bioton – 24%. The Heads of Agreement requires each party to use its best efforts to enter into definitive documents for the establishment of the joint venture company prior to 30 April 2006.

8. Equity Securities Issued

The Company did not issue any securities during the year.

9. 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\$1.554m.

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Notes to the Consolidated Financial Statements For the Half-Year Ended 31 December 2005

10. Effects on Financial Statements on Adoption of New or Revised FRS

i) Reconciliation of total equity as presented under previous FRS to that under new FRS

(a) At the date of transition to new FRS: 1 July 2004

Descriptions	Notes	Consolidated Accounts		
		Previous FRS S\$'000	Effect of Change S\$'000	New FRS S\$'000
Current Assets				
Cash Assets		9,555	-	9,555
Receivables		1,475	-	1,475
Inventories	a	466	-	466
Other		621	-	621
Total Current Assets		12,117	-	12,117
Non-Current Assets				
Property, plant & equipment	a	191	9	200
Intangibles		22,557	-	22,557
Total Non-Current Assets		22,748	9	22,757
Total Assets		34,865	9	34,874
Current Liabilities				
Payables		2,238	-	2,238
Provisions		419	-	419
Total Current Liabilities		2,657	-	2,657
Non-Current Liabilities				
Payables		429	-	429
Total Non-Current Liabilities		429	-	429
Total Liabilities		3,086	-	3,086
Net Assets		31,779	9	31,788
Equity				
Share capital and share premium		53,413	-	53,413
Share-based payments reserve	c	-	52	52
Foreign currency translation reserve	a	-	(90)	(90)
Accumulated losses	a, c	(21,634)	47	(21,587)
Total Equity		31,779	9	31,788

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Notes to the Consolidated Financial Statements For the Half-Year Ended 31 December 2005

10. Effects on Financial Statements on Adoption of New or Revised FRS (continued)

(b) At the end of the last half-year reporting period under previous FRS: 31 December 2004

Descriptions	Notes	Consolidated Accounts		
		Previous FRS S\$'000	Effect of Change S\$'000	New FRS S\$'000
Current Assets				
Cash Assets		5,772	-	5,772
Receivables		1,735	-	1,735
Inventories	a	478	16	494
Other		630	-	630
Total Current Assets		8,615	16	8,631
Non-Current Assets				
Property, plant & equipment	a	176	10	186
Intangibles		22,596	-	22,596
Total Non-Current Assets		22,772	10	22,782
Total Assets		31,387	26	31,413
Current Liabilities				
Payables		951	-	951
Provisions		435	-	435
Total Current Liabilities		1,386	-	1,386
Non-Current Liabilities				
Payables		409	-	409
Total Non-Current Liabilities		409	-	409
Total Liabilities		1,795	-	1,795
Net Assets		29,592	26	29,618
Equity				
Share capital and share premium		53,413	-	53,413
Share-based payments reserve	c	-	108	108
Foreign currency translation reserve	a	-	(111)	(111)
Accumulated losses	a, c	(23,821)	29	(23,792)
Total Equity		29,592	26	29,618

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Notes to the Consolidated Financial Statements For the Half-Year Ended 31 December 2005

10. Effects on Financial Statements on Adoption of New or Revised FRS (continued)

(c) At the end of the last reporting period under previous FRS: 30 June 2005

Descriptions	Notes	Consolidated Accounts		
		Previous FRS S\$'000	Effect of Change S\$'000	New FRS S\$'000
Current Assets				
Cash Assets		15,430	-	15,430
Receivables		1,698	-	1,698
Inventories	a	532	16	548
Other		603	-	603
Total Current Assets		18,263	16	18,279
Non-Current Assets				
Property, plant & equipment	a	315	7	322
Intangibles		23,208	-	23,208
Total Non-Current Assets		23,523	7	23,530
Total Assets		41,786	23	41,809
Current Liabilities				
Payables		2,700	-	2,700
Provisions		718	-	718
Total Current Liabilities		3,418	-	3,418
Non-Current Liabilities				
Payables		422	-	422
Total Non-Current Liabilities		422	-	422
Total Liabilities		3,840	-	3,840
Net Assets		37,946	23	37,969
Equity				
Share capital and share premium		65,142	-	65,142
Share-based payments reserve	c	-	165	165
Foreign currency translation reserve	a	-	(250)	(250)
Accumulated losses	a, c	(27,196)	108	(27,088)
Total Equity		37,946	23	37,969

