



20 February 2019

The Company Announcements Office
Australian Securities Exchange Limited
Sydney NSW

Appendix 4D – Half Year Report

1. Name of Entity	Bioxyne Limited ABN 97 084 464 193
Half year ended	31 December 2018
Reporting period	1 July 2017 to 31 December 2018
Previous period	1 July 2016 to 31 December 2017

2. Results for announcement to the market

	31 December 2018	31 December 2017	% Change Up (Down)
2.1 Revenues from continuing operations	1,409,569	770,065	83%
2.2 Loss from operations after tax attributable to members	(202,888)	(722,653)	72%
2.3 Net loss attributable to members	(202,888)	(722,653)	72%
2.4 Proposed dividends	Nil	Nil	
2.5 Not applicable			
2.6 An explanation of the above figures is contained in the “Review of Operations” included with the attached directors’ report.			

This appendix 4D should be read in conjunction with the 31 December 2018 Interim Financial Report and any announcements made to the market in the period by the Company in accordance with the continuous disclosure requirements of the *Corporations Act 2001 (Cth)* and the ASX Listing Rules.

	31 December 2018	31 December 2017	% Change Up (Down)
3. Net tangible asset per security	0.1 cent	0.1 cent	-

- The Company acquired 95% of the ordinary shares of P.T. Gamata Utama on 6 September 2018. In accordance with the agreement the results of this entity are for the credit of Bioxyne Limited with effect from 1 January 2019.
- There were no payments of dividends during the reporting period.
- There is no dividend reinvestment plan in operation.
- There are no associates or joint venture entities.

8. The Company is not a foreign entity.
9. The accounts are not subject to any audit dispute or qualification.

The Company's half year report follows.

Guy Robertson
Company Secretary



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BIOXYNE LIMITED

ABN 97 084 464 193

**Interim Financial Report
For the Half-Year ended 31 December 2018**



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**Bioxyne Limited Half-Year Report
31 December 2018**

Corporate Information

This half-year report covers Bioxyne Limited and its controlled entities. The Group's functional and presentation currency is AUD.

A description of the Group's operation is included in the review of operations and activities in the Directors' report on page 3. The Directors' report has not been reviewed by the auditors and does not form part of the financial report.

Directors

Anthony Ho	Non-Executive Chairman
N H Chua	Managing Director
Patrick Douglas Ford	Non-Executive Director
Peter Hughes-Hallett	Non-Executive Director

Chief Financial Officer | Company Secretary

Mr Guy Robertson

Auditors

RSM Australia Partners
Level 13, 60 Castlereagh Street
SYDNEY NSW 2000

Banker

National Australia Bank Limited
255 George Street
Sydney NSW 2000

Share Registry

Security Transfer Registrar Pty Limited
Suite 913, 530 Little Collins Street,
Melbourne VIC 3000

Registered Office

Level 5 50 Clarence Street
Sydney NSW 2000

Website

www.bioxyne.com

Bioxyne Limited shares (ASX Code: BXN) are listed on the Australian Securities Exchange

Bioxyne Limited Directors' Report

Your directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidate entity') consisting of Bioxyne Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half - year ended 31 December 2018.

Directors

The following persons were directors who held office during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Anthony Ho	Non-Executive Chairman
N H Chua	Managing Director
Patrick Ford	Non-Executive Director
Maxwell Parkin	Executive Director (resigned 17 January 2019)
Peter Hughes-Hallett	Non-Executive Director

Chief Financial Officer | Company Secretary

Mr Guy Robertson

Review of operations

Operations Report

Sales revenue for the half year were \$1,409,569 (2017: \$770,065) an 83% increase year on year.

PCC® sales continues to drive the Company's sales with the improvement over the prior period attributable to timing. The changing regulatory environment in a number of Asian countries has delayed product registration and consequently direct sales in Asia. Sales for the half year in Asia amounted to \$261,703.

The loss for the half year was \$202,888 (2017: \$722,653) a substantial improvement of 72% over the prior period, notwithstanding business development costs of \$175,456 and legal fees of \$133,694 (see Corporate below) which were not incurred in 2017.

