AGENIX LIMITED
ABN 58 009 213 754

REPORT
FOR THE HALF YEAR ENDED
31 DECEMBER 2011

Agenix Limited
ABN 58 009 213 754
Report
for the half year ended 31 December 2011

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DIRECTORS' REPORT

Your directors submit the interim half year financial report of the consolidated group for the half-year ended 31 December 2011.

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

Principal Activities

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

Conducting preclinical manufacturing and trials in respect of AGX-1009;
Undertaking identification, analysis of, and due diligence with, a comprehensive list of world class strategic partners suitable for advancing the Thromboview® intellectual property held by the Group.

Review of Operations

2011 was a pivotal year in the ongoing development of Agenix. We continued the important pre-clinical work for our promising hepatitis B (HBV) drug AGX - 1009 ahead of the Phase I clinical trial approval in China in 2012.

AGX-1009 is a novel, patented prodrug of tenofovir. It has the same active compound used in Gilead's blockbuster Viread but activated by a different molecular sidechain which not only significantly de-risks the project but, in China, gives it its Class 1 New Chemical Entity status and attendant access to premium pricing.

This period also saw the identification of potential candidates for the partnering or divestment of Thromboview® and we are currently in discussions with a number of interested parties with a view to progressing to formal due diligence. The work undertaken includes updating business plans, clinical trial costing and market potential.

Importantly, Agenix now has a solid team of people possessing the financial and operational skills, the relationships, experience and personal discipline required to work effectively in Australia and China. Agenix also continues to engage with world leading scientists in delivering its programs, including Prof. Timothy Morris of UCSD who heads our Scientific Advisory Board, Dr. Mike Gerometta, CSO, ThromboView® and Prof. Li of the Institute of Medicinal Biotechnology, Chinese Academy of Medical Sciences, inventor of the AGX-1009 compound.

We have also worked hard to identify and are conducting due diligence on new biotech plays for the company aiming to acquire rights at wholesale prices and then sell off a minority portion at a retail price to reduce net licence acquisition costs to zero (or below) and springboard development of the play. We are choosy but this work will continue until the right opportunity presents.

Agenix has a proud history of success commercialising medical innovations into tangible products that help address major unmet medical needs.

Our future is based on our company's proud record of taking leading research from the bench into the clinic and performing well with partners and collaborators. I am pleased to report we continued to deliver on this mission in a number of significant ways that we believe will deliver long term value to shareholders.

Future China Recoveries

The Board remains cognisant of the actions of the previous Board and advisors in respect of the matter.

Pursuant to the supplementary settlement agreement the Company has 'in principle' rights to a pipeline of products for commercialisation and the rights to commercialising generic adefovir outside of mainland China. The Board has assessed the value of these pipeline products together with the commercial realities of working closely with other parties to the settlement agreements in China in order to bring the products to market in other geographies. In the opinion of the Board there are substantial risks associated with attempting to commercialise these products with the other parties involved, the Company continues to reserve its rights in assessing whether it is in the best interests of shareholders to commercialise these pipeline products with those parties or, alternatively, to concentrate on claims to recover further funds at the appropriate time.

Any potential future claims concerning this issue would require the Company to prove its actual loss or damage.

Any extended discussion of the Company's position in relation to this issue may prejudice any future legal action.

Financial Overview

The loss after tax is ($939,330) compared with the previous half-year loss of ($1,750,288).

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

	$
Employee benefit expense	(519,640)
Corporate and administration expenses	(363,520)
Research and development expense	(79,327)

Discussion on Financial Performance

The loss for the six months ended 31 December 2011 was 46% less than the comparative period last year. The Company has significantly reduced costs and cash burn and continues to monitor all costs closely. All legacy debts have been substantially acquitted at the date of this report and the Board is now focussed on progressing pre clinical trials in respect of AGX – 1009 and work directed at achieving a transaction that will result in the commercialisation of Thromboview®.