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Notes to the Consolidated Financial Statements For the Half-Year Ended 31 December 2005

10. Effects on Financial Statements on Adoption of New or Revised FRS (continued)

ii) Reconciliation of net loss after tax presented under previous FRS to that under new FRS

(a) Reconciliation of net loss after tax for the half-year ended 31 December 2004

Descriptions	Notes	Consolidated Accounts		
		Previous FRS S\$'000	Effect of Change S\$'000	New FRS S\$'000
Continuing Operations				
Revenues from ordinary activities	a,b	3,895	(289)	3,606
Other income (net)	b	-	332	332
Changes in inventories	a	13	-	13
Purchases		(1,353)	-	(1,353)
Employee benefits expense	c	(2,197)	(56)	(2,253)
Depreciation & amortisation expenses	a	(177)	(5)	(182)
Borrowing costs		(5)	-	(5)
Professional & consultancy fees		(480)	-	(480)
Business development expenses	a	(883)	-	(883)
Insurance premiums		(213)	-	(213)
Rental expenses		(152)	-	(152)
Administrative expenses		(314)	-	(314)
Other expenses from ordinary activities		(321)	-	(321)
Loss from ordinary activities before income tax expense		(2,187)	(18)	(2,205)
Income tax expense relating to ordinary activities		-	-	-
Loss from ordinary activities after related income tax expense		(2,187)	(18)	(2,205)
Total changes in equity not resulting from transactions with owners as owners		(2,187)	(18)	(2,205)
Earnings per security (EPS)				
		(S ¢)	(S ¢)	(S ¢)
Basic EPS		(0.522)	(0.004)	(0.526)
Diluted EPS		(0.522)	(0.004)	(0.526)

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Notes to the Consolidated Financial Statements For the Half-Year Ended 31 December 2005

10. Effects on Financial Statements on Adoption of New or Revised FRS (continued)

(b) Reconciliation of net loss after tax for the year ended 30 June 2005

Descriptions	Notes	Consolidated Accounts		
		Previous FRS	Effect of Change	New FRS
		S\$'000	S\$'000	S\$'000
Continuing Operations				
Revenues from ordinary activities	a,b	7,695	(534)	7,161
Other income (net)	b	-	715	715
Changes in inventories	a	66	-	66
Purchases		(2,725)	-	(2,725)
Employee benefits expense	c	(5,444)	(113)	(5,557)
Depreciation & amortisation expenses	a	(350)	(7)	(357)
Borrowing costs		(11)	-	(11)
Professional & consultancy fees		(1,006)	-	(1,006)
Business development expenses	a	(1,662)	-	(1,662)
Insurance premiums		(357)	-	(357)
Rental expenses		(348)	-	(348)
Administrative expenses		(782)	-	(782)
Other expenses from ordinary activities		(638)	-	(638)
Loss from ordinary activities before income tax expense		(5,562)	61	(5,501)
Income tax expense relating to ordinary activities		-	-	-
Loss from ordinary activities after related income tax expense		(5,562)	61	(5,501)
Total changes in equity not resulting from transactions with owners as owners		(5,562)	61	(5,501)
Earnings per security (EPS)				
		(S ¢)	(S ¢)	(S ¢)
Basic EPS		(1.2473)	0.0137	(1.2336)
Diluted EPS		(1.2473)	0.0137	(1.2336)

iii) Notes

(a) Foreign currency translation reserve: cumulative translation differences

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

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

SCIGEN LTD

Notes to the Consolidated Financial Statements For the Half-Year Ended 31 December 2005

10. Effects on Financial Statements on Adoption of New or Revised FRS (continued)

Under previous accounting policy, the foreign subsidiaries' balance sheets were 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 were taken to the consolidated income statements.

(b) Reclassification of other income

Foreign exchange gains are now classified as other income. Previously, such items were classified as revenue.

(c) Equity-based compensation benefits

Previously, the provision of share options to employees did not result in any charge in the income statement. The Group and Company recognised an increase in share capital and share premium when the options were exercised. On adoption of FRS 102, an expense is recognised in the income statement for share options issued with a corresponding increase in the share option reserve.

SCIGEN LTD

Directors' Declaration for the half-year ended 31 December 2005

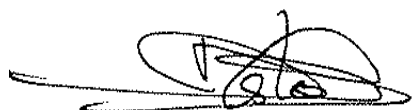
The Directors declare that the financial statements and notes set out on pages 6 to 20.