The Company now has direct selling licenses in Malaysia and Indonesia and is progressing with applications for direct selling licenses in other key Asian countries. The license in Indonesia was acquired with our recent acquisition of a 95% interest in P.T. Gamata Utama (PTG) an Indonesian Direct Selling company. The effective date was September 2018, however the agreement provided that revenue for Bioxyne's account would only be effective from 1 January 2019. As such, no revenue was recognised in the reported half year. PTG has held a direct sales license in Indonesia since May 2015 and has 2,500 active members. The company distributes an existing range of health products and supplements. Bioxyne sees this as a key geographical expansion with a growing middle class in a population of 267 million in Indonesia.

Bioxyne will be required to re-capitalise PTG to an equivalent amount of A\$900,000 to comply with Indonesian foreign investment PT PMA regulations in due course.

Bioxyne Limited
Directors' Report (Cont.)

Active ongoing business development

We now have our product range and a geographical distribution footprint in Indonesia, Malaysia and elsewhere in Asia. The Company is now focused on driving distribution of its existing product range through these established channels.

The Company will continue to increase its product range and business acquisitions to further expand its reach in the direct selling industry.

Corporate

The New Image Group litigation matter is continuing, and the parties have agreed to mediate the matters before it is scheduled to go to trial in October 2019.

Post the half year end, Mr Maxwell Parkin resigned as a director of the Company on 17 January 2019 given the demands of his international consultancy business. Mr Parkin's expertise will continue to be available to the Company in product development, especially in colostrum-based products.

Events Occurring After the Balance Sheet Date

There are no events subsequent to the end of the period that would have a material effect on the entity's financial statements at 31 December 2018.

Auditor's Independence Declaration

The auditor's independence declaration is included on page 5 of the half-year report.

Signed in accordance with a resolution of directors made pursuant to s306 (3) of the Corporations Act 2001.

On behalf of the Directors,



N H Chua
Managing Director
20 February 2019

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Bioxyne Limited for the half year ended 31 December 2018, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

RSM

RSM AUSTRALIA PARTNERS



GNS

Gary Sherwood
Partner

Sydney, NSW
Dated: 20 February 2019

Bioxyne Limited
Statement of Profit or Loss and Other Comprehensive Income
For the Half-Year ended 31 December 2018

	Consolidated	
	Half-year ended 31 December 2018	Half-year ended 31 December 2017
	\$	\$
Revenue from continuing operations		
Sale of goods	1,409,569	770,065
Other income	142,253	101,162
Cost of goods sold	(524,645)	(397,897)
Expenses		
Research, development and clinical trial	(89,009)	(215,269)
Personnel costs	(209,196)	(194,538)
Business development	(175,456)	-
Marketing	(52,410)	(153,199)
Professional fees	(203,336)	(253,021)
Compliance costs	(65,679)	(75,874)
Legal fees	(133,694)	-
Non-executive director fees	(94,750)	(96,423)
General and administration	(126,735)	(170,159)
Share based payments	(79,800)	(37,500)
Loss before income tax	(202,888)	(722,653)
Income tax benefit	-	-
Other comprehensive income/(loss) for the period, net of income tax, foreign exchange translation	27,583	(8,592)
Total comprehensive loss for the period	(175,305)	(731,245)
Loss attributable to:		
Members of Bioxyne Limited	(175,305)	(731,245)
Earnings per share		
<i>From continuing operations</i>		
- Basic earnings per share, cents	(0.03)	(0.12)
- Diluted earnings per share, cents	(0.03)	(0.12)

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Bioxyne Limited
Statement of Financial Position
As at 31 December 2018

