



27 February 2020

The Company Announcements Office  
Australian Securities Exchange Limited  
Sydney NSW

## Appendix 4D – Half Year Report

<b>1.</b>	<b>Name of Entity</b>	<b>Bioxyne Limited</b>
		<b>ABN 97 084 464 193</b>
	Half year ended	31 December 2019
	Reporting period	1 July 2019 to 31 December 2019
	Previous period	1 July 2018 to 31 December 2018

## 2. Results for announcement to the market

	<b>31 December 2019</b>	<b>31 December 2018</b>	<b>% Change Up (Down)</b>
2.1 Revenues from continuing operations	1,351,539	1,409,569	(4.1%)
2.2 Loss from operations after tax attributable to members	(254,262)	(202,888)	(25.3%)
2.3 Net loss attributable to members	(254,262)	(202,888)	(25.3%)
2.4 Proposed dividends	Nil	Nil	
2.5 Record date for determining dividend	N/A	N/A	
2.6 An explanation of the above figures is contained in the “Review of Operations” included within the attached directors’ report.			

	<b>31 December 2019</b>	<b>31 December 2018</b>	<b>% Change Up (Down)</b>
3. Net tangible asset per security	0.04 cent	0.06 cent	(33%)

4. Details of entities over which control has been gained or lost during the period.  
NIL

For personal use only



5. There were no payments of dividends during the reporting period.
6. There is no dividend reinvestment plan in operation.
7. 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.

**For more information, please contact:**

**Bioxyne Limited**  
**Mr N H Chua | Managing Director**  
[nhchua@bioxyne.com](mailto:nhchua@bioxyne.com)

**Mr Guy Robertson | Company Secretary**  
[Guy.robertson@bioxyne.com](mailto:Guy.robertson@bioxyne.com)

**About Bioxyne**

Bioxyne Limited (ASX:BXN) is an Australian health and wellness products company (incorporated in 2000) with a focus on clinically effective health and wellness products particularly in the gut and immune health areas.

Bioxyne is in the consumer dietary supplements and functional foods markets through its proprietary probiotic, *Lactobacillus fermentum* VRI-003 (PCC®), and through its direct sales business trading as Bioxyne International, the Company has developed a range of functional food and beauty products containing ingredients sourced primarily from New Zealand.

Bioxyne's probiotic business is supported by a manufacturing and distribution agreement with Chr. Hansen (Denmark) a global leader in the manufacturing of natural food additives and supplements products for the food, health, pharmaceutical and agriculture industries.

Bioxyne has a distribution agreement for PCC® with Nu-Skin Enterprises (USA) a successful worldwide multilevel marketing company.

For more information on Bioxyne, please visit [www.bioxyne.com](http://www.bioxyne.com)



ABN: 97 084 464 193

Suite 506, Level 5  
50 Clarence Street  
Sydney NSW 2000

P: +61 2 9078 8180  
F: +61 2 9078 7661



# **BIOXYNE LIMITED**

**ABN 97 084 464 193**

**Interim Financial Report  
For the Half-Year ended 31 December 2019**

For personal use only



For personal use only

<b>Index</b>	<b>Page</b>
Corporate Information	2
Directors' Report	3
Auditor's Independence Declaration	5
Statement of Profit or Loss and Other Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Notes to the Financial Statements	10
Directors' Declaration	16
Independent Auditor's Review Report to the Members	17

**Bioxyne Limited Half-Year Report  
31 December 2019**

**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](http://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 2019.

### **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
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 \$1,351,539 (2018: \$1,409,569) an 4% decrease year on year.

Wholesale sales of Lactobacillus fermentum PCC® remain consistent, while Direct Sales business in Asia is securing wider distribution and is slowly gaining traction.

The Company has been engaged in research and development in Australia during the half year to include Lactobacillus fermentum PCC® into Bioxyne's range of dairy formula and health supplements for the Direct Sales market for distribution into Asia. The first round of tests has been encouraging and this R & D programme will be completed in Q1 CY2020.

Online sales of the Company's probiotic product Progastrim™ are improving with regular re-ordering from customers. In view of recent Novel Coronavirus the Group has launched a marketing programme promoting Progastrim as a clinically tested TGA certified immune building product.

In Malaysia the Company has recently secured a major co-operative under the Angkasa (Angkatan Koperasi Kebangsaan Malaysia Behad) umbrella, as a member of our direct selling distributor group. The cooperatives in Malaysia have significant distribution networks and the Bioxyne product range is progressively being showcased to a number of these cooperatives.

In China the Company continues to focus on product registrations to allow its wholesale distribution partner to import and distribute our products, while products are also being re-formulated for distribution in Vietnam and Cambodia to meet the requirements of these markets. Channel development in Jakarta and Makassar offices continues with further increase in distributors and revenue over the previous quarter.