- (a) comply with Singapore Financial Reporting Standards 34: Interim Financial Reporting, and
- (b) give a true and fair view of the consolidated entity's financial position as at 31 December 2005 and of its performance, as represented by the results of its operations and its cash flows, for the half-year ended on that date.

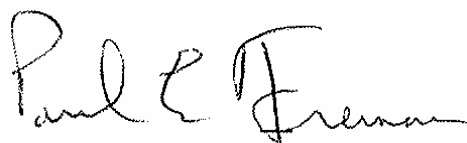
In the directors' opinion, there are reasonable grounds to believe that SciGen Ltd will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with the resolution of the directors.

Signed at Sydney this 23rd day of February 2006.



Saul A. Mashaal
Director



Paul Freiman
Director

Independent review report to the members of SciGen Limited

Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the financial report of the SciGen Limited:

- does not give a true and fair view of the financial position of the SciGen Group (defined below) as at 31 December 2005 and of its performance for the half-year ended on that date, and
- is not presented in accordance with Singapore Financial Reporting Standard 34: Interim Financial Reporting ("FRS 34").

This statement must be read in conjunction with the rest of our review report.

Scope

The financial report and directors' responsibility.

The financial report comprises the balance sheet, income statement, statement of changes in equity, cash flow statement, accompanying notes to the financial statements, and the directors' declaration for the SciGen Group (the consolidated entity), for the half-year ended 31 December 2005. The consolidated entity comprises both SciGen Limited (the company) and the entities it controlled during that half-year.

The directors of the company are responsible for the preparation and true and fair presentation of the financial report. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Review approach

We conducted an independent review in order for the company to lodge the Appendix 4D with the Australian Stock Exchange. Our review was conducted in accordance with Australian Auditing Standards applicable to review engagements. For further explanation of a review, visit our website <http://www.pwc.com/au/financialstatementreview>.

We performed procedures in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report does not present fairly, in accordance with FRS 34, a view which is consistent with our understanding of the consolidated entity's financial position, and its performance as represented by the results of its operations and cash flows.

We formed our statement on the basis of the review procedures performed, which included:

- inquiries of the responsible entity's personnel, and
- analytical procedures applied to financial data.

Our procedures include reading the other information included with the financial report to determine whether it contained any material inconsistencies with the financial report.

These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than that given in an audit. We have not performed an audit, and accordingly, we do not express an audit opinion.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by directors or management.

Independence

In conducting our review, we followed applicable independence requirements of Australian professional ethical pronouncements.

PricewaterhouseCoopers

PricewaterhouseCoopers

DS Wiadrowski

DS Wiadrowski
Partner

Sydney
23 February 2006

SciGen Limited
Supplementary Appendix 4D Information

NTA Backing

	<u>31 Dec 05</u> (cents)	<u>Restated</u> <u>30 Jun 05</u> (cents)
Net tangible assets backing per ordinary share	2.051	3.310

Controlled entities acquired or disposed of

Acquired			
Date control gained	N/A	N/A	N/A
Contribution to profit from ordinary activities after tax in current period, where material	N/A	N/A	N/A
Profit from ordinary activities after tax during the whole of the previous corresponding period, where material	N/A	N/A	N/A
Disposed of			
Date control lost	N/A	N/A	N/A
Contribution to profit from ordinary activities after tax in current period, where material	N/A	N/A	N/A
Profit from ordinary activities after tax during the whole of the previous corresponding period, where material	N/A	N/A	N/A

Additional dividend/distributions information

There are no dividends or distributions declared or paid during or subsequent to the half-year ended 31 December 2005.

Dividend/distribution reinvestment plans

There are no dividends or distribution reinvestment plans during or subsequent to the half-year ended 31 December 2005.

Associates and Joint Venture entities

SciGen, Hefei Life Science & Technology Investment and Development (“Hefei”), and Bioton have agreed to form a joint venture in order to establish a manufacturing facility in China. The equity interests in the joint venture company will be as follows: SciGen – 51%, Hefei – 25% and Bioton – 24%. The Heads of Agreement requires each party to use its best efforts to enter into definitive documents for the establishment of the joint venture company prior to 30 April 2006.

Foreign Accounting Standards

This half-year report for the interim reporting period ended 31 December 2005 has been prepared in accordance with Singapore Financial Reporting Standards.