



AGENIX LIMITED

爱健克斯有限公司

(ASX: AGX)

ABN 58 009 213 754

PO Box 5160

Burnley VIC 3121

Australia

www.agenix.com

29 August 2014

Company Announcements Office
Australian Stock Exchange
Level 6
20 Bridge Street
Sydney NSW 2000

Dear Sir/Madam

**AGENIX LIMITED (AGX)
ANNUAL RESULT FOR THE YEAR ENDED 30 JUNE 2014**

Attached is the financial information required by ASX Listing Rule 4.3A together with the company's Group audited preliminary financial statements for the year ended 30 June 2014.

Attached:

1. Appendix 4E detailing the preliminary announcement for the year ended 30 June 2014;
2. Audited preliminary financial statements and notes for the year ended 30 June 2014.

Yours Faithfully

Gary Taylor

Gary Taylor
Company Secretary
Agenix Limited
e: gtaylor@agenix.com

APPENDIX 4E



Agenix Limited
ABN 58 009 213 754

Results for announcement to the market

Reporting period: 12 months to 30 June 2014
Previous reporting period: 12 months to 30 June 2013

	Amount \$ 000's	Percentage change
Revenues from ordinary activities	28	Up 100%
Loss from ordinary activities after tax attributed to security holder	(805)	Down 75%
Profit from discontinued operations after tax attributed to security holder	1,591	N/A
Profit after tax attributed to security holder	786	Up 124%

Dividend Information

No dividend has been paid or declared in respect of the year ended 30 June 2014 or 30 June 2013.

Commentary on results for the period

The Group's profit for the year ended 30 June 2014 was \$786,160 compared to a loss of \$3,258,469 in the previous financial year. The profit after tax is primarily attributed to:

- Reversal of the impairment of the investment in AGX-1009 totalling \$1,135,498 following the successful divestment of the project.
- A profit on disposal of AGX-1009 project of \$760,029.
- Continued cost reduction measures totalling \$327,349 compared to the prior year.

Total revenue for the year ended 30 June 2014 was \$28,190 up from \$13,445 in the previous financial year primarily due to an increase in licence fees derived from the Group's intellectual property portfolio.

Operating expenses for the year totalled \$832,769 compared with the previous financial year of \$1,429,764, excluding the charge in 2013 of \$1,135,498 in relation to the impairment of costs associated with AGX-1009, research and development costs totalling \$206,682 outlined above in respect of AGX-1009 and the expensing of the licence fee of \$500,000. On a like-for-like basis operating expenses were reduced by a further \$327,349 compared to the prior year. This represents cost savings in excess of \$500,000 over the previous 2 years. Operating costs have now been reduced to under \$500,000 per annum.

APPENDIX 4E

Current assets at 30 June 2014 were \$2,085,169 (2013: \$709,747). Total liabilities at 30 June 2014 were \$705,220 (2013: \$514,446). The change in current assets reflects the disposal of AGX – 1009 which was settled after year end. The increase in current liabilities is mainly due to the costs associated with the disposal of AGX -1009.

Financial Information

This Appendix 4E should be read in conjunction with the consolidated financial statements for the year ended 30 June 2014 as attached

Net tangible assets

	2014	2013
Net tangible assets per ordinary security (cents)	0.011	0.004

Details of Entities over which control has been gained or lost

Nil

Australian Accounting Standards

The financial information provided in this Appendix 4E is based upon the Annual Financial Report, which has been prepared in accordance with Australian Accounting Standards and has been audited by BDO Audit Pty Ltd.

Commentary on Results for the year

Refer above.

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AGENIX LIMITED

ABN 58 009 213 754

APPENDIX 4E

PRELIMINARY FINANCIAL REPORT

FOR THE YEAR ENDED

30 JUNE 2014

AGENIX LIMITED
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PRELIMINARY FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2014