	Consolidated	
	As at	As at
	31 December 2018	30 June 2018
	\$	\$
ASSETS		
Current Assets		
Cash and cash equivalents	2,650,309	3,309,904
Trade and other receivables	1,003,208	534,793
Current tax receivables	216,058	261,240
Inventories	856,793	628,679
Total Current Assets	4,726,368	4,734,616
Non-Current Assets		
Intangible assets	206,765	155,058
Plant and equipment	190,769	160,758
Total Non-Current Assets	397,534	315,816
Total Assets	5,123,902	5,050,432
LIABILITIES		
Current Liabilities		
Trade and other payables	877,902	708,927
Provisions	20,000	20,000
Total Current Liabilities	897,902	728,927
Total Liabilities	897,902	728,927
Net Assets	4,226,000	4,321,505
EQUITY		
Contributed equity	62,177,536	62,177,536
Reserves	257,238	149,855
Accumulated losses	(58,208,773)	(58,005,886)
Total Equity	4,226,000	4,321,505

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Bioxyne Limited
Statement of Changes in Equity
For the Half-Year ended 31 December 2018

		Contributed Equity	Accumulated Losses	Reserves	Foreign currency translation reserve	Total
Consolidated	2018					
At 1 July 2018		62,177,536	(58,005,886)	100,262	49,593	4,321,505
Loss after income tax for the half year		-	(202,888)	-	-	(202,888)
Foreign exchange differences on translation		-	-	-	27,583	27,583
Total comprehensive income for the half year		-	(202,888)	-	27,583	(175,305)
Share based payments		-	-	79,800	-	79,800
As at 31 December 2018		62,177,536	(58,208,774)	180,062	77,176	4,226,000
Consolidated	2017					
At 1 July 2017		60,815,996	(56,695,892)	-	10,618	4,130,722
Loss after income tax for the half year		-	(722,653)	-	-	(722,653)
Foreign exchange differences on translation		-	-	-	(8,592)	(8,592)
Total comprehensive income for the half year		-	(722,653)	-	2,026	(731,245)
Share based payments		-	-	37,500	-	37,500
Issue of shares on exercise of options		1,348,601	-	-	-	1,348,601
As at 31 December 2017		62,164,597	(57,418,545)	37,500	2,026	4,785,578

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Bioxyne Limited
Statement of Cash Flows
For the Half-Year ended 31 December 2018

	Consolidated	
	Half-year ended 31 December 2018	Half-year ended 31 December 2017
	\$	\$
Cash flows from operating activities		
Receipts of other income (incl. of goods and services tax)	986,023	794,671
Payments to suppliers and employees (incl. of goods and services tax)	<u>(1,612,170)</u>	<u>(1,716,937)</u>
	(626,147)	(922,266)
Interest received	16,634	4,266
Net cash used by operating activities	<u>(609,513)</u>	<u>(918,000)</u>
Cash flows from investing activities		
Payment for acquisition of subsidiary, net of cash acquired	(93,165)	-
Purchase of plant and equipment	<u>(36,422)</u>	<u>(133,380)</u>
Net cash used in investing activities	<u>(129,587)</u>	<u>(133,380)</u>
Cash flows from financing activities		
Share issue on exercise of options	-	1,348,601
Net cash from financing activities	<u>-</u>	<u>1,348,601</u>
Net (decrease)/increase in cash and cash equivalents	(739,100)	297,221
Cash and cash equivalents at the beginning of the financial period	3,309,904	3,875,864
Foreign exchange adjustment	79,505	-
Cash and cash equivalents at end of the period	<u>2,650,309</u>	<u>4,173,085</u>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Bioxyne Limited
Notes to the Financial Statements
For the Half-Year ended 31 December 2018

1 Summary of significant accounting policies

(a) Basis of preparation

These general purpose financial statements for the interim half year reporting period ended 31 December 2018 have been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134 *Interim Financial Reporting*. Compliance with Australian Accounting Standards ensures that the financial statements and notes comply with International Financial Reporting Standards.

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

The interim financial report is intended to provide users with an update on the latest annual financial statements of Bioxyne Limited. As such, it does not contain the information that represents relatively insignificant changes occurring during the half-year. It is recommended that this financial report be read in conjunction with the annual financial statements for the year ended 30 June 2018 together with any public announcements made during the half year.