The preclinical trials of AGX - 1009 to date have been undertaken in accordance with the plan and there have been no significant cost overruns in respect of the project. The Company continues to monitor costs of this project in accordance with estimated time frames and costs. The outcome of the preclinical trials is not yet determined at this time.

Employee Options

The following options lapsed during the half year:

Employee	No of Options	Grant Date	Vesting Date	Expiry Date	Exercise Price
J Tong	600,000	15/10/2009	15/10/2010	15/10/2011	$0.017

Since the end of the half year the following options have lapsed:

Employee	No of Options	Grant Date	Vesting Date	Expiry Date	Exercise Price
N Weston	10,000,000	4/1/2010	4/1/2011	4/1/2012	$0.017

During the half year ended 31 December 2011 the following rights have been issued pursuant to the Agenix Corporate Equity Plan.

Employee	No of Rights	Grant Date	Vesting Date	Expiry Date	Exercise Price
C McNamara[1]	3,000,000	26/11/2010	29/10/2011	25/11/2011	Nil
A Lee[1]	3,000,000	26/11/2010	29/10/2011	25/11/2011	Nil
N Weston[2]	3,000,000	4/1/2011	31/10/2011	31/10/2012	Nil

1. On 26 November 2010, Shareholders granted approval to issue 3 Million Rights (zero priced options) to Mr C McNamara and Mr A Lee.
2. On 31 October 2011, Shareholders granted approval to issue 3 Million Rights (zero priced options) to Mr N Weston as part of his employment contract with an effective grant date of 4 January 2011.

Issued Capital

On 4 November 2011 the rights outlined above were exercised pursuant to the Agenix Corporate Equity Plan which resulted in the issue of Ordinary Shares.

Employee	No of Rights	Exercise Date	Exercise Price	Ordinary Shares issued
N Weston	3,000,000	4/11/2011	Nil	3,000,000
C McNamara	3,000,000	4/11/2011	Nil	3,000,000
A Lee	3,000,000	4/11/2011	Nil	3,000,000

During the half year 5 Ordinary Shares were issued to an existing shareholder following exercise of listed options with an exercise price of $0.06 cents per share in accordance with the terms on which the options were issued.

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 2011.

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

Nicholas Weston, Director
Dated this 10th day of February 2012

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DECLARATION OF INDEPENDENCE BY PAUL GALLAGHER TO THE DIRECTORS OF AGENIX LIMITED

As lead auditor for the review of Agenix Limited for the half-year ended 31 December 2011, I declare that to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- 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.

P A Gallagher

Director

BDO Audit (QLD) Pty Ltd

Brisbane, 10 February 2012

Agenix Limited
ABN 58 009 213 754
Half Year Report

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

	Note	Consolidated Group Half year ended 31 Dec 2011 $	31 Dec 2010 $
Revenue	2	-	-
Cost of sales		-	-
Gross profit		-	-
Other income	2	31,808	165,202
Corporate and administration expenses		(363,520)	(979,401)
Depreciation and amortisation expense	3	(5,415)	(4,623)
Employee benefit expense	3	(519,640)	(471,411)
Finance costs	3	(2,833)	(32,587)
Foreign exchange losses	3	(403)	(539,257)
Research and development expenses	3	(79,327)	(30,644)
Write back of surplus lease space accrual		-	142,433
Profit (Loss) before income tax		(939,330)	(1,750,288)
Income tax expense		-	-
Loss for the period	2,3	(939,330)	(1,750,288)
Other comprehensive income			
Exchange differences on translating foreign controlled entities		47,319	(174,772)
Other comprehensive income for the period, net of tax		47,319	(174,772)
Total comprehensive income for the period		(892,011)	(1,925,060)
Earnings per share			
Basic and diluted earnings per share for the period ($ per share)		(0.001)	(0.003)
Weighted average number of used in calculation of the basic and diluted earnings per share		750,134,856	668,555,475

