

APPENDIX 4D

Half-year Report for the period ending 31 December 2015

1. Name of entity

RESAPP HEALTH LIMITED (FORMERLY NARHEX LIFE SCIENCES LIMITED)
--

ABN	Reporting Period	Previous Corresponding Period
51 094 468 318	Half year ended 31 December 2015	Half year ended 31 December 2014

2. Results for Announcement to the Market

Financial Results				31 December 2015
Revenues from ordinary activities (<i>item 2.1</i>)	Down	78%	to	32,899
Profit from ordinary activities after tax attributable to members (<i>item 2.2</i>)	Down	9,986%	to	(1,500,948)
Net profit for the period attributable to members (<i>item 2.3</i>)	Down	9,986%	to	(1,500,948)
Final and interim dividends (<i>item 2.4</i>)	It is not proposed that either a final or interim dividend be paid.			
Record date for determining entitlements to the dividend (<i>item 2.5</i>)	N/A			
Brief explanation of any of the figures reported above (<i>item 2.6</i>):	<p>The prior year loss was attributable to \$150,621 of debts which were forgiven and written off as the Company.</p> <p>The current loss for the period is mainly attributable to research and development costs, share based payment expenses arisen from options issued during the period and working capital expenses.</p> <p>During the period, the Company acquired ResApp Diagnostics Pty Ltd and became a consolidated group.</p>			

3. NTA Backing

	Current Period	Previous Corresponding Period
Net tangible assets per ordinary share (<i>Item 3</i>)	0.53 cents	0.10 cents

4. Control gained over entities

Details of entities over which control has been gained or lost (<i>item 4</i>)	On 2 July 2015, ResApp Health Limited acquired 100% of all the rights and title to ResApp Diagnostics Pty Ltd through the issue of 93,750,000 Fully Paid Ordinary Shares and 93,750,000 Performance Shares to the Vendors as consideration for the acquisition.
--	---

5. Dividends paid and payable

Details of dividends or distribution payments (<i>item 5</i>)	No dividends or distributions are payable.
---	--

6. Dividend reinvestment plans

Details of dividend or distribution reinvestment plans (<i>item 6</i>)	There is no dividend reinvestment program in operation for ResApp Health Limited
--	--

7. Details of associates

Details of associates and joint venture entities (<i>item 7</i>)	N/A
--	-----

8. Foreign entities

Foreign entities to disclose which accounting standards are used in compiling the report (<i>item 8</i>)	N/A
--	-----

9. Review Opinion

Details of any audit dispute or qualification (<i>item 9</i>)
There are no audit disputes or qualifications to the review opinion.



ResApp Health Limited
(formerly Narhex Life Sciences Limited)

ABN 51 094 468 318

CONSOLIDATED INTERIM FINANCIAL REPORT
for the half year ended 31 December 2015

CONTENTS TO FINANCIAL REPORT

Corporate Information	1
Directors' report	2
Auditor's independence declaration	5
Annual financial statements	
Consolidated condensed statement of profit or loss and other comprehensive income	6
Consolidated condensed statement of financial position	7
Consolidated condensed statement of changes in equity	8
Consolidated condensed statement of cash flows	9
Notes to the consolidated condensed financial statements	10
Directors' declaration	14
Independent Auditor's review report	15

CORPORATE INFORMATION

These financial statements are for ResApp Health Limited (formerly Narhex Life Sciences Limited) and its controlled entity (“the Group”). Unless otherwise stated, all amounts are presented in \$AUD.

A description of the Group’s operations and of its principal activities is included in the review of operations and activities in the directors’ report on pages 2 to 4. The directors’ report is not part of the financial statements.