The accounting policies and methods of computation have been consistently followed in this interim financial report as were applied in the previous annual financial statements.

(b) Revenue recognition

Sale of product

Revenue on wholesale sales is recognised on invoice which approximates the date of product delivery. Revenue on direct sales is recognised on invoice to the distributor at which time the cash is also received, i.e. a cash sale.

Interest income

Interest income is recognised as interest accrues using the effective interest method. The effective interest method uses the effective interest rates which is the rate that exactly discounts the estimated future cash receipts over the expected future life of the financial asset.

When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

Research and Development Tax Incentive

Research and Development Tax Incentive claims are recognised as other income in the period to which the incentive claims relate.

(c) Critical accounting estimates and judgements

There have been no significant changes to the critical accounting estimates and judgements applied and disclosed in the 30 June 2018 annual report.

Bioxyne Limited
Notes to the Financial Statements
For the Half-Year ended 31 December 2018

(d) New and revised accounting requirements applicable to the current half- year reporting period.

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are mandatory for the current reporting period including adopting AASB 9 Financial Instruments and AASB 15 Revenue from Contracts with Customers from 1 July 2018.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

Any new, revised or amending Accounting Standards or Interpretations that are yet to be mandatory have not been early adopted.

2 Segment information

Bioxyne operates in the direct sales industry in Asia, New Zealand and Australia. The principal operations are to research, develop, market and distribute health and nutritional supplements, including probiotics.

The following table presents revenue and profit information and certain asset and liability information regarding geographical segments for the half years ended 31 December 2018 and 31 December 2017.

Segment revenues and results

Business Segments

	USA/Europe	Australia/New Zealand	Asia	Unallocated	Total
31 December 2018	\$	\$	\$	\$	\$
Segment revenue	1,142,737	5,129	261,703	142,253	1,551,822
Segment expenses	(539,137)	(6,008)	(444,854)	(764,710)	(1,754,709)
Segment result	603,600	(879)	(183,151)	(622,457)	(202,888)
Segment assets	904,411	-	472,538	3,746,954	5,123,903
Segment liabilities	407,885	-	86,095	403,921	897,901
31 December 2017	\$	\$	\$	\$	\$
Segment revenue	516,195	1,526	252,344	101,162	871,227
Segment expenses	(228,173)	(1,347)	(148,101)	(1,216,259)	(1,593,880)
Segment result	288,022	179	104,243	(1,115,097)	(722,653)
Segment assets	198,004	-	1,380,166	3,850,634	5,428,804
Segment liabilities	83,957	-	45,935	513,334	643,226

Bioxyne Limited
Notes to the Financial Statements
For the Half-Year ended 31 December 2018

Business Segments

Segment revenue reported above represents revenue generated from external customers. Inter segment sales have been eliminated.

Segment profit represents the profit earned by each segment without allocation of central administration costs and directors' fees, share of profits of associates, investment income, gains and losses, finance costs and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

For the purposes of monitoring segment performance and allocating resources between segments:

- All assets are allocated to reportable segments other than tax assets and goodwill;
- Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segments; and
- All liabilities are allocated to reportable segments other than borrowings, 'other financial, liabilities', current and deferred tax liabilities. Liabilities for which reportable segments are jointly liable are allocated in proportion to segment assets.

3 Contributed equity

(a) Share capital

	31 December 2018 Shares	31 December 2018 \$	30 June 2018 Shares	30 June 2018 \$
Ordinary Shares Fully Paid	640,145,398	62,164,597	640,145,398	62,164,597

(b) Movements in ordinary share capital

	Issue date	Number of Shares	Issue price	\$
Opening balance 1 July 2017		507,565,250		60,815,996
Share issue on exercise of options	1 July 2017 to	130,780,148	0.01	1,307,801
Share issue on exercise of options	31 December	550,000	0.021	11,550
Share issue on exercise of options	2017	1,250,000	0.0234	29,250
Balance	30 June 2018	640,145,398		62,164,597
Balance	31 December 2018	640,145,398		62,164,597