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011

		31 Dec 2011	30 June 2011
		$	$
CURRENT ASSETS			
Cash and cash equivalents		672,804	1,884,584
Trade and other receivables		2,878	43,235
Prepayments		26,811	18,632
TOTAL CURRENT ASSETS		702,493	1,946,451
NON-CURRENT ASSETS			
Intangible assets	4	1,005,553	865,177
Property, plant and equipment		24,924	25,125
TOTAL NON-CURRENT ASSETS		1,030,477	890,302
TOTAL ASSETS		1,732,970	2,836,753
CURRENT LIABILITIES			
Trade and other payables		503,323	797,472
Financial liabilities		8,457	52,080
TOTAL CURRENT LIABILITIES		511,780	849,552
TOTAL LIABILITIES		511,780	849,552
NET ASSETS		1,221,190	1,987,201
EQUITY			
Issued capital	5	74,147,795	74,147,795
Share based payment reserve		4,657,942	4,531,942
Foreign currency translation reserve		(108,617)	(155,936)
Accumulated losses		(77,475,930)	(76,536,600)
TOTAL EQUITY		1,221,190	1,987,201

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

	Issued capital $	Accumulated losses $	Share based payment reserve $	Foreign currency translation reserve $	Total $
Balance at 1 July 2010	72,139,941	(73,829,149)	4,529,248	6,359	2,846,399
Loss for the period	-	(1,750,288)	-	-	(1,750,288)
Other comprehensive income	-	-	-	(174,772)	(174,772)
Total comprehensive income	-	(1,750,288)	-	(174,772)	(1,925,060)
Shares issued during the period	1,638,024	-	-	-	1,638,024
Share based payments	-	-	2,694	-	2,694
Balance at 31 December 2010	73,777,965	(75,579,437)	4,531,942	(168,413)	2,562,057
Balance at 1 July 2011	74,147,795	(76,536,600)	4,531,942	(155,936)	1,987,201
Loss for the period	-	(939,330)	-	-	(939,330)
Other comprehensive income	-	-	-	47,319	47,319
Total comprehensive income	-	(939,330)	-	47,319	(892,011)
Shares issued during the period	-	-	-	-	-
Share based payments	-	-	126,000	-	126,000
Balance at 31 December 2011	74,147,795	(77,475,930)	4,657,942	(108,617)	1,221,190

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

	Consolidated Group Half year ended	
	31 Dec 2011	**31 Dec 2010**
	$	**$**
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts in the course of operations	2,750	-
Payments to suppliers and employees	(1,036,928)	(1,094,396)
Payments related to research and development	(99,999)	(103,528)
Interest received	44,134	6,917
Interest received arising from settlement deed in respect of China	-	153,808
Income tax refund	-	114
Finance costs	(2,833)	(44,328)
Net cash (used in)/provided by operating activities	(1,092,876)	(1,081,413)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for property, plant equipment and other assets	(3,415)	(5,391)
Payment for intellectual property	(78,154)	(411,218)
Proceeds arising from settlement deed in respect of China	-	3,434,314
Net cash (used in)/provided by investing activities	(81,569)	3,017,705
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	-	514,945
Repayment of borrowings	(43,624)	-
Net cash (used in)/provided by financing activities	(43,624)	514,945
Net increase (decrease) in cash held	(1,218,069)	2,451,237
Cash and cash equivalents at beginning of period	1,884,584	1,736,817
Effect of exchange rates on cash holdings in foreign currencies	6,289	(199,934)
Cash and cash equivalents at end of period	672,804	3,988,120

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

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 2011 annual financial report for the financial year ended 30 June 2011, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Accounting Standards not Previously Applied

From 1 July 2011 the Group has applied amendments to AASB 101 *Presentation of Financial Statements* outlined in AASB 2010-4 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project.* The change in accounting policy only relates to disclosures and had no impact on consolidated earnings per share or net income.

