

**PLENTEX LIMITED**

**A.B.N. 13 009 607 676**

**FINANCIAL REPORT  
FOR THE HALF YEAR ENDED  
31 DECEMBER 2013**

**Contents**

Directors' Report.....	2-10
Independence Declaration.....	11
Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Half Year Ended 31 December 2013.....	12
Consolidated Statement of Financial Position as at 31 December 2013 .....	13
Consolidated Statement of Changes in Equity for the Half Year Ended 31 December 2013.....	14
Consolidated Statement of Cash Flows For the Half Year Ended 31 December 2013 .....	15
Notes to and Forming Part of the Financial Statements For the Half Year Ended 31 December 2013 .....	16-22
Directors' Declaration .....	23

## **Directors' Report**

The Directors of Plentex Limited ("the Company") present their report together with the half-year financial report of the Company and its controlled entities ("the economic entity") for the six months ended 31 December 2013 and the auditors' review report thereon, which should be read in conjunction with the continuous disclosure obligations arising under the Corporations Act 2001.

### **DIRECTORS**

The Directors of the Company in office at any time during or since the end of the half-year are:

#### **PETER C STREADER**

***Executive Chairman – Director since January 1998***

Mr Streader is 74 years of age.

Mr Streader has had a legal and executive management career spanning some 50 years practising as a solicitor, barrister and "in house" corporate counsel and company executive.

He spent approximately 10 years, ultimately holding the position of General Counsel and Company Secretary of the Australian subsidiary of one of the world's leading engineering and construction contractors, USA based Fluor Corporation and played a significant role in the negotiation and execution of a number of major resource development projects in Australia including the initial Dampier to Perth Natural Gasline.

Mr Streader has been involved in the formation, development and management of a number of public and private companies operating in the mining and petroleum exploration sectors, both domestically and internationally. He was responsible for the relisting on the ASX of Planet Resource Group NL and later Australian Gold Development NL.

He was a founding Director of Drillsearch NL (now Drillsearch Energy Limited) and Executive Director of Diamin Resources NL (now known as Senetas Corporation Limited) and served as a Non Executive Director of Senetas until February 2000.

Mr Streader was appointed to the Board of Plenty River Corporation Limited (now Plentex Limited) in January 1998 holding initially the position of Executive Director and later Executive Chairman.

Mr Streader has had extensive experience in major project development and played a leading role in Plenty River Corporation Limited's attempts in conjunction with a number of major international companies to establish a world scale ammonia/urea plant on the Burrup Peninsula of Western Australia.

He holds a Bachelor of Law (Melbourne University) and has been a Fellow of the Australian Institute of Company Directors for the past 15 years.

#### **DANNY GOLDMAN**

***Managing Director – Director since January 2011***

Mr Goldman is 50 years of age.

Mr Goldman brings a wealth of corporate experience, with extensive operational and financial expertise.

Prior to entering the renewable energy industry, Mr Goldman was the General Manager of Electrical, Furniture & General Merchandise at Myer Stores Ltd., then a division of Coles Myer Limited.

Previously Mr Goldman was the Chief Financial Officer and Company Secretary of Country Road Limited, an ASX listed apparel retailer and wholesaler. He has also held various operational, financial and accounting roles in South Africa within Woolworths Holdings Limited and Ernst & Young Chartered Accountants.

Mr Goldman is a qualified Chartered Accountant, with a Bachelor of Commerce Honours degree in Accounting Science from the University of South Africa and a Bachelor of Commerce from the University of Cape Town. He was appointed to the Board of Plentex in January 2011.

## Directors' Report (cont'd)

### **DAVID VINSON**

***Executive Director – Operations – Director since January 2011***

Mr Vinson is 56 years of age.

Mr Vinson is a seasoned executive in the Australian renewable energy industry, most recently with Blue Sundial Pty. Ltd. Mr Vinson has been instrumental in launching and operating numerous companies in the biofuel, chemical, marketing services and recycling industries, including managing the construction and operations of one of Australia's first biodiesel plants which operates as a division of The Victor Smorgon Group.

Mr Vinson graduated from Purdue University, USA, with a degree in Chemical Engineering and has wide experience in the design, construction and operations of chemical and polymer facilities. He was appointed to the Board of Plentex in January 2011.

### **CHRISTOPHER L ROBERTS**

***Non-Executive Director – Director since August 2006***

Mr Roberts is 65 years of age.

Mr Roberts is a geologist with over 35 years experience in mineral exploration throughout Australia initially with BHP but subsequently in senior positions with a number of other companies. He was a Non-Executive Director of Perseverance Corporation Limited until he resigned in February 2008 following the acquisition of Perseverance by Canadian based Northgate Minerals Corporation in February 2008.

Prior to becoming a Non-Executive Director of Perseverance, Mr Roberts served as Chief Geologist and later Exploration and Development Director of the company and is credited with the early significant exploration successes at the company's Fosterville Mine in Victoria.