Bioxyne Limited
Notes to the Financial Statements
For the Half-Year ended 31 December 2018

(c) Options

As at the date of the interim financial report, the following options over unissued ordinary shares were on issue:

Details	No of options	Issue date	Date of expiry	Conversion price (\$)
Director options	3,750,000	23/12/16	24/11/19	0.0234
Director options	1,000,000	21/12/18	24/11/19	0.045
Employee options	1,000,000	2/2/17	24/11/19	0.0234
Total	5,750,000			

Options	6 months to 31 December 2018	Year to 30 June 2018
	No.	No.
Balance at beginning of period	4,750,000	137,808,336
Granted during the period	1,000,000	-
Lapsed during the period	-	(478,188)
Exercised during the period	-	(132,580,148)
Balance at end of year	5,750,000	4,750,000

(e) Performance rights

Shareholders at a General Meeting on 3 August 2017 approved the grant of 40,000,000 performance rights to the Chief Executive Officer (CEO). The performance rights were valued by 22 Corporate Advisory Pty Limited, at between 6.8 cents and 6.1 cents a share being the share price on grant date discounted for lack of marketability. Vesting occurs at the end of the Performance Period ended 30 June 2020, if the following performance conditions are met:

- (i) The CEO remaining employed by the Company or one of its subsidiaries for the duration of the Performance Period; and
- (ii) The CEO meeting the following performance hurdles during the Performance Period, in respect of the percentage of Rights allocated to each hurdle:

For the year ended 30 June 2018 – 8 million shares on the basis of:

- 1.1 Share price hurdle, if the Volume Weighted Average Price is 2.5 cents for 10 consecutive days in the year to 30 June 2018, the provision of (a)(ii) shall apply.
- 1.2 If Export Sales exceed A\$1.5m then 6 million shares plus 4 shares for every A\$ of export revenue up to \$2million.
- 1.3 The maximum performance shares issued shall be 8 million shares

Bioxyne Limited
Notes to the Financial Statements
For the Half-Year ended 31 December 2018

For the year ended 30 June 2019 – 12 million shares on the basis of:

- 2.1 Share price hurdle, if the Volume Weighted Average Price is 4.5 cents for 10 consecutive days in the twenty four months preceding 30 June 2019, the provision of (b)(ii) shall apply.
- 2.2 If Export Sales exceed A\$3m then 9 million shares plus 3 shares for every A\$1 of sales up to A\$4million.
- 2.3 The maximum performance shares issued shall be 12 million shares
- 2.4 Where cumulative Export Sales for the two years ended 30 June 2019 is more than \$6 million; any vesting shortfall of Performance Rights pursuant to clause 6.2 (a) (ii) and 6.2 (b) (ii) shall vest.
- 2.5 For the avoidance of doubt the maximum vesting of shortfall per 6.2 (b) (iii) and 6.2 (a) (ii) and 6.2 (b) (ii) shall be 20,000,000 Performance Rights.

For the year ended 30 June 2020 – 20 million shares on the basis of:

- 3.1 Share price hurdle, if the Volume Weighted Average Price is 6.5 cents for 10 consecutive days in the thirty six months ended 30 June 2020, the provision of (c)(ii) shall apply,
- 3.2 If export sales exceed A\$6m then 15 million shares plus 2.5 shares for every A\$1 of sales up to A\$8million.
- 3.3 The maximum performance shares issued shall be 20 million

An expense of \$37,500 was recognised for the period ended 31 December 2018 in relation to these performance rights.

Shareholders at a meeting on 29 November 2018 approved the issue of 7,500,000 performance rights to directors. The rights were issued on 21 December 2018 and have the following terms:

- (a) The Performance Period commences on 1 July 2018 and ends at 5.00pm (Sydney time) on 30 June 2020.
- (b) The Rights expire at 5.00pm (Sydney time) on 30 September 2020. Rights will expire before this date if Vesting Conditions are not satisfied or waived.
- (c) Performance will be assessed by the Board or a committee of the board formed for this purpose.
- (d) The Rights are subject to the following Performance Hurdles which must be satisfied to the satisfaction of the Board:

Market Based	Share Price Hurdle ¹	Share Price Hurdle ²	Total
	Tranche 1	Tranche 2	
	3,750,000	3,750,000	7,500,000

¹Share price exceeds a 10-day VWAP of 7.5 cents in the year to 30 June 2019

²Share price exceeds a 10-day VWAP of 10 cents in the period to 30 June 2020

Once the share price hurdle has been achieved, the following performance-based hurdles will be applied.

