



AGENIX LIMITED
ABN 58 009 213 754

REPORT
FOR THE HALF YEAR ENDED
31 DECEMBER 2014

Agenix Limited
ABN 58 009 213 754
Report
for the half year ended 31 December 2014

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Agenix Limited
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Report for the half year ended 31 December 2014

DIRECTORS' REPORT

Your directors submit the interim half year financial report of the consolidated group for the half-year ended 31 December 2014.

Directors

The names of directors who held office during or since the end of the half-year:

Mr Nicholas Weston	Chairman and Chief Executive Officer
Mr Christopher McNamara	Non-Executive Director
Mr Anthony Lee Vui Han (Lee)	Non-Executive Director (retired 12 November 2014)
Mr Craig Chapman	Non-Executive Director

Financial Position

In August 2014 Agenix Biopharmaceutical Co (Shanghai) Limited received the equivalent of \$2,079,124 from the successful sale of its burdensome AGX-1009 project. The sale proceeds of AGX-1009 currently reside in China and the Chinese authorities have restrictions on foreign exchange transactions in RMB from China to other countries. All foreign transactions in China must be approved by the Chinese authorities and may be subject to quota. Accordingly this cash has a significant present restriction on its use.

As a result of the restrictions, Directors Craig Chapman and Anthony Lee have advanced unsecured loan funds to Agenix Limited to ensure that it can meet its obligations. At the date of this report a total of \$500,000 has been advanced by these Directors.

The Group continues to have as a backstop a Continuous Investment Agreement with Baycrest Capital LLC entered into on 31 January 2013 for the provision of up to \$3 million over three years. Subject to its conditions, Agenix has full control over the timing, price and number of shares Baycrest purchases. Since entering into the agreement and to the date of this report no draw down under this facility has occurred.

Principal Activities

The principal activities of the consolidated group during the half-year were:

- Exploring strategic alternatives to enhance value and accelerate the path to revenue in a responsible way. These alternatives could include, among others, possible joint ventures, strategic partnerships, a reverse listing, further asset sales or other possible transactions.
- Maintain the Thromboview® clot diagnostic intellectual property held by the Group;
- Engaged in licensing discussions concerning its DiagnostIQ platform; and
- Completing the divestment of AGX-1009, a therapy for the treatment of hepatitis B.

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Directors' Report (cont'd)

Review of Operations

During the period, sustained and substantial efforts were undertaken to explore strategic business alternatives. The Company has conducted initial due diligence and assessed numerous paths to enhance value and accelerate the route to revenue. As part of this due diligence process, the Company became aware of a writ that was lodged with the Supreme Court of Victoria naming the Company as defendant.

The writ has not been served on the Company but its issue in March 2014 seeks to preserve rights otherwise arguably statute barred since then.

The writ concerns claims arising from a share subscription agreement entered into between Agenix and OKS AGX Inc in March 2008. It makes no claims concerning the conduct of any current Agenix board member or personnel.

Agenix will vigorously defend the proceeding if it is eventually served. The Company is currently in discussions with OKS AGX Inc to try and resolve the matter.

The Company continues to explore strategic alternatives under ongoing strategic review. There can be no assurance that this process or negotiations will result in any transaction.

Financial Overview

The loss after tax is \$499,309 compared with the previous half-year loss of \$609,126.

The major contributors to the loss for the half-year were:

	Dec 14	Dec 13
	\$	\$
		Restated
Employee benefit expense	(154,714)	(236,160)
Corporate and administration expenses	(156,047)	(142,547)
Research and development expense	(9,886)	(31,449)
Discontinued operations	(191,701)	(218,291)

Discussion on Financial Performance

The Statement of Financial Position shows that total liabilities as at 31 December 2014 were \$789,330 (30 June 2014: \$705,220) of which \$71,805 is to be settled by the issue of ordinary shares. A total of \$475,000 of the liabilities at balance date are unsecured loans from Directors who have continued to support the Company pending either the repatriation of funds from China or a key milestone event.

The Group continues to monitor costs and reduce expenditure where ever possible.