Directors

Dr Tony Keating (*appointed 2 July 2015*)

Dr Roger Aston (*appointed 2 July 2015*)

Mr Chris Ntoumenopoulos (*appointed 21 January 2015*)

Mr Brian Leedman (*appointed 19 February 2016*)

Mr Adam Sierakowski (Director) (*appointed as Alternate Director on 16 May 2013, resigned as Alternate Director on 20 December 2013 and appointed on 20 December 2013*)

Dr Robert Ramsay (Director) (*appointed 20 December 2013, resigned on 2 July 2015*)

Company Secretary

Ms. Nicki Farley (*appointed 7 November 2012*)

Registered and Principal Office

Level 24,
44 St Georges Tce,
PERTH WA 6000

Auditors

Somes Cooke
Level 2, 35 Outram St
WEST PERTH WA 6005

Share Registry & Register

Link Market Services Ltd
Level 2, 178 St Georges Tce
PERTH WA 6000

Solicitors

Price Sierakowski Corporate
Level 24, 44 St Georges Tce
PERTH WA 6000

Bankers

National Australia Bank
100 St Georges Tce
PERTH WA 6000

Stock Exchange Listing

ResApp Health Limited Limited
(formerly Narhex Life Sciences) is listed on
the Australian Securities Exchange.
ASX Code: RAP (formerly NLS)

Contact Information

Ph: 08 6211 5099
Fax: 08 9218 8875

Web Site

www.resapphealth.com.au

Directors' report

The directors of ResApp Health Limited (formerly Narhex Life Sciences Limited) ("the Company") and its controlled entity ("the Group") submit herewith the interim financial statements of the Group for the half year ended 31 December 2015.

Directors and executive details

The following persons acted as directors of the Group during or since the end of the half year:

Dr Tony Keating (*appointed 2 July 2015*)

Dr Roger Aston (*appointed 2 July 2015*)

Mr Chris Ntoumenopoulos (*appointed 21 January 2015*)

Mr Brian Leedman (*appointed 19 February 2016*)

Mr Adam Sierakowski (Director) (*appointed as Alternate Director on 16 May 2013, resigned as Alternate Director on 20 December 2013 and appointed on 20 December 2013*)

Dr Robert Ramsay (Director) (*appointed 20 December 2013, resigned on 2 July 2015*)

Principal activities

During the half-year, the Company acquired 100% of ResApp Diagnostics Pty Ltd ("ResApp") and continued the development and commercialisation of the ResApp technology for the purpose of providing health care solutions for respiratory disease.

Operating results

The loss after tax of the Group for the half year ended 31 December 2015 was \$1,500,948 (31 December 2014: profit \$15,183).

REVIEW OF OPERATIONS

Acquisition of ResApp Diagnostics Pty Ltd

On 2 July 2015, the Company announced that the Share Sale Agreement dated 20 February 2015 between the Company, ResApp Diagnostics Pty Ltd, the Shareholders of ResApp Diagnostics Pty Ltd and UniQuest had completed with the Company acquiring 100% of ResApp Diagnostics Pty Ltd ("ResApp") following its successful raising of \$4 million.

In accordance with the Company's Replacement Prospectus dated 26 May 2015 and as approved by Shareholders at the General Meeting held on 27 May 2015, the following securities were issued (on a post consolidation basis):

- Public Offer – 200,000,000 Shares at \$0.02 per Share having raised \$4 million;
- Vendor Offer – 93,750,000 Shares and 93,750,000 Performance Shares issued in consideration for the acquisition of ResApp;
- Facilitation Offer – 18,749,999 Shares to the Facilitators for services provided; and
- Staff Incentive Options – 20 million Staff Incentive Options.

Following completion of the acquisition, Dr Tony Keating was appointed to the Board of the Company in the position of Managing Director and Chief Executive Officer. Dr Roger Aston was appointed as a non-executive director, replacing Dr Rob Ramsay. Dr Roger Ashton was subsequently appointed as Chairman of the Company, replacing Mr Adam Sierakowski who remains on the Board as a non-executive director.

In addition, the Company changed its name from Narhex Life Sciences Limited to ResApp Health Limited and was reinstated to official quotation on the ASX on 14 July 2015 under the new ASX Code "RAP".