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014

	Note	Consolidated	
		2014	2013
		\$	\$
Revenue		28,190	13,445
Depreciation and amortisation expense		(8,360)	(15,173)
Employee benefit expense		(481,027)	(440,230)
Finance costs		(3,403)	(3,334)
Foreign exchange gains (losses)		(4,483)	22,061
Occupancy and administrative expenses		(293,576)	(664,169)
Research & development expenses		(40,063)	(769,027)
Share based payment expense		(1,857)	(3,838)
Loss before income tax expense from continuing operations		(804,579)	(1,860,265)
Income tax expense		-	-
Loss for the year after tax from continuing operations		(804,579)	(1,860,265)
Profit after income tax from discontinued operations	2	1,590,739	(1,398,204)
Profit (Loss) after income tax expense for the year		786,160	(3,258,469)
Other comprehensive income			
Items that may be reclassified to profit or loss			
Exchange differences on translating foreign controlled entities		3,832	(20,565)
Other comprehensive income for the year, net of tax		3,832	(20,565)
Total comprehensive income for the year		789,992	(3,279,034)
Profit (Loss) attributed to owners of Agenix Limited		786,160	(3,258,469)
Total Comprehensive Income attributed to owners of Agenix Limited		789,992	(3,279,034)

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

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FOR THE YEAR ENDED 30 JUNE 2014

AGENIX LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014

	Note	Consolidated	
		2014 \$	2013 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	1	27,944	654,399
Trade and other receivables		6,752	10,400
Prepayments		3,664	44,948
		38,360	709,747
Assets of discontinued operations classified as held for sale	2	2,046,809	-
TOTAL CURRENT ASSETS		2,085,169	709,747
NON-CURRENT ASSETS			
Property, plant and equipment		7,130	15,632
Intangible assets	3	-	-
TOTAL NON-CURRENT ASSETS		7,130	15,632
TOTAL ASSETS		2,092,299	725,379
CURRENT LIABILITIES			
Trade and other payables		193,835	514,446
Financial liabilities		225,000	-
		418,835	514,446
Liabilities directly associated with assets classified as held for sale	2	286,385	-
TOTAL CURRENT LIABILITIES		705,220	514,446
TOTAL LIABILITIES		705,220	514,446
NET ASSETS		1,387,079	210,933
EQUITY			
Issued capital	4	77,190,398	76,806,100
Share based payment reserve		4,663,636	4,661,780
Foreign currency translation reserve		(102,842)	(106,674)
Accumulated losses		(80,364,113)	(81,150,273)
TOTAL EQUITY		1,387,079	210,933

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FOR THE YEAR ENDED 30 JUNE 2014

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2014

Consolidated

	Note	Issued Capital	Accumulated losses	Share based payment reserve	FX translation reserve	Total equity
		\$	\$	\$	\$	\$
Balance at 1 July 2012		74,357,980	(77,891,804)	4,657,942	(86,109)	1,038,009
Total comprehensive income for the year:						
Loss for the year		-	(3,258,469)	-	-	(3,258,469)
Other comprehensive income:						
Foreign currency translation reserve differences		-	-	-	(20,565)	(20,565)
Total comprehensive income for the year		-	(3,258,469)	-	(20,565)	(3,279,034)
Transactions with owners in their capacity as owners:						
Shares issued during the year, net of transaction costs		2,448,120	-	-	-	2,448,120
Share based payments		-	-	3,838	-	3,838
		2,448,120	-	3,838	-	2,451,958
Balance at 30 June 2013	4	76,806,100	(81,150,273)	4,661,780	(106,674)	210,933
Total comprehensive income for the year:						
Profit for the year		-	786,160	-	-	786,160
Other comprehensive income:						
Foreign currency translation reserve differences		-	-	-	3,832	3,832
Total comprehensive income for the year		-	786,160	-	3,832	789,992
Transactions with owners in their capacity as owners:						
Shares issued during the year, net of transaction costs		384,298	-	-	-	384,298
Share based payments		-	-	1,856	-	1,856
		384,298	-	1,856	-	386,154
Balance at 30 June 2014	4	77,190,398	(80,364,113)	4,663,636	(102,842)	1,387,079

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PRELIMINARY FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2014

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2014

	Note	Consolidated
	2014	2013
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	25,093	9,102
Payments to suppliers and employees	(785,974)	(906,464)
Payments relating to research and development	(98,346)	(442,590)
Interest received - bank	2,877	4,730
Finance costs	(1,721)	(3,334)
Net cash provided by (used in) operating activities	(858,071)	(1,338,556)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for intangible assets	-	-
Payments for property, plant and equipment	-	(2,988)
Net cash provided by (used in) investing activities	-	(2,988)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares (net of costs)	-	1,861,932
Proceeds from borrowings	275,000	140,000
Repayment of borrowings	(50,000)	(70,000)
Net cash provided by (used in) financing activities	225,000	1,931,932
Net increase (decrease) in cash held	(633,071)	590,388
Cash at beginning of financial year	654,399	56,323
Effect of exchange rate of cash held in foreign currencies	6,616	7,688
Cash at end of financial year	27,944	654,399

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

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PRELIMINARY FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2014

NOTES TO THE PRELIMINARY FINANCIAL REPORT

Note 1: Cash and cash equivalents

	Consolidated	
	2014	2013
	\$	\$
Cash at bank and in hand	27,944	16,243
Deposits on demand	-	638,156
Cash and cash equivalents	27,944	654,399

Cash at bank and in hand is non-interest bearing. Deposits on demand bear floating interest rates between 1.4% and 3.5% (2013: 1.4% and 4.5%). These deposits have an average maturity of 30 days, but are callable upon demand.