Unlisted Options

No unlisted options have been issued or exercised during the half year.

No unlisted options have lapsed during the half year.

Since the end of the half year 200,000 Employee Options expiring 4 January 2015 have lapsed in accordance with the terms upon which they were issued.

Listed Options

No listed options have been issued, exercised or have lapsed during the half year.

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Directors' Report (cont'd)

Issued Capital

During the half year ended 31 December 2014 the no Ordinary Shares have been issued.

Since the end of the half year ended 31 December 2014 the following Ordinary Shares have been issued:

Date	Purpose	Ordinary Shares issued	\$
11/2/2015	Issue of securities in lieu of directors fees	3,172,413	46,000
11/2/2015	Corporate advisory fees	1,670,386	20,000

Dividend

No dividends have been paid or declared during the period under review or till the date of this report.

Auditor's Independence Declaration

The lead auditor's independence declaration under s 307C of the *Corporations Act 2001* is set out on page 4 for the half-year ended 31 December 2014.

This report is signed in accordance with a resolution of the Board of Directors.



Nicholas Weston, Executive Chairman and Chief Executive Officer
Dated this 27th day of February 2015

DECLARATION OF INDEPENDENCE BY CRAIG JENKINS TO THE DIRECTORS OF AGENIX LIMITED

As lead auditor for the review of Agenix Limited for the half-year ended 31 December 2014, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Agenix Limited and the entities it controlled during the period.



C R Jenkins
Director

BDO Audit Pty Ltd

Brisbane, 27 February 2015

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

	Note	Consolidated Group Half year ended	
		31 Dec 2014	31 Dec 2013 Restated
		\$	\$
Revenue	2	2,024	19,807
Corporate and administration expenses		(156,047)	(142,547)
Depreciation and amortisation expense	3	(516)	(2,933)
Employee benefit expense	3	(154,714)	(236,160)
Finance costs	3	(14,619)	-
Foreign exchange gains - unrealised		29,337	4,528
Foreign exchange losses	3	(2,833)	(594)
Research and development expenses	3	(9,886)	(31,449)
Share based payment expense		(354)	(1,487)
Loss before income tax from continuing operations		(307,608)	(390,835)
Income tax expense		-	-
Loss for the period from continuing operations	2,3	(307,608)	(390,835)
Loss after income tax from discontinued operations	5	(191,701)	(218,291)
Loss for the period after income tax expense		(499,309)	(609,126)
Other comprehensive income			
Items that may be reclassified to profit or loss			
Exchange differences on translating foreign controlled entities		204,440	(5,080)
Other comprehensive income for the period, net of tax		204,440	(5,080)
Total comprehensive income for the period		(294,869)	(614,206)
Earnings per share from continuing operations attributable to the owners of Agenix Limited			
Basic earnings	9	(\$0.0023)	(\$0.0032)
Diluted earnings	9	(\$0.0023)	(\$0.0032)
Earnings per share from discontinued operations attributable to the owners of Agenix Limited			
Basic earnings	9	(\$0.0015)	(\$0.0019)
Diluted earnings	9	(\$0.0015)	(\$0.0019)

The accompanying notes should be read in conjunction with these financial statements.

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014

		31 Dec 2014	30 June 2014
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents		1,848,736	27,944
Trade and other receivables		3,658	6,752
Prepayments		19,914	3,664
		<u>1,872,308</u>	<u>38,360</u>
Assets of discontinued operations classified as held for sale		3,364	2,046,809
TOTAL CURRENT ASSETS		<u>1,875,672</u>	<u>2,085,169</u>
NON-CURRENT ASSETS			
Intangible assets	4	-	-
Property, plant and equipment		6,222	7,130
TOTAL NON-CURRENT ASSETS		<u>6,222</u>	<u>7,130</u>
TOTAL ASSETS		<u>1,881,894</u>	<u>2,092,299</u>
CURRENT LIABILITIES			
Trade and other payables	6	280,922	193,835
Financial liabilities	7	475,000	225,000
		<u>755,922</u>	<u>418,835</u>
Liabilities directly associated with assets classified as held for sale		33,408	286,385
TOTAL CURRENT LIABILITIES		<u>789,330</u>	<u>705,220</u>
TOTAL LIABILITIES		<u>789,330</u>	<u>705,220</u>
NET ASSETS/(LIABILITIES)		<u>1,092,564</u>	<u>1,387,079</u>
EQUITY			
Issued capital	9	77,190,398	77,190,398
Share based payment reserve		4,663,990	4,663,636
Foreign currency translation reserve		101,598	(102,842)
Accumulated losses		(80,863,422)	(80,364,113)
TOTAL EQUITY/(DEFICIENCY)		<u>1,092,564</u>	<u>1,387,079</u>

