



**AGENIX LIMITED**

**爱健克斯有限公司**

(ASX: AGX)

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13 April 2015

Dear Shareholder

**Notice of Extraordinary General Meeting and Explanatory Statement**

Agenix Limited (ASX: AGX) has today issued a Notice of Meeting and Explanatory Statement for a General Meeting to be held on Tuesday 12 May 2015 in relation to a settlement of legal proceedings.

As announced in December 2014, a dispute arose between OKS AGX Inc. (OKS) and the Company relating to a transaction effected in China under a previous board of directors back in 2007 and a share subscription deed between OKS and the Company dated 19 March 2008.

The Company became aware of the existence of the legal proceedings in December 2014. Following negotiations with OKS and without admission of liability, the Company and OKS have agreed, subject to shareholder approval where required, to settle the dispute. This obviates the need for costly, time consuming and distracting litigation.

You will see that in the Explanatory Statement the Independent Expert, Bioguide Consultants, concludes that the OKS proposal is “not fair but reasonable” to non-associated shareholders. I take this opportunity to clarify why your Board unanimously recommends that you vote in favour of the resolutions:

- (i) Fairness – Your Board notes that the independent expert has arrived at a position on ‘fairness’ in its report that makes no assessment of the legal costs of defending litigation against a well resourced opponent in the Federal Court of Australia. The Board is of the view that the costs of litigation would easily exceed the residual value of the ThromboView project following strong, but ultimately unsuccessful, endeavours to partner it into Phase III studies.
- (ii) Consequence of non-approval - Approval by shareholders of the relevant resolutions will remove from OKS the right to immediately pursue any claim it has against the Company or to receive from the Company a large cash settlement that would be likely to render the Company insolvent and be a company ending event.
- (iii) Clearing the decks - The Board has taken the view that to move forward, it must resolve the legacy of the OKS subscription agreement and the potential for litigation, so that it can focus on its next phase. The Company has been evaluating a number of growth opportunities, which may be progressed following shareholders’ approval at the General Meeting

In conclusion, the Board urges you to vote in favour of all the resolutions proposed at the General Meeting.

I look forward to meeting with as many shareholders as possible in May.

Nick Weston

Executive Chairman and Chief Executive Officer