Clinical Trials

Since reinstatement, the Company has made significant progress with its clinical study at Joondalup Health Campus (JHC) in Perth, Western Australia. The study focuses on gathering data from patients with a variety of respiratory conditions with the aim of further optimizing the ResApp algorithms for pneumonia and asthma as well as broadening the validation to other common respiratory conditions.

Directors' report

REVIEW OF OPERATIONS (CONTINUED)

Clinical Trials (continued)

The Company subsequently announced Princess Margaret Hospital (PMH), an internationally recognised paediatric facility in Perth as the second site to participate in the existing study. By the end of calendar year 2015, the Company had enrolled over 430 patients at the two sites. The Company intends to continue enrolment at JHC, in addition to PMH. This study is designed to optimise and validate the company's machine-learning algorithms. The additional patient data from increased enrolment is intended to increase the accuracy of the technology as well as broaden the number of respiratory diseases targeted.

On 30 September 2015, the Company announced positive preliminary results from its current clinical study for diagnosis of asthma and viral pneumonia. On 10 November 2015 further positive preliminary results were released from its paediatric clinical study underway at JHC and PMH. These November preliminary results, prepared by the team led by Associate Professor Udantha Abeyratne at The University of Queensland (UQ), were based on a 338 subject dataset. The results expanded the platform to diagnose bronchiolitis, croup and upper respiratory tract infection (URTI) at very high levels of accuracy (greater than 96%) and showed accurate (89-99%) differential diagnosis of patients with one respiratory disease from patients with other respiratory diseases. The new diseases (plus viral pneumonia and asthma/viral-induced wheeze reported in the September preliminary results) cover the majority of respiratory conditions that commonly occur in children.

On 14 December 2015 the Company announced that it has received approval to enroll its first adult patient at JHC. The Emergency Department (ED) at JHC provides emergency services to nearly 100,000 patients per year (80,000 adults and 20,000 children), making it one of Australia's busiest EDs. The study will gather data from adults presenting to the ED with respiratory conditions such as upper respiratory tract infections, bronchitis, pneumonia, asthma and chronic obstructive pulmonary disease. The aim of the study is to demonstrate that ResApp's technology, shown to be highly accurate for diagnosis of childhood respiratory conditions, can be extended to adults. The Company plans to expand this study to a second site in calendar year 2016.

FDA approval process

On 31 December 2015 the Company announced that it has filed a Pre-Submission package with the United States Food and Drug Administration (FDA) for ResApp's diagnostic mobile software application (app). ResApp has requested a meeting with the FDA to work cooperatively on the regulatory and clinical plan to support FDA approval of ResApp's smartphone app. The meeting is scheduled to take place in the first quarter of 2016. The FDA's Pre-Submission Program is designed to provide applicants the opportunity to obtain targeted feedback from the FDA in response to questions related to their marketing application, clinical study protocols or data requirements prior to a premarket submission.

ResApp plans to pursue US commercialisation as a Class II device supported with clinical data. The specific requirements for a future FDA submission will be discussed at the Pre-Submission meeting with the FDA. ResApp is on track to file a premarket submission with the FDA in mid 2016.

The Pre-Submission package was prepared with the assistance of Experien Group, LLC, a firm of highly experienced Silicon Valley-based FDA consultants who have an excellent track record of FDA regulatory submission approvals and clearances.

Subsequent events

Conversion of options

On 22 January 2016 and 11 February 2016, the Company issued a total of 18,281,250 Shares on the conversion of unlisted options at \$0.026 per share, raising a total of \$475,313.

Director appointment

On 19 February 2016, Mr Brian Leedman was appointed as an executive director of the Company.

Except for the events noted above, no material events have occurred subsequent to the reporting date.

Dividends


No dividend has been proposed or paid.

Directors' report

Auditor's independence declaration

The auditor's independence declaration is included on page 5 of this report.