The accompanying notes should be read in conjunction with these financial statements.

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	Issued capital	Accumulated losses	Share based payment reserve	Foreign currency translation reserve	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2013	76,806,100	(81,150,273)	4,661,780	(106,674)	210,933
Loss for the period -	-	(609,126)	-	-	(609,126)
Other comprehensive income	-	-	-	(5,080)	(5,080)
Total comprehensive income	-	(609,126)	-	(5,080)	(614,206)
Transactions with owners in their capacity as owners					
Shares issued during the period	206,298	-	-	-	206,298
Share based payments	-	-	1,487	-	1,487
Balance at 31 December 2013	77,012,398	(81,759,399)	4,663,267	(111,754)	(195,488)
Balance at 1 July 2014	77,190,398	(80,364,113)	4,663,636	(102,842)	1,387,079
Loss for the period	-	(499,309)	-	-	(499,309)
Other comprehensive income	-	-	-	204,440	204,440
Total comprehensive income	-	(499,309)	-	204,440	(294,869)
Transactions with owners in their capacity as owners					
Shares issued during the period	-	-	-	-	-
Share based payments	-	-	354	-	354
Balance at 31 December 2014	77,190,398	(80,863,422)	4,663,990	101,598	1,092,564

The accompanying notes should be read in conjunction with these financial statements.

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CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	Consolidated Group	
	Half year ended	
	31 Dec 2014	31 Dec 2013
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	2,016	16,392
Payments to suppliers and employees	(420,591)	(488,519)
Payments related to research and development	(72,043)	(47,765)
Interest received	2,529	2,856
Finance costs	(14,009)	-
Net cash (used in)/provided by operating activities	(502,098)	(517,036)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of intellectual property	2,079,124	-
Payment for costs of sale of intellectual property	(238,501)	-
Net cash (used in)/provided by investing activities	1,840,623	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	-	-
Proceeds from borrowings	345,582	50,000
Repayment of borrowings	(95,582)	-
Net cash (used in)/provided by financing activities	250,000	50,000
Net increase (decrease) in cash held	1,588,525	(467,036)
Cash and cash equivalents at beginning of period	27,944	654,399
Effect of exchange rates on cash holdings in foreign currencies	232,267	10,555
Cash and cash equivalents at end of period	1,848,736	197,918

The accompanying notes should be read in conjunction with these financial statements.

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NOTES TO FINANCIAL STATEMENTS

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report together with any public announcements made during the half-year.

(a) Basis of preparation

The consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's 2014 annual financial report for the financial year ended 30 June 2014.

(b) Discontinued operations

A discontinued operation is a component of the consolidated entity that has been disposed of or is classified as held for sale and that represents a major line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the profit or loss and other comprehensive income. The comparative information for the six months ended 31 December 2013 have been restated in accordance with the requirements of the AASB 5.34.

(c) Going concern

The Group's financial statements have been prepared and presented on a basis assuming it continues as a going concern.

During the half-years 31 December 2014 and 31 December 2013, the Group incurred an operating loss before tax and net cash outflows from operating activities as disclosed in the consolidated statement of profit and loss and comprehensive income and statement of cash flows. Details of the ability of the Group to continue as a going concern are set out in Note 15.