(b) Segment Reporting

The Group has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Group is managed primarily on the basis of product category and service offerings since the diversification of the Group's operations inherently have notably different risk profiles and performance assessment criteria. Operating segments are therefore determined on the same basis.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics and are also similar with respect to the following:

- the products sold or to be sold and/or services provided by the segment;
- the type or class of customer for the products or service;
- the distribution method; and
- external regulatory requirements.

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Segment Reporting (continued)

Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors as the chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

Intersegment transfers

Segment revenues, expenses and results include transfers between segments. The prices charged on intersegment transactions are the same as those charged for similar goods to parties outside of the Group at arm's length. These transfers are eliminated on consolidation.

Segment assets

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location. Unless indicated otherwise in the segment assets note and investments in financial assets have not been allocated to operating segments.

Segment liabilities

Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables.

Segments

The Group has the following segments:

AGX – 1009, a patented novel targeted prodrug analog of an existing compound, tenofovir, which is currently undergoing pre-clinical trials in China.

Thromboview®, a monoclonal antibody related to the detection of blood clots. Monoclonal antibodies (mAb or moAb) are mono-specific antibodies that are identical because they are produced by one type of immune cell that are all clones of a single parent cell. Given (almost) any substance, it is possible to create monoclonal antibodies that specifically bind to that substance; they can then serve to detect or purify that substance. This has become an important tool in biochemistry, molecular biology and medicine.

China recovery, monies recovered and expended in relation to the unwinding of the ill-executed 2007 business acquisition and subsequent recovery of funds from the original vendors.

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (continued)

(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 2011 and 31 December 2010, the Group incurred an operating loss before tax and net cash outflows from operating activities as disclosed in the consolidated statement of 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 11.

NOTE 2: REVENUE AND OTHER INCOME

	Consolidated Group Half year ended	
	31 Dec 2011	**31 Dec 2010**
	$	**$**
Revenue		
Revenue from sale of goods	-	-
Other income	31,808	165,202
Breakdown of other income		
Interest received and receivable - bank	20,129	11,394
Interest received – final settlement deed in respect of China	-	153,808
Government grants	2,500	-
Net realised foreign exchange gains	9,179	-
	31,808	165,202

NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 3: EXPENSES

		Consolidated group Half year ended	
		31 Dec 2011	31 Dec 2010
		$	$
a.	***Significant items***		
	The following expense items are relevant in explaining the financial performance for the half-year:		
	Employee benefit expense	519,640	471,411
	Research and development expenses	79,327	30,644
	Realised foreign exchange losses	-	535,585
		598,967	1,037,640
b.	***Employee benefit expense***		
	Salaries and fees	249,508	248,258
	Short term incentives	77,323	214,905
	Compulsory superannuation and employee welfare expense	23,970	18,298
	Salary on costs	3,334	-
	Annual leave provision	39,505	-
	Long service leave provision	-	(12,744)
	Share based expense payments	126,000	2,694
		519,640	471,411
c.	***Research and development expenses***		
	Thromboview®	60,927	30,644
	AGX-1009	18,400	-
		79,327	30,644
d.	***Finance costs***		
	Interest bearing loans	2,833	5,463
	Convertible notes	-	27,124
		2,833	32,587
e.	***Depreciation and amortisation expense***		
	Depreciation of noncurrent assets	5,415	4,539
	Amortisation of noncurrent assets	-	84
		5,415	4,623
f.	***Foreign exchange losses***		
	Realised foreign exchange losses	-	535,585
	Unrealised foreign exchange losses	403	3,672
		403	539,257

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 2010	-	-	-
Intangible assets related to AGX - 1009 acquired from IMB at cost	720,357	-	720,357
Pre clinical trial expenditure at cost	-	144,820	144,820
Net carrying amount at 30 June 2011	720,357	144,820	865,177
Pre clinical trial expenditure at cost	-	140,376	140,376
Net carrying amount at 31 December 2011	720,357	285,196	1,005,553

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. The total purchase price to be paid is 17 Million RMB (approximately AUD$ 2.5 Million). 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.