Signed in accordance with a resolution of the directors



Dr Tony Keating
Director

Perth
29th day of February 2016

Auditor's Independence Declaration

To those charged with the governance of ResApp Health Limited

As auditor for the review of ResApp Health Limited for the half year ended 31 December 2015, I declare that, to the best of my knowledge and belief, there have been:

- i) no contraventions of the independence requirements of the *Corporations Act 2001* in relation to the review; and
- ii) no contraventions of any applicable code of professional conduct in relation to the review.

Somes Cooke

SOMES COOKE

Nicholas Hollens

NICHOLAS HOLLENS
PARTNER

Perth

29 February 2016

**Consolidated condensed statement of profit or loss and other comprehensive income
for the half year ended 31 December 2015**

		Group		Company
	Note	31 December 2015 \$		31 December 2014 \$
Interest revenue		32,899		382
Other revenue	8	-		150,621
Director fees		(78,709)		(48,000)
Administration expenses		(467,974)		(87,562)
Research and development costs		(551,723)		-
Share based payment expense	7	(434,518)		-
Finance costs		(923)		(258)
(Loss)/Profit before income tax		(1,500,948)		15,183
Income tax benefit		-		-
(Loss)/Profit for the half year		(1,500,948)		15,183
Other comprehensive income for the half year		-		-
Total comprehensive income for the half year		(1,500,948)		15,183
Loss per share attributable to the members of ResApp Health Limited (basic and diluted) (cents)		(0.32)		(0.00)

**Consolidated condensed statement of financial position
as at 31 December 2015**

		Group	Company
	Note	31 December 2015 \$	30 June 2015 \$
CURRENT ASSETS			
Cash and cash equivalents		2,682,989	4,097,129
Trade receivables		86,377	65,017
Other receivables		320,450	520,300
Other assets		22,592	98,143
Total Current Assets		3,112,408	4,780,589
NON-CURRENT ASSETS			
Intangibles	4, 5	2,428,459	-
Total Non-Current Assets		2,428,459	-
Total Assets		5,540,867	4,780,589
CURRENT LIABILITIES			
Trade and other payables		152,816	487,126
Funds received in advance of share issue		-	3,808,522
Total Current Liabilities		152,816	4,295,648
Total Liabilities		152,816	4,295,648
Net Assets		5,388,051	484,941
EQUITY			
Issued capital	6	9,974,039	4,004,499
Equity-settled benefits reserves	7	434,518	-
Accumulated losses		(5,020,506)	(3,519,558)
Total Equity		5,388,051	484,941

**Consolidated condensed statement of changes in equity
for the half year ended 31 December 2015**

	Fully paid ordinary shares \$	Equity-settled benefits reserve \$	Accumulated losses \$	Total \$
Balance at 1 July 2014	3,151,649	210,000	(3,240,237)	121,412
Comprehensive Income				
Profit for the half year	-	-	15,183	15,183
Total comprehensive income for the half year	-	-	15,183	15,183
Transactions with owners, in their capacity as owners, and other transfers				
Expiration of options during the half year	-	-	-	-
Shares issued during the half year	550,000	-	-	550,000
Costs directly attributable to issue of share capital	(28,700)	-	-	(28,700)
Total transactions with owners and other transfers	521,300	-	-	521,300
Balance at 31 December 2014	3,672,949	210,000	(3,225,054)	657,895
Balance at 30 June 2015	4,004,499	-	(3,519,558)	484,941
Comprehensive Income				
Loss for the half year	-	-	(1,500,948)	(1,500,948)
Total comprehensive income for the half year	-	-	(1,500,948)	(1,500,948)
Transactions with owners, in their capacity as owners, and other transfers				
Options issued during the half year	-	434,518	-	434,518
Shares issued during the half year	6,250,000	-	-	6,250,000
Costs directly attributable to issue of share capital	(280,460)	-	-	(280,460)
Total transactions with owners and other transfers	5,969,540	-	-	5,969,540
Balance at 31 December 2015	9,974,039	434,518	(5,020,506)	5,388,051