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NOTES TO FINANCIAL STATEMENTS (Continued)

	Consolidated Group Half year ended	
	31 Dec 2014	31 Dec 2013 Restated
NOTE 2: REVENUE AND OTHER INCOME	\$	\$
Revenue		
Revenue from licence of intellectual property	2,024	16,951
Interest received and receivable - bank	-	2,856
	2,024	19,807

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NOTES TO THE FINANCIAL STATEMENTS (continued)

		Consolidated group	
		Half year ended	
		31 Dec 2014	31 Dec 2013
			Restated
		\$	\$
NOTE 3: EXPENSES			
a. Significant items			
The following expense items are relevant in explaining the financial performance for the half-year:			
Employee benefit expense		154,714	236,160
Research and development expenses		9,886	31,449
		<u>164,600</u>	<u>267,609</u>
b. Employee benefit expense			
Salaries and fees		143,637	204,723
Short term incentives		-	14,918
Compulsory superannuation and employee welfare expense		4,840	10,690
Salary on costs		6,237	5,829
		<u>154,714</u>	<u>236,160</u>
c. Research and development expenses			
Thromboview®		9,886	19,949
DiagnostiQ®		-	11,500
		<u>9,886</u>	<u>31,449</u>
d. Finance costs			
Interest paid or payable on unsecured loans		14,619	-
e. Depreciation and amortisation expense			
Depreciation of noncurrent assets		516	2,933
Amortisation of noncurrent assets		-	-
		<u>516</u>	<u>2,933</u>
f. Foreign exchange losses			
Realised foreign exchange gains /(losses)		(2,833)	(594)
Unrealised foreign exchange gains/ (losses)		29,337	4,528
		<u>26,504</u>	<u>3,934</u>

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NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 4: INTANGIBLE ASSETS

	AGX - 1009 Contract \$	Development Costs associated with AGX – 1009 \$	Total \$
Net carrying amount 1 July 2013	771,891	334,259	1,106,150
Pre-clinical trial expenditure at cost	-	27,348	27,348
Effect of movement in exchange rates	1,062	938	2,000
Impairment of intangible asset	(772,953)	(362,545)	(1,135,498)
Net carrying amount at 31 December 2013	-	-	-
Reversal of impairment	772,953	362,545	1,135,498
Disposal of intangible asset	(772,953)	(362,545)	(1,135,498)
Net carrying amount at 30 June 2014	-	-	-

In April 2014 Agenix entered into a contract to dispose of AGX-1009. In accordance with accounting standards the previous impairment was reversed. The sale was recognised in the year ended 30 June 2014 as all conditions precedent had been met. Proceeds from the sale were received in August 2014. Detailed information regarding the disposal can be found at Note 5 Discontinued operations.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 5: DISCONTINUED OPERATIONS

In April 2014 Agenix Biopharmaceutical (Shanghai) Co Limited (ABSL) entered into an agreement to sell its project AGX 1009 upon completion of pre-clinical trials. Upon crystallisation of the sale during the year ended 30 June 2014. The proceeds from sale were received in August 2014. The Directors intention is to sell or liquidate ABSL as it is no longer required to be maintained. As a result the operations of ABSL are treated as discontinued and the assets and liabilities disclosed as held for sale at balance date. It is anticipated the disposal or liquidation will be completed prior to 31 December 2015.

Financial Performance Information

	Consolidated Group	
	31 Dec 2014	31 Dec 2013
	\$	Restated
	\$	\$
Interest received	2,529	-
Total revenue	2,529	-
Unrealised foreign exchange gains/ (losses)	(22,506)	-
Research and development	-	(10,769)
Employee benefit expense	(86,276)	(111,883)
Corporate expenses	(28,563)	(95,639)
Disposal costs of AGX-1009	(56,885)	-
Total expenses	(194,230)	(218,291)
Loss before income tax	(191,701)	(218,291)
Income tax expense	-	-
Loss after income tax expense on discontinued operations	(191,701)	(218,291)

Cash flow information

Net cash flows used in operating activities	(239,642)	(144,376)
Net cash flows from investing activities	1,840,623	-