Reconciliation of cash

Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the Statement of Financial Position as follows:

Cash and cash equivalents	27,944	654,399
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Reconciliation of the net profit (loss) after tax to the net cash flows from operations

Net profit (loss) after income tax	786,160	(3,258,469)
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Non-cash items

Depreciation of non-current assets	8,360	15,173
Reversal of impairment AGX - 1009	(1,135,498)	-
Share based payment expense	1,857	3,838
Equity settled expenditure	46,298	330,850
Equity settled – DiagnostIQ® licence fee	338,000	162,000
Impairment of AGX-1009	-	1,135,498
Unrealised net foreign currency (gains) losses	3,088	(22,136)
Gain on disposal of AGX-1009	(760,028)	-
Other	129,371	(13,256)

Changes in assets and liabilities

Decrease (increase) in receivables	3,648	(7,778)
Decrease (increase) in prepayments and other current assets	41,284	(29,415)
(Decrease) increase in payables	(320,611)	345,139

Net cash provided by (used in) operating activities	(858,071)	(1,338,556)
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Note 2: 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. The net proceeds of sale were received in August 2014. As a result the operations of ABSL are treated as being discontinued and the assets disclosed as assets held for sale at balance date.

Financial performance information

	Consolidated	
	2014	2013
	\$	\$
Interest received	69	30
Total revenue	69	30
Unrealised foreign exchange losses	(27,018)	(1,487)
Research and development	(21,305)	(28,093)
Employee benefit expense	(169,580)	(166,091)
Corporate expenses	(86,954)	(67,064)
Reversal of impairment of intellectual property	1,135,498	(1,135,498)
Total expenses	830,641	(1,398,234)
Profit (Loss) before income tax expense	830,710	(1,398,204)
Income tax expense	-	-
Profit (Loss) after income tax expense	830,710	(1,398,204)
Profit on disposal before income tax	760,028	-
Income tax expense	-	-
Profit on disposal after income tax	760,028	-
Profit (Loss) after income tax expense on discontinued operations	1,590,738	(1,398,204)

Cash flow Information

Net Cash used in operating activities	(233,322)	(276,190)
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Carrying amounts of assets and liabilities disposed

Trade and other receivables	2,042,531
Prepayments	104
Security deposits	4,174
Total assets	2,046,809
Trade and other payables	199,470
Provisions	86,915
Total liabilities	286,385
Net assets	1,760,424

Details of the disposal

Sale consideration	2,066,066
Carrying amount of intellectual property disposed	(1,135,498)
Disposal costs	(170,540)
Profit on disposal before income tax	760,028
Income tax expense	-
Profit on disposal after income tax	760,028

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FOR THE YEAR ENDED 30 JUNE 2014

Note 3: Intangible assets

		Consolidated Development costs associated with	
	Note	AGX - 1009 Contract	AGX - 1009 Total
		\$	\$
Net carrying amount 1 July 2012		771,891	334,259
Intangible assets related to AGX - 1009 acquired from IMB at cost		1,062	938
Pre-clinical trial expenditure at cost		-	27,348
		(772,953)	(362,545)
Net carrying amount at 30 June 2013		-	-
Reversal of impairment		772,953	362,545
Disposal of intangible asset		(772,953)	(362,545)
Net carrying amount at 30 June 2014		-	-

In September 2010, the Group entered into an exclusive agreement with the Institute of Medicinal Biotechnology of the Chinese Academy of Medical Sciences (IMB) in Beijing to purchase, develop and commercialise IMB's patented product candidate known as AGX -1009. all the test results from those studies to enable submission of the Phase I The total purchase price to be paid is 17 Million RMB The agreement provides for milestone payments to be made during the development phase upon meeting agreed targets. Payments of RMB 5 Million have been made to date pursuant to the contract.