As the AGX - 1009 assets were acquired in an arms-length transaction and the forecast revenues from the sale of AGX - 1009 demonstrate the likely use of the assets, there is no indication of impairment as at 31 December 2011.

For the purpose of impairment testing, management assesses the carrying amount by comparison to its value based upon discounting future cash flows with the assistance of independent valuers. The carrying amount of AGX - 1009 was determined to be less than its recoverable amount and therefore no impairment was necessary. The effective life can only be determined following pre clinical trials which as at the date of this report have not been completed.

NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 5: ISSUED CAPITAL

	Consolidated Group	
	31 Dec 2011	**31 Dec 2010**
	$	**$**
Ordinary shares	79,566,758	79,196,928
Less: Escrowed shares to SHRG vendors (i)	(5,418,963)	(5,418,963)
Ordinary shares	74,147,795	73,777,965

Movement in ordinary shares on issue	**$**	**Number**
Balance 1 July 2010	72,139,941	495,102,169
Issue of shares on conversion of notes	1,000,000	200,000,000
Issue of shares in lieu of employee bonus	12,000	600,000
Share placements under the Fortrend standby subscription agreement	90,021	4,505,805
Issue of shares for services rendered	50,000	2,000,000
Issue of shares in respect of rights issue	486,003	19,440,152
Balance 31 December 2010	73,777,965	721,648,126
Issue of shares in respect of rights issue and new share offer	319,600	12,784,000
Costs of capital raising	(60,500)	-
Share placement under the Fortrend standby subscription agreement	30,230	1,679,450
Issue of performance shares to employee	50,000	10,000,000
Issue of shares for services rendered	30,500	1,220,000
Balance 30 June 2011	74,147,795	747,331,576
Issue of shares on conversion of directors' rights (ii)	-	9,000,000
Issue of shares on exercise of options (iii)	-	5
Balance 31 December 2011	74,147,795	756,331,581

(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 Balance Sheet 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.

(ii) 9,000,000 Ordinary Shares were issued to Directors on 4 November 2011 as a result of the exercise of rights pursuant the Agenix Corporate Equity Plan.

(iii) 5 Ordinary Shares were issued upon exercise of listed options with an exercise price of 6 cents per share.

NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 6: DIVIDENDS PAID OR PROPOSED

	Consolidated group	
	Half year ended	
	31 Dec 2011	31 Dec 2010
	$	$
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

NOTE *7*: RELATED PARTY TRANSACTIONS

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

	Consolidated group	
	Half year ended	
	31 Dec 2011	31 Dec 2010
	$	$
Conversion of notes to 20,000,000 ordinary shares by High Tech Computers Pty Ltd Superannuation Fund an entity associated with Mr John Tong, General Manager Agenix Biopharmaceutical Shanghai Co Ltd until 15 December 2011.	-	100,000
80,000,000 ordinary shares at an issue price of $0.005 cents issued to Tang Wen Sen in respect of conversion of notes approved by Shareholders and issued 10 August 2010 and 25 November 2010 in accordance with the terms and conditions of the notes.	-	400,000
Grant of 3,000,000 zero priced rights and subsequent issue of 3,000,000 ordinary shares upon conversion approved by shareholders at the 2011 Annual General Meeting to Mr Nicholas Weston.	42,000	-
Grant of 3,000,000 zero priced rights and subsequent issue of 3,000,000 ordinary shares upon conversion approved by shareholders at the 2010 Annual General Meeting to Mr Christopher McNamara.	42,000	-
Grant of 3,000,000 zero priced rights and subsequent issue of 3,000,000 ordinary shares upon conversion approved by shareholders at the 2010 Annual General Meeting to Mr Anthony Lee.	42,000	-
Fees in respect of China recovery. Tang Wen Sen was appointed Chairman and authorised legal representative of Agenix Biopharmaceutical Shanghai Company Limited effective 1 September 2010. Prior to his appointment Tang Wen Sen was contracted to assist in the recovery in respect of the China settlement and was entitled to a fee of 7% of the amounts recovered in accordance with the contract.	-	255,159

NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 8: SEGMENT INFORMATION

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

	Consolidated Group Half year ended 31 Dec 2011 $	Consolidated Group Half year ended 31 Dec 2010 $
Segment revenue and results		
Revenue		
— Thromboview®	-	-
— AGX - 1009	-	-
— China settlement	-	-
Total Revenue	-	-
Depreciation and amortisation expense		
— Thromboview®	-	-
— AGX - 1009	(5,135)	(4,539)
Unallocated	(280)	(84)
	(5,415)	(4,623)
Segment result		
— Thromboview®	(88,840)	111,133
— AGX - 1009	(199,836)	(182,150)
— China settlement	-	(822,933)
Total for continuing operations	(288,676)	(893,950)
Interest received and receivable -bank	20,129	11,394
Government grants	2,500	-
Finance costs	(2,833)	(32,587)
Share based payment expense	(126,000)	(2,694)
Depreciation and amortisation expense	(280)	(84)
Corporate and administration expenses and salaries	(553,349)	(828,695)
Realised foreign exchange gains (losses)	9,179	-
Unrealised foreign exchange gains (losses)	-	(3,672)
Profit (Loss) before tax	(939,330)	(1,750,288)

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the current period (2010: Nil).

NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 8: SEGMENT INFORMATION (continued)

Segment assets and liabilities

	Consolidated Group	
	31 Dec 2011	**30 June 2011**
	$	**$**
Segment assets		
— Thromboview®	9,145	109,430
— AGX - 1009	1,307,244	918,380
— China settlement	-	-
Total segment assets	1,316,389	1,027,810
Unallocated assets	416,581	1,808,943
Consolidated total assets	1,732,970	2,836,753
Segment liabilities		
— Thromboview®	19,612	5,078
— AGX - 1009	160,759	391,806
— China settlement	-	-
Total segment liabilities	180,371	396,884
Unallocated liabilities	331,409	452,668
Total consolidated liabilities	511,780	849,552

Other Segment information

	Depreciation & Amortisation		Additions to non-current assets	
	31 Dec 2011	**31 Dec 2010**	**31 Dec 2011**	**31 Dec 2010**
	$	**$**	**$**	**$**
Thromboview®	-	-	-	-
AGX - 1009	5,135	4,539	144,695	869,900
Unallocated	280	84	895	1,939
	5,415	4,623	145,590	871,839

NOTE 9: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There has been no change in contingent liabilities or contingent assets since the last annual reporting date.

NOTE 10: EVENTS SUBSEQUENT TO REPORING DATE

No significant events have occurred subsequent to the reporting date until the date of this report.

NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 11: GOING CONCERN

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

The reported loss for the period ended 31 December 2011 was $939,330 (2010: Loss $1,750,288) from operations.

At 31 December 2011, the Group had cash at bank totalling $672,804. The Group's ability to continue as a going concern is dependent on its ability to raise additional capital.

The directors believe that the Group will be able to raise new equity capital to fund its business plans by way of a rights issue or capital raising from existing shareholders and potential cornerstone investors.

Should future capital raisings not be successful, significant doubt will be cast on the Group's ability to continue as a going concern. Furthermore, the ability of the Group to continue as a going concern is subject to the ability of the Group to successfully develop and commercialise the products being developed. 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. No adjustments have been made relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

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 2011 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.

Nick Weston

Nicholas Weston
Director
Dated this 10th day of February 2012

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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 statement of financial position as at 31 December 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the disclosing entity 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 disclosing entity 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 2011 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 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 2011 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 11 in the half-year financial report which indicates that Agenix Limited incurred a net loss of $939,330 during the half-year ended 31 December 2011. This condition, along with other matters as set forth in Note 11, indicate the existence of a material uncertainty which 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 (QLD) Pty Ltd

BDO

Paul Gallagher

PA Gallagher

Director

Brisbane, 10 February 2012