Carrying amounts of assets and liabilities disposed

	31 Dec 2014	30 June 2014
	\$	\$
Assets		
Trade and other receivables	983	2,042,531
Prepayments	2,381	104
Security deposits	-	4,174
Total assets	3,364	2,046,809
Liabilities		
Trade and other payables	33,408	199,470
Provisions	-	86,915
Total Liabilities	33,408	286,385
Net Assets	(30,044)	1,760,424

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	Consolidated Group	
	31 Dec 2014	30 June 2014
	\$	\$
NOTE 6: TRADE AND OTHER PAYABLES		
Trade payables ¹	145,301	75,419
Sundry payables and accrued expenses	135,621	118,416
	280,922	193,835

¹ A total of \$71,805 is due to be settled by the issue of ordinary securities in accordance with the agreements and subject to shareholder approval where applicable.

NOTE 7: FINANCIAL LIABILITIES

Unsecured loan from directors	475,000	225,000
	475,000	225,000

The unsecured loan from Craig Chapman and Anthony Lee and or their associated entities is due for repayment on 28 February 2015. Both Craig Chapman and Anthony Lee agree not to call for repayment of the loan until Agenix Ltd has the ability to repay this loan. The loan will be extended until Agenix Ltd has the capacity to repay the loan from any of the following events:

- Receipt of proceeds from a capital raising;
- Sufficient funds from repatriation of cash from China is forthcoming;
- Sufficient funds from other sources.

NOTE 8: FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. AASB 7 *Financial Instruments: Disclosures* requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- (b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2); and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

At 31 December 2014 the group did not have any financial instruments that were measured using the fair value measurement hierarchy.

The aggregate fair values of all financial assets and liabilities approximate their carrying values at the balance date.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

Consolidated Group

	31 Dec 2014	31 Dec 2013
	\$	\$
NOTE 9: ISSUED CAPITAL		
Ordinary shares	82,609,361	82,431,361
Less: Escrowed shares to SHRG vendors (i)	(5,418,963)	(5,418,963)
Ordinary shares	<u>77,190,398</u>	<u>77,012,398</u>
 Movement in ordinary shares on issue	 \$	 Number
Balance 1 July 2013	76,806,100	112,472,139
Share placement in satisfaction of DiagnostiQ licence fee	180,000	7,971,808
Issue of shares for services rendered	26,298	800,000
Balance 31 December 2013	<u>77,012,398</u>	<u>121,243,947</u>
Share placement in satisfaction of DiagnostiQ licence fee	158,000	8,399,369
Issue of shares for services rendered	20,000	1,304,560
Balance 30 June 2014	<u>77,190,398</u>	<u>130,947,876</u>
Balance 31 December 2014	<u>77,190,398</u>	<u>130,947,876</u>

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NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 9: ISSUED CAPITAL (continued)

- (i) The shares to SHRG vendors are in escrow. The Company entered into a loan agreement whereby the loan plus interest of 8% per annum is payable in full on sale of the shares. The Company is required to pay the net proceeds after netting off the amount of the shareholder loan plus accrued interest to the date of sale outstanding in relation to those shares to the shareholder. The loan has not been recorded in the Consolidated Statement of Financial Position as the shares related to the transaction have not been paid in full and are in escrow. Interest receivable has not been accrued as the Board has formed the view that the amount is not presently recoverable.

Earnings per share

Basic earnings per share amounts are calculated by dividing the net profit (loss) for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period.