On consistent trading results with the previous year, the Company generated a positive cash flow of \$320,564 (2018 : negative cash flow of \$(609,513)), based on improved collection of trade receivables.

**Bioxyne Limited  
Directors' Report (Cont.)**

**Corporate  
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 2019.

**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  
27 February 2020**

### AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Bioxyne Limited for the half year ended 31 December 2019, 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 N Sherwood**  
Partner

Sydney, NSW  
Dated: 27 February 2020

**Bioxyne Limited**  
**Statement of Profit or Loss and Other Comprehensive Income**  
**For the Half-Year ended 31 December 2019**

	<b>Consolidated</b>	
	<b>Half-year ended</b>	<b>Half-year ended</b>
	<b>31 December 2019</b>	<b>31 December 2018</b>
	<b>\$</b>	<b>\$</b>
<b>Revenue from continuing operations</b>		
Sale of goods	1,351,539	1,409,569
Other income	72,838	142,253
<b>Cost of goods sold</b>	<b>(651,001)</b>	<b>(524,645)</b>
<b>Expenses</b>		
Research, development and clinical trial	(76,722)	(89,009)
Personnel costs	(268,807)	(209,196)
Business development	(184,772)	(175,456)
Marketing	(44,406)	(52,410)
Professional fees	(88,007)	(203,336)
Compliance costs	(79,903)	(65,679)
Legal fees	-	(133,694)
Director fees	(121,033)	(94,750)
General and administration	(153,478)	(126,735)
Share based payments	(10,510)	(79,800)
<b>Loss before income tax</b>	<b>(254,262)</b>	<b>(202,888)</b>
Income tax benefit	-	-
Other comprehensive income/(loss) for the period, net of income tax, foreign exchange translation	<b>59,206</b>	<b>27,583</b>
<b>Total comprehensive loss for the period</b>	<b>(195,056)</b>	<b>(175,305)</b>
Loss attributable to:		
<b>Members of Bioxyne Limited</b>	<b>(195,056)</b>	<b>(175,305)</b>
<b>Earnings per share</b>		
<i>From continuing operations</i>		
- Basic earnings per share, cents	(0.04)	(0.03)
- Diluted earnings per share, cents	(0.04)	(0.03)

*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 2019**

		<b>Consolidated</b>	
	Note	As at 31 December 2019 \$	As at 30 June 2019 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents		2,055,950	1,767,909
Trade receivables		130,282	759,128
Current tax receivables		23,935	19,424
Other current assets		310,977	259,379
Inventories		637,092	713,618
<b>Total Current Assets</b>		<b>3,158,236</b>	<b>3,519,458</b>
<b>Non-Current Assets</b>			
Intangible assets		238,740	243,231
Plant and equipment		209,715	208,730
<b>Total Non-Current Assets</b>		<b>448,455</b>	<b>451,961</b>
<b>Total Assets</b>		<b>3,606,691</b>	<b>3,971,419</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables		629,141	809,323
Provisions		20,000	20,000
<b>Total Current Liabilities</b>		<b>649,141</b>	<b>829,323</b>
<b>Total Liabilities</b>		<b>649,141</b>	<b>829,323</b>
<b>Net Assets</b>		<b>2,957,550</b>	<b>3,142,096</b>
<b>EQUITY</b>			
Contributed equity	3	62,177,536	62,177,536
Reserves		143,931	108,467
Accumulated losses		(59,416,778)	(59,196,768)
Capital and reserves attributable to the owners of Bioxyne Limited		2,904,689	3,089,235
Non-controlling interests		52,861	52,861
<b>Total Equity</b>		<b>2,957,550</b>	<b>3,142,096</b>

*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 2019**

	Contributed Equity	Accumulated Losses	Reserves	Foreign currency translation reserve	Non- controlling Interests	Total
<b>Consolidated</b>						
<b>2019</b>						
At 1 July 2019	<b>62,177,536</b>	<b>(59,196,768)</b>	<b>44,762</b>	<b>63,705</b>	<b>52,861</b>	<b>3,142,096</b>
Loss after income tax for the half year	-	(254,262)	-	-	-	(254,262)
Foreign exchange differences on translation	-	-	-	59,206	-	59,206
Total comprehensive income for the half year	-	(254,262)	-	59,206	-	(195,056)
Transfer from share based payments	-	34,252	(34,252)	-	-	-
Transfer to share based payments	-	-	10,510	-	-	10,510
<b>As at 31 December 2019</b>	<b>62,177,536</b>	<b>(59,416,778)</b>	<b>21,020</b>	<b>122,911</b>	<b>52,861</b>	<b>2,957,550</b>