In addition to the amount payable to IMB, Agenix has engaged various parties to undertake pre-clinical studies of AGX - 1009. The amounts incurred to date are recorded at cost. To date, Agenix is not aware of any information regarding the pre-clinical studies which have raised concerns with the efficacy of the product. The pre-clinical studies were completed in June 2013.

AASB 136 Impairment of Assets requires an entity to assess whether there is any indication that an asset may be impaired, and the entity shall consider, as a minimum, the indications set out in AASB 136.12. The Directors considered it was prudent to impair the asset effective 31 December 2012 given the uncertainty of availability of resources to complete the project. Subsequently in April 2014 Agenix entered into a contract to divest the AGX- 1009 project. As a consequence the previous impairment has been reversed in accordance with the accounting standards. Detailed information regarding the disposal can be found at Note 2 Discontinued operations.

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Note 4: Capital and reserves

Share capital

	Consolidated	
	2014	2013
	\$	\$
130,947,876 (2013: 112,472,139) ordinary shares	82,609,361	82,225,063
Less: 1,354,741 (2013: 1,354,741) escrowed shares to SHRG vendors	(5,418,963)	(5,418,963)
129,593,135 (2013: 111,117,398) fully paid ordinary shares	<u>77,190,398</u>	<u>76,806,100</u>

The Company adopted a new replacement constitution at an extraordinary meeting of security holders held on 17 April 2007. The constitution in line with current corporations law does not require the Company to have an authorised amount of capital. Also, shares have no par value.

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At the security holders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each Security holder has one vote on a show of hands.

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Note 4: Capital and reserves (continued)

The following Ordinary Shares have been allotted during the year:

	Consolidated			
	2014	2013	2014	2013
	\$	\$	No.	No.
Ordinary shares				
Pre- share consolidation				
At the beginning of reporting period	76,806,100	74,357,980	112,472,139	784,893,865
Issue of shares for services rendered	-	-	-	-
Share placements under the Fortrend fixed subscription agreement	-	385,000	-	124,363,136
Share placement in satisfaction of DiagnostIQ licence fee	-	17,000	-	5,483,871
Issue of shares to directors on exercise of rights	-	-	-	-
Issue of shares - exercise of options	-	-	-	-
Effect of Share consolidation	-	-	-	(878,151,257)
Post-share consolidation				
Share placements under the Fortrend fixed subscription agreement	-	100,000	-	2,538,071
Share placement in satisfaction of DiagnostIQ licence fee	338,000	145,000	16,371,177	5,047,699
Issue of shares in respect of rights issue and new share offer	-	1,234,737	-	41,157,906
Costs of capital raisings	-	(34,019)	-	-
Issue of shares for services rendered	46,298	284,350	2,104,560	12,094,334
Issue of shares in lieu of Directors Fees	-	46,000	-	2,000,000
Issue of shares on conversion of related party loans	-	70,000	-	3,043,478
Issue of shares on conversion of notes	-	200,000	-	10,000,000
Issue of shares - exercise of options	-	52	-	1,036
Balance as at 30 June	77,190,398	76,806,100	130,947,876	112,472,139

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FOR THE YEAR ENDED 30 JUNE 2014

Note 4: Capital and reserves (continued)

Options

Listed Options

A total of 20,579,019 listed options were issued pursuant to the Entitlement Offer dated 21 January 2013. During the year no listed options were exercised. At 30 June 2014, 20,577,983 listed options are on issue. The options are exercisable on or before 30 June 2015 with an exercise price of \$0.05 per share.

Unlisted Options

The following unlisted options were on issue as at 30 June 2014.

	Date issued	Expiry date	Vesting date	Number on issue	Exercise price \$
Employee	4 January 2013	4 January 2015	4 January 2014	200,000	0.0225
Directors	27 June 2013	30 June 2015	27 June 2013	1,521,740	0.0500
C Note	27 June 2013	30 June 2015	27 June 2013	5,000,000	0.0500

Directors

On 27 June 2013, Security holders granted approval for the directors to covert unsecured loans advanced to the Group into ordinary shares at 2.3 cents per share together with one free attaching option for every two shares acquired exercisable at 5 cents per share and expiring on 30 June 2015. These shares were issued on the exact same terms as those offered to eligible security holders under the January 2013 entitlement offer except that the directors options are not listed on the ASX.

Employee

The Employee options have been issued pursuant to the Agenix Corporate Equity Plan and employment contract. The options were issued to Nick Weston and approved by security holders at the 2012 Annual General Meeting.