Performance Based (Actions below relate to each tranche)

Action A – 1. Sales in year to 30 June 2019 >\$3m then 35% of tranche, sales in year to 30 June 2020 > \$5m then 35% of tranche - or if sales for both years aggregated >\$8m the 70% in total.

Action B – 3. Grant of a Direct Selling License in China 30% of Total.

Bioxyne Limited
Notes to the Financial Statements
For the Half-Year ended 31 December 2018

4. Business combination

On 7 September 2018 the parent entity acquired 95% of the issued capital of P.T. Gamata Utama, a direct selling company in Indonesia.

Details of the purchase consideration, net assets and goodwill are as follows:

Purchase consideration:

Cash	<u>\$127,868¹</u>
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¹Of this amount \$34,703 was paid subsequent to period end.

The assets and liabilities recognised as a result of the acquisition are as follows:

Inventory	\$30,000
Direct Selling Licence	<u>97,868</u>
	<u>\$127,868</u>

The values identified in relation to the acquisition of the above businesses are provisional as at 31 December 2018. Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at acquisition date. The measurement period ends on either the earlier of (i) 12 months from the date of acquisition or (ii) when the acquirer receives all the information possible to determine the value. Management has exercised their judgment in determining that the amounts paid in excess of the fair value of the net assets acquired relates to the acquisition of a “direct selling licence” effectively enabling the company to distribute its products in Indonesia. There is a contingent consideration payable of RP490,000,000 (~A\$44,000) in the event that existing sales of RP5,000,000,000 (~A\$450,000) are maintained for 12 months from the date of settlement. Management has determined this is unlikely to be paid, and consequently, it has not been accounted for in the acquisition balances. The results of P.T. Gamata Utama have not been consolidated into the results of Bioxyne Limited due to the fact that Management does not consider the results and movements in balances subsequent to the acquisition to be material.

P.T.Gamata Utama did not trade during the period as the Company took steps to obtain the registration required for its products.

5. Commitments

There were no commitments as at 31 December 2018.

6. Contingent liability

The Company and its Managing Director have been notified of a claim by New Image Group Limited, a New Zealand Company. The claims are without foundation and will be vigorously defended. The Company has filed a statement of defence and a trial date has been set for 21 October 2019. Kensington Swan, an Auckland based legal firm is advising and acting for the Bioxyne Group. Accordingly, no provision has been provided in these financial statements.

Bioxyne Limited
Notes to the Financial Statements
For the Half-Year ended 31 December 2018

7. Events Occurring After the Balance Sheet Date and Contingent Assets

There were no significant subsequent events that have occurred since balance date.

8. Dividends

There were no dividends paid, recommended or declared during the current or previous reporting period.

Bioxyne Limited
Directors Declaration
For the Half-Year ended 31 December 2018

Declaration by Directors

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 6 to 15, are in accordance with the Corporations Act 2001 including:
 - (a) compliance with Accounting Standard *AASB 134 Interim Financial Reporting*; and
 - (b) giving a true and fair view of the company's financial position as at 31 December 2018 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 made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:



N H Chua
Managing Director
20 February 2019

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF

BIOXYNE LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Bioxyne Limited which comprises the statement of financial position as at 31 December 2018, the statement of profit or loss and other 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 company and the entities it controlled at the half-year 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 2018 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 Bioxyne 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 Bioxyne 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 Bioxyne 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 2018 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*.

RSM

RSM AUSTRALIA PARTNERS


GNS

Gary Sherwood
Partner

Sydney, NSW
Dated: 20 February 2019