	Contributed Equity	Accumulated Losses	Reserves	Foreign currency translation reserve	Total
<b>Consolidated</b>					
<b>2018</b>					
At 1 July 2018	<b>62,177,536</b>	<b>(58,005,886)</b>	<b>100,262</b>	<b>49,593</b>	<b>4,321,505</b>
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
<b>As at 31 December 2018</b>	<b>62,177,536</b>	<b>(58,208,774)</b>	<b>180,062</b>	<b>77,176</b>	<b>4,226,000</b>

*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 2019**

	<b>Consolidated</b>	
	<b>Half-year ended 31 December 2019</b>	<b>Half-year ended 31 December 2018</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Receipts of other income (incl. of goods and services tax)	2,020,813	986,023
Payments to suppliers and employees (incl. of goods and services tax)	<b>(1,712,337)</b>	<b>(1,612,170)</b>
	<b>308,476</b>	<b>(626,147)</b>
Interest received	<b>12,088</b>	16,634
<b>Net cash used by operating activities</b>	<b>320,564</b>	<b>(609,513)</b>
<b>Cash flows from investing activities</b>		
Payment for acquisition of subsidiary, net of cash acquired	-	(93,165)
Purchase of plant and equipment	<b>(54,261)</b>	<b>(36,422)</b>
<b>Net cash used in investing activities</b>	<b>(54,261)</b>	<b>(129,587)</b>
<b>Cash flows from financing activities</b>		
<b>Net cash from financing activities</b>	-	-
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>266,303</b>	<b>(739,100)</b>
Cash and cash equivalents at the beginning of the financial period	<b>1,767,909</b>	3,309,904
Foreign exchange adjustment	<b>21,738</b>	79,505
<b>Cash and cash equivalents at end of the period</b>	<b>2,055,950</b>	<b>2,650,309</b>

*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 2019**

**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 2019 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 2019 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 2019 annual report.

**Bioxyne Limited**  
**Notes to the Financial Statements**  
**For the Half-Year ended 31 December 2019**

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

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following new Accounting Standard is relevant to the consolidated entity:

**AASB 16 Leases**

The consolidated entity has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities.

The Group have no leases other than short-term leases and leases of low-value assets and there is therefore no impact on these financial statements or those of the prior period.

**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 2019 and 31 December 2018.

**Bioxyne Limited**  
**Notes to the Financial Statements**  
**For the Half-Year ended 31 December 2019**

*Segment revenues and results*

2019	Wholesale sales		Direct sales		Unallocated	Total
	USA	Asia	Australia/NZ	Asia		
Sales	1,241,136	63,294	2,677	44,432	-	1,351,539
Cost of sales	(544,040)	(50,076)	(690)	(56,195)	-	(651,001)
Gross margin	697,096	13,218	1,987	(11,763)	-	700,538
Other income	-	-	-	-	72,838	72,838
Overhead expenses	-	-	-	-	(950,916)	(950,916)
Research and development	-	-	-	-	(76,722)	(76,722)
Profit/(loss) before tax	697,096	13,218	1,987	(11,763)	(954,800)	(254,262)
Taxation	-	-	-	-	-	-
Profit/loss after tax	697,096	13,218	1,987	(11,763)	(954,800)	(254,262)
Total assets	-	-	-	1,893,487	1,713,204	3,606,691
Total liabilities	-	-	-	89,384	559,757	649,141

	Malaysia	Indonesia	Australia	New Zealand	Intercompany	Total
Cash Balance	518,766	727,664	783,922	25,598	-	2,055,950
Trade receivables and other current assets	67,226	229,765	180,910	288,245	(324,887)	441,259
Trade and other payables	41,052	48,332	896,253	18,876	(375,372)	629,141
Inventories	125,370	437	34,978	476,307	-	637,092

2018	Wholesale sales		Direct sales		Unallocated	Total
	USA	Asia	Australia	Asia		
Sales	1,142,737	236,846	5,405	24,581	-	1,409,569
Cost of sales	(500,128)	(12,941)	(5,807)	(5,769)	-	(524,645)
Gross margin	642,609	223,905	(402)	18,812	-	884,924
Other income	-	-	-	-	143,253	143,253
Overhead expenses	-	-	-	-	(1,142,056)	(1,142,056)
Research and development	-	-	-	-	(89,009)	(89,009)
Loss before tax	642,609	223,905	(402)	18,812	(1,087,812)	(202,888)
Taxation	-	-	-	-	-	-
Loss after tax	642,609	223,905	(402)	18,812	(1,087,812)	(202,888)

Total assets	904,410	-	-	1,114,710	3,104,782	5,123,902
Total liabilities	407,885	-	-	49,673	440,344	897,902

	Malaysia	Indonesia	Australia	New Zealand	Intercompany	Total
Cash Balance	780,099	-	1,826,043	44,167	-	2,650,309
Trade receivables and other current assets	114,852	-	923,112	104,616	(139,272)	1,003,308
Trade and other payables	49,673	-	868,781	111,670	(152,222)	877,902
Inventories	108,870	-	70,358	677,565	-	856,793

## 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 shown as unallocated; 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 shown as unallocated.