**Consolidated condensed statement of cash flows
for the half year ended 31 December 2015**

		Group		Company
	Note	31 December 2015 \$		31 December 2014 \$
Cash flows from operating activities				
Cash payments to suppliers and employees		(1,135,314)		(198,224)
Interest paid		(923)		(259)
Interest received		22,749		383
Net cash flows used in operating activities		(1,113,488)		(198,100)
Cash flows from investing activities		-		-
Cash received on acquisition of ResApp Diagnostics		31,872		-
Net cash flows provided by investing activities		31,872		-
Cash flows from financing activities				
Proceeds from issue of share capital		5,000		550,000
Costs of capital raising		(337,524)		(28,700)
Net cash flows (used in)/provided by financing activities		(332,524)		521,300
Net (decrease)/increase in cash and cash equivalents		(1,414,140)		323,200
Cash and cash equivalents at the beginning of the financial half-year		4,097,129		38,034
Cash and cash equivalents at the end of the financial half-year		2,682,989		361,234

**Consolidated condensed notes to the financial statements
for the half year ended 31 December 2015**

NOTE 1 STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

Statement of Compliance

These half year financial statements are a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standard AASB 134: Interim Financial Reporting, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2015 and any public announcements made by ResApp Health Limited and its controlled entities during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

The accounting policies have been consistently applied by the Company and are consistent with those in the June 2015 financial report. The half-year report does not include full disclosures of the type normally included in an annual financial report.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding interim reporting period, 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.

Acquisition of asset not deemed a business combination

When an acquisition of assets does not constitute a business combination, the assets and liabilities are assigned a carrying amount based on their relative fair values in an asset purchase transaction and no deferred tax will arise in relation to the acquired assets and assumed liabilities as the initial exemption for deferred tax under AASB 12 applies. No goodwill will arise on the acquisition and transaction costs of the acquisition will be included in the capitalised cost of the asset.

On 2 July 2015, ResApp Health Limited acquired 100% of all the rights and title to ResApp Diagnostics Pty Ltd through the issue of 93,750,000 Fully Paid Ordinary Shares and 93,750,000 Performance Shares to the Vendors as consideration for the acquisition.

Judgement has been applied in concluding that the acquisition does not constitute a business combination as per AASB 3 and as such must be accounted for as an asset acquisition.

NOTE 3 ADOPTION OF NEW AND REVISED AUSTRALIAN ACCOUNTING STANDARDS

The Company adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory or became available for early adoption in the current period. None of the Standards adopted had a material impact upon these financial statements.

NOTE 4 INVESTMENT

The consolidated financial statements include financial statements of ResApp Health Limited and the following subsidiary:

<i>Name</i>	<i>Country of Incorporation</i>	<i>% Equity Interest</i>	
		<i>2015</i>	<i>2014</i>
ResApp Diagnostics Pty Ltd	Australia	100%	0%

**Consolidated condensed notes to the financial statements
for the half year ended 31 December 2015**

NOTE 4 INVESTMENT (CONTINUED)

ResApp Health Limited is the ultimate Australian parent entity and ultimate parent of the Group.

The acquisition of ResApp Diagnostics Pty Ltd was assessed by the Board and it was determined that the acquisition was an asset acquisition rather than a business combination as ResApp Diagnostics Pty Ltd was not considered to meet the definition of a “business” under AASB 3 Business Combinations.

Consideration for the acquisition.	\$
Ordinary shares ¹	1,875,000
Costs attributable to the acquisition ²	375,000
	2,250,000

The fair value of net assets acquired at the date of acquisition:	\$
Cash	31,872
Receivables	3,323
Intangible assets (Note 5)	2,428,459
Loan Payable	(213,654)
	2,250,000

¹On 2 July 2015, ResApp Health Limited issued 93,750,000 Fully Paid Ordinary Shares and 93,750,000 Performance Shares to the Vendors of the acquisition, as consideration for the acquisition of 100% of the rights and title to ResApp Diagnostics Pty Ltd.