The following The following income and share data has been used in the basic and diluted earnings per share computations:

	Consolidated group	
	Half year ended	
	31 Dec 2014	31 Dec 2013
	\$	\$
		Restated
Loss after income tax from continuing operations	(307,608)	(390,835)
Loss after income tax from discontinued operations	(191,701)	(218,291)
Loss attributed to owners of Agenix Limited	(499,309)	(609,126)
	31 Dec 2014	31 Dec 2013
	Number	Number
Weighted average number of used in calculation of the basic earnings per share	130,947,876	116,860,295
Weighted average number of used in calculation of the diluted earnings per share	158,247,599	144,401,123

NOTE 10: DIVIDENDS PAID OR PROPOSED

	31 Dec 2013	31 Dec 2012
	\$	\$
Dividend paid during the half-year relating to the prior year	Nil	Nil
Dividends proposed and not recognised as a liability	Nil	Nil
	Nil	Nil

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NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 11: RELATED PARTY TRANSACTIONS

The following material transactions occurred during the half year with related parties:

	Consolidated group	
	Half year ended	
	31 Dec 2014	31 Dec 2013
	\$	\$
Unsecured Interest Free Loan from Anthony Lee, a Director repayable no later than 28 February 2014.	-	50,000
Unsecured loans from Directors and or parties related to Directors and senior management bearing interest at 8% per annum repayable upon receipt of sale proceeds from AGX-1009	95,582	-
Repayment of unsecured from Directors and or parties related to Directors and senior management bearing interest at 8% per annum upon receipt of sale proceeds from AGX-1009	(95,582)	-
Unsecured loans from Directors and or parties related to Directors and senior management bearing interest at 8% per annum repayable 28 February 2015.	250,000	-

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NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 12: SEGMENT INFORMATION

The following is an analysis of the Group's revenue and results from continuing and reportable segments.

	Thrombview	DiagnostiQ	Other	Eliminations Unallocated	Total	Discontinued AGX-1009
	\$	\$	\$	\$	\$	\$
Consolidated December 2014						
Segment revenue and results						
Revenue						
Sales to external customers	-	-	2,024	-	2,024	-
Interest revenue	-	-	-	-	-	2,529
Intersegment sales	-	-	-	-	-	-
Total Revenue	-	-	2,024	-	2,024	2,529
Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)	(14,483)	-	2,024	-	(12,459)	(191,701)
Depreciation and amortisation					(516)	-
Finance costs					(14,619)	-
Share based payment expense					(354)	-
Administration costs and directors' salaries					(306,164)	-
Realised foreign exchange gains (losses)					(2,833)	-
Unrealised foreign exchange gains (losses)					29,337	-
Profit (Loss) before tax					(307,608)	(191,701)

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the current period (2013: Nil).

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NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 12: SEGMENT INFORMATION (Continued)

The following is an analysis of the Group's revenue and results from continuing and reportable segments.

	Thromboview	DiagnostiQ	Other	Eliminations Unallocated	Total	Discontinued AGX-1009
	\$	\$	\$	\$	\$	\$
Consolidated December 2013 Restated						
Segment revenue and results						
Revenue						
Sales to external customers	-	-	16,951	-	16,951	-
Interest revenue	-	-	2,808	-	2,808	48
Intersegment sales	-	-	-	-	-	-
Total Revenue	-	-	19,759	-	19,759	48
Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)	(37,470)	(11,500)	19,759	-	(29,211)	(217,030)
Depreciation and amortisation					(2,933)	(1,261)
Finance costs					-	-
Share based payment expense					(1,487)	-
Administration costs and directors' salaries					(361,138)	-
Realised foreign exchange gains (losses)					(594)	-
Unrealised foreign exchange gains (losses)					4,528	-
Profit (Loss) before tax					(390,835)	(218,291)

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NOTE 12: SEGMENT INFORMATION (Continued)

	Consolidated Group	
	31 Dec 2014	30 Jun 2014
	\$	\$
Segment assets and liabilities		
Segment assets		
Thromboview	2,840	1,008
DiagnostiQ	-	-
Total segment assets	2,840	1,008
Unallocated assets	1,869,440	44,482
Assets held for resale – AGX-1009	9,614	2,046,809
Total consolidated assets	1,881,894	2,092,299
Segment liabilities		
Thromboview	3,525	20,085
DiagnostiQ	-	-
Total segment liabilities	3,525	20,085
Unallocated liabilities	752,397	398,750
Liabilities associated with assets held for resale – AGX-1009	33,408	286,385
Total consolidated liabilities	789,330	705,220

NOTE 13: CONTINGENT LIABILITIES

The Directors refer to Note 21 of the 2013 Annual Report. In January 2014 the Company received correspondence from the Solicitors acting on behalf of Subscriber seeking to enter into a standstill or tolling agreement for a further period of 5 years or they may consider legal action. The request was declined. In December 2014 the Directors became aware of a writ lodged with the Supreme Court in Victoria which has not been served upon the Company. The matter is being dealt with and any further discussion on the issue is not in the best interest of the Company or shareholders.