## Bioxyme Limited Notes to the Financial Statements For the Half-Year ended 31 December 2019

### 3 Contributed equity

#### (a) Share capital

	31 December 2019 Shares	31 December 2019 \$	30 June 2019 Shares	30 June 2019 \$
Ordinary Shares Fully Paid	640,145,398	62,177,536	640,145,398	62,177,536

#### (b) Movements in ordinary share capital

	Issue date	Number of Shares	Issue price \$
Opening balance 1 July 2018		640,145,398	62,177,536
Balance	30 June 2019	640,145,398	62,177,536
Balance	31 December 2019	640,145,398	62,177,536

#### (c) Options

As at the date of the interim financial report there were no options over unissued ordinary shares on issue.

	6 months to 31 December 2019	Year to 30 June 2019
	No.	No.
<b>Options</b>		
Balance at beginning of period	4,750,000	4,750,000
Granted during the period	-	1,000,000
Lapsed during the period	(4,750,000)	(1,000,000)
Exercised during the period	-	-
<b>Balance at end of year</b>	<b>-</b>	<b>4,750,000</b>

**(e) Performance rights**

Shareholders at the Annual General Meeting on 25 November 2019 resolved to cancel 40,000,000 performance rights granted to the Managing Director, Mr NH Chua, on 3 August 2017, and issue 36,000,000 performance rights to Mr NH Chua on the following terms:

*CEO Performance Rights Terms*

The Rights are subject to the following Vesting Conditions which must be satisfied to the satisfaction of the Board (in its discretion), or waived by the Board:

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

**Bioxyne Limited**

**Notes to the Financial Statements**

**For the Half-Year ended 31 December 2019**

- (1) For the year ended 30 June 2020 – 6 million shares on the basis of:
  - i) Share price hurdle, if the Volume Weighted Average Price is 4 cents for 30 consecutive days in the year to 30 June 2020, the provision of (1)(ii) shall apply.
  - ii) If Export Sales exceed A\$2.0m then 6 million shares plus 4 shares for every A\$ of export revenue up to \$2.5million.
  - iii) The maximum shares issued shall be 8 million shares
- (2) For the year ended 30 June 2021 – 10 million shares on the basis of:
  - (i) Share price hurdle, if the Volume Weighted Average Price is 6.5 cents for 30 consecutive days in the twenty four months preceding 30 June 2021, the provision of (2)(ii) shall apply.
  - (ii) If Export Sales exceed A\$4m then 9 million shares plus 3 shares for every A\$1 of sales up to A\$5million.
  - (iii) The maximum shares issued shall be 12 million shares.
  - (iv) Where cumulative Export Sales for the two years ended 30 June 2021 is more than \$7.5 million; any vesting shortfall of Performance Rights pursuant to clause 1 (ii) and 2 (ii) shall vest.
  - (v) For the avoidance of doubt the maximum vesting of shortfall per 1(ii) and 2 (ii) and 2(iv) shall be 20 million shares.
- (3) For the year ended 30 June 2022 – 16 million shares on the basis of:
  - (i) Share price hurdle, if the Volume Weighted Average Price is 9 cents for 30 consecutive days in the thirty six months ended 30 June 2022, the provision of 3(ii) shall apply,
  - ii) If export sales exceed A\$6m then 12 million shares plus 2 shares for every A\$1 of sales up to A\$8million.
  - iii) The maximum shares issued shall be 16 million.

The Performance Period commences on 1 July 2019 and ends on 30 June 2022.

Shareholders at a meeting on 29 November 2018 approved the issue of 7,500,000 performance rights to directors. A further 1,500,000 rights were granted to consultants. 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 <sup>1</sup>	Share Price Hurdle <sup>2</sup>	Total
	Tranche 1	Tranche 2	
	4,500,000	4,500,000	9,000,000

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

<sup>2</sup>Share 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.

**Bioxyne Limited**  
**Notes to the Financial Statements**  
**For the Half-Year ended 31 December 2019**

**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.

As the share price hurdle for the performance period to 30 June 2019 has not been met 4,500,000 performance rights have lapsed.

**4. Commitments**

There were no commitments as at 31 December 2019.

**5. Events Occurring After the Balance Sheet Date and Contingent Assets**

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

**6. 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 2019**

**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 2019 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**  
**27 February 2020**

**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 2019, 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 2019 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 2019 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 N Sherwood**  
Partner

Sydney, NSW  
Dated: 27 February 2020

For personal use only