²On 2 July 2015, ResApp Health Limited issued 18,750,000 Fully Paid Ordinary Shares to the Facilitators of the acquisition, as consideration for the acquisition of 100% of the rights and title to ResApp Diagnostics Pty Ltd.

³The Performance shares will convert upon achieving aggregated gross revenues of \$20,000,000 in the 5 years commencing on the day the Company is re-admitted to the official list of the ASX (14 July 2020). As the company has not generated revenues and do not deem any portion of the milestone to have yet been achieved, the performance shares have been ascribed no value as at 31 December 2015.

NOTE 5 INTANGIBLES

The Licensed IP developed (and owned) by UQ and licensed to ResApp via UniQuest includes patent applications filed in five countries as well as those countries encompassed by the European Patent Convention. The patent applications all claim a priority date of 29/3/2012. The following table summarises the patent applications.

Country	Application Number	Title
Australia	2013239327	A method and apparatus for processing patient sounds
United States	14/389291	A method and apparatus for processing patient sounds
Europe	13768257.1	A method and apparatus for processing patient sounds
Japan	2015-502020	A method and apparatus for processing patient sounds
China	201380028268.X	A method and apparatus for processing patient sounds
Korea	10-2014-7030062	A method and apparatus for processing patient sounds

In addition to these patent applications, ResApp has an exclusive license of the know-how (and trade secrets) in the set of mathematical features and classifier technology used for the diagnosis and severity measurement of pneumonia, asthma and COPD developed by the research team at UQ.

**Consolidated condensed notes to the financial statements
for the half year ended 31 December 2015**

NOTE 6 ISSUED CAPITAL

	No	\$
Fully paid ordinary shares and authorised capital		
Balance as at 1 July 2014	484,729,407	3,151,649
Issue of fully paid ordinary shares on 19 December 2014	110,000,000	550,000
Costs directly attributable to issue of share capital	-	(28,700)
Balance as at 31 December 2014	<u>594,729,407</u>	<u>3,672,949</u>
Balance as at 1 July 2015	249,273,353	4,004,499
Issue of fully paid ordinary shares on 2 July 2015 ¹	293,749,999	4,000,000
Issue of fully paid ordinary shares for the acquisition of Resapp Diagnostic. (Note 4)	18,750,000	2,250,000
Costs directly attributable to issue of share capital	-	(280,460)
Balance as at 31 December 2015	<u>561,773,352</u>	<u>9,974,039</u>

¹Pursuant to the Company's replacement Prospectus dated 26 May 2015, the Company issued 200,000,000 shares under the public offer and 18,749,999 shares under the Facilitation Offer.

NOTE 7 EQUITY-SETTLED BENEFITS RESERVE

	\$
Fully paid ordinary shares and authorised capital	
Balance as at 1 July 2015	-
Fair value of options issued and expensed to profit and loss ¹	434,518
Balance as at 31 December 2015	<u>434,518</u>

¹ During the six month period ended 31 December 2015, ResApp Health Limited issued the following unlisted options which were expensed as share based payments:

- 5,000,000 unlisted options were issued to Dr Tony Keating on 2 July 2015, following shareholder approval at the General Meeting held on 26 November 2014. The options are to subscribe for ordinary fully paid shares in the Company at any time on or before 2 July 2020 at an exercise price of \$0.025.
- 5,000,000 unlisted options were issued to Dr Tony Keating on 2 July 2015, following shareholder approval at the General Meeting held on 26 November 2014. The options are to subscribe for ordinary fully paid shares in the Company at any time on or before 2 July 2020 at an exercise price of \$0.05.
- 10,000,000 unlisted options were issued to Dr Tony Keating on 2 July 2015, following shareholder approval at the General Meeting held on 26 November 2014. The options are to subscribe for ordinary fully paid shares in the Company at any time on or before 2 July 2020 at an exercise price of \$0.10.
- 3,000,000 unlisted options were issued to Dr Udantha Abeyratne on 22 September 2015, as approved by Shareholders at the General Meeting held on 30 November 2015. The options are to subscribe for ordinary fully paid shares in the Company at any time on or before 2 July 2020 at an exercise price of \$0.05.
- 2,000,000 unlisted options were issued to Dr Udantha Abeyratne on 22 September 2015, as approved by Shareholders at the General Meeting held on 30 November 2015. The options are to subscribe for ordinary fully paid shares in the Company at any time on or before 2 July 2020 at an exercise price of \$0.10.