NOTE 14: EVENTS SUBSEQUENT TO REPORTING DATE

Other than the potential for legal action by the Subscriber as set out in Note 13 no matters or circumstance have arisen since the end of the half year which have significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future years.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 15: GOING CONCERN

The Group's financial statements have been prepared and presented on a basis assuming it continues as a going concern.

The current economic environment is challenging and the Group has reported a loss for the period ended 31 December 2014 was \$499,309 (2013: Loss \$609,126) from operations. At 31 December 2014, the Group had cash at bank totalling \$1,848,736 and net assets of \$1,092,564.

Although significant cash has been received in China for the sale of AGX-1009, this cash is yet to be fully repatriated to Australia and is subject to various Chinese Government restrictions regarding conversion into foreign currencies for destinations outside of China. Accordingly, this restricted cash is not available to meet immediate cashflow needs of the Group but continues to be repatriated over time.

Whilst the directors have instituted measures to preserve cash and secure additional finance these circumstances create material uncertainties over future trading results and cash flow that may cast significant doubt on the Group's ability to continue as a going concern. The Group's ability to continue as a going concern is dependent on one or more of the following:

- continued financial support from directors and existing creditors;
- ability to raise additional capital;
- ability to repatriate funds from China in a timely manner;
- realisation of its assets;
- drawdown of Baycrest facility; and
- ability to settle current liabilities with equity.

The securing of the facility with Baycrest Capital LLC on 31 January 2013 together with the funds borrowed from existing shareholders has secured the short term ability of the Group to fund its operations pending the completion of the process and the repatriation of funds from the disposal of AGX-1009. The Group continues to seek interest from external parties with a view to undertaking a capital raising at the appropriate juncture.

Should the above not be successful, significant doubt will be cast on the Group's ability to continue as a going concern. The Directors reasonable expectations are, the progress of placing additional shares available by way of a raising and facility entered into with Baycrest Capital LLC will provide the Group with sufficient funds to enable the Group to continue as a going concern until a key milestone event occurs.

If the Group is unable to obtain funding of an amount and timing necessary to meet its future operational plans, or to successfully commercialise its intellectual property, the Group may be unable to continue as a going concern and be unable to realise its assets and discharge its liabilities in the normal course of business.

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DIRECTORS' DECLARATION

The directors of the company declare that:

1. The attached financial statements and notes are in accordance with the *Corporations Act 2001*, including:
 - a. complying with Accounting Standard AASB 134: Interim Financial Reporting; and
 - b. giving a true and fair view of the Group's financial position as at 31 December 2014 and of its performance for the half-year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors.

A handwritten signature in black ink that reads "Nick Weston". The signature is written in a cursive, slightly stylized font.

Nicholas Weston
Director

Dated this 27th day of February 2015

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Agenix Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Agenix Limited, which comprises the consolidated statement of financial position as at 31 December 2014, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Agenix Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Agenix Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Agenix Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Emphasis of Matter

Without modifying our conclusion, we draw attention to Note 15 in the half-year financial report which indicates that the consolidated entity incurred a net loss of \$499,309 during the half-year ended 31 December 2014. As at 31 December 2014 the consolidated entity had cash at bank totalling \$1,848,736. Whilst the consolidated entity has a net current asset position of \$1,092,564, this includes cash subject to restrictions and is not available to meet immediate cash needs. These conditions, along with other matters as set forth in Note 15, indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

BDO Audit Pty Ltd



C R Jenkins
Director

Brisbane, 27 February 2014