**Consolidated condensed notes to the financial statements
for the half year ended 31 December 2015**

NOTE 7 EQUITY-SETTLED BENEFITS RESERVE (CONTINUED)

The fair value of the options issued was estimated at the date of grant using the Black-Scholes option pricing model. The following table sets out the assumptions made in determining the fair value of the options granted.

	Options expiring 2-Jul-20	Options expiring 2-Jul-20	Options expiring 2-Jul-20	Options expiring 22-Sep-20	Options expiring 22-Sep-20
Grant date	2-Jul-15	2-Jul-15	2-Jul-15	22-Sep-15	22-Sep-15
Dividend yield	0%	0%	0%	0%	0%
Expected volatility	110%	110%	110%	110%	110%
Risk-free interest rate	1.92%	1.92%	1.92%	1.92%	1.92%
Option exercise price	\$0.025	\$ 0.05	\$0.10	\$0.05	\$0.10
Expected life (years)	5	5	5	5	5
Share price on date of grant	\$0.021	\$ 0.021	\$0.021	\$0.03	\$0.03
Value of the option as at 31 Dec 15	\$95,000	\$85,000	\$150,000	\$66,006	\$38,512

NOTE 8 OTHER REVENUE

During the previous half-year, the Company was low on funds to pay outstanding debts. The Directors resolved to write off amounts owing to Trident Capital Pty Ltd in relation to corporate advisory fees, office services fees, directors' fees and Trident Management Services Pty Ltd in relation to accounting fees and company secretarial fees. The amounts forgiven were for invoices dated from 1 September 2013 to 31 May 2014. There was also an amount written off as it is not claimable from the Australian Taxation Office.

NOTE 9 SEGMENT REPORTING

The Group has identified its operating segment as medical technology and is used by the board of directors in assessing performance and determining the allocation of resources. The reportable segment is represented by the primary consolidated statements forming the interim financial report for the half-year ended 31 December 2015.

NOTE 10 CONTINGENT LIABILITIES

As at 31 December 2015 the Company had no known contingent liabilities.

NOTE 11 SUBSEQUENT EVENTS

Conversion of options

On 22 January 2016 and 11 February 2016, the Company issued a total of 18,281,250 Shares on the conversion of unlisted options at \$0.026 per share, raising a total of \$475,313.

Director appointment

On 19 February 2016, Mr Brian Leedman was appointed as an executive director of the Company

Except for the events noted above, no material events have occurred subsequent to the reporting date.

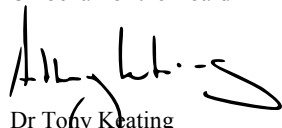
Directors' Declaration

The directors of the Group 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 2015 and of its performance for the half-year ended on that date.
- (2) The directors' opinion that there are reasonable grounds to believe that the Group 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.

On behalf of the Board



Dr Tony Keating
Director

Perth
29th day of February 2016

Independent Auditor's Review Report

To the members of ResApp Health Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of ResApp Health Limited, which comprises the consolidated statement of financial position as at 31 December 2015, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated 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.

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 financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2015 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 ResApp Health 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*.

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 ResApp Health 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 2015 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*.

Somes Cooke

SOMES COOKE

Nicholas Hollens

NICHOLAS HOLLENS
PARTNER

29 February 2016

Perth
Western Australia