Mr Roberts was also a Non-Executive Director of Sedimentary Holdings Ltd., during the period of the initial exploration success of the Cracow Gold Project in Central Queensland. He resigned in August 2007 as Exploration Director of Republic Gold Limited of which he was a co-founder but remained as the company's Chief Geologist until his resignation on 1 September 2009.

He was appointed a Non Executive Director of Orion Gold NL on 8 September 2011.

He is a Corporate Member of the Australasian Institute of Mining and Metallurgy and a member of the Australian Institute of Geoscientists.

In late 2005 he was appointed to JORC (the Joint Ore Reserves Committee) and remains an active member of that Committee. He was appointed to the Board of Plentex in August 2006.

### **DARWIN (RIC) CAMPI**

***Non-Executive Director – Director since November 2006***

Mr Campi is 84 years of age.

Mr Campi is a Fellow of the Australasian Institute of Mining and Metallurgy with over 50 years experience in mineral exploration, development and production in Australia and overseas.

He assisted in the formation of Metals Exploration Limited (initially as Metals Exploration NL) in 1958 which subsequently became one of Australia's most successful exploration and mining companies.

From 1960 to 1973 he was a senior partner in R. Hare and Associates, mining and geological consultants, which provided management, mining and geological services to Metals Exploration Limited. Mr Campi was appointed General Manager of Metals Exploration Limited in 1962 and later was an Executive Director until his retirement in 1986 from that Company following its takeover by Bond Corporation Limited.

During his association with Metals Exploration Limited he was directly involved with the development and mining of ore deposits throughout Australia, Philippines, Malaysia and Thailand.

## **Directors' Report (cont'd)**

He was Co-founder and Managing Director of Great Fingall Mining Company NL from 1986 to 1989 and then Managing Director of Triarc Corporation Ltd. from 1989 until his retirement in 1994. He has been associated with the discovery and mining of a wide range of minerals in Australia and Asia.

Mr Campi has been a Director of Plentex Limited since November 2006.

He is a Fellow of the Australasian Institute of Mining and Metallurgy.

## **INFORMATION ON COMPANY SECRETARY**

### **DAVID J STREADER**

Mr Streader graduated as a Bachelor of Science in 1992 and subsequently completed a Graduate Diploma in Applied Finance & Investment at the Securities Institute of Australia and later a Diploma of Financial Planning.

From 1993 to November 2002 he held various roles including that of Company Secretary and Director of a Melbourne based Licensed Securities Dealer which provided financial planning and investment banking services to a range of corporate and high net worth investors.

Mr Streader is a Certified Financial Planner and currently is a partner in a Mornington Peninsula based accounting and financial planning business.

Mr Streader is a CFP Member of the Financial Planning Association.

## **RESULTS OF OPERATIONS**

The operating loss of the economic entity after income tax amounted to \$2,386,761 (2012: loss of \$103,006).

## **REVIEW OF OPERATIONS**

### **Proposed Acquisition of Biovite**

The Company's major activity during the half year under review has been its focus on acquiring the business of Biovite Australia Pty. Ltd.

Plentex Directors are of the opinion that the acquisition of this business could significantly influence and accelerate the development of Plentex's algae based business plan and provide the Company with a platform from which to market its proposed algae derived high value pharmaceutical, cosmeceuticals, nutraceuticals and other products.

Biovite was established in 2001 and is based on the Gold Coast, Queensland, Australia. Since establishment, Biovite has undertaken a program of research and development into the activity, efficacy and safety of its algae derived bioactive which has strong anti-fungal and other beneficial properties. This bioactive has applications for a variety of dermatological conditions of the nails and skin in humans. The bioactive also has potential applications in animal health and agriculture. International Patents and Trade Marks are held.

Biovite has developed a range of pharmaceutical anti fungal products currently being sold in Australia and certain overseas markets. These products have TGA approval in Australia and have the required approvals in overseas markets where the products are sold.

Biovite will become the core of Plentex's future business plan. Plentex's current business model revolves around the identification, sourcing, and planned production and marketing of high value products that can be extracted from both micro and macro algae.

## **Directors' Report (cont'd)**

With the acquisition of Biovite, Plentex will be able to market its proposed product range under the Biovite brand. These products are expected to include but will not be limited to a "superfood" algae sold in powder and capsule form, a carotenoid that promotes eye health, a powerful antioxidant and an algae based omega 3 oil.

Plentex acquiring Biovite will bring about synergistic benefits to both businesses and allow Biovite to grow in a new environment that is well resourced, funded and has access to the expertise needed to relaunch the current product range, both in the local and already identified international markets.

After several months of negotiations Plentex signed a Non Binding Letter of Intent to acquire the business of Biovite on 23 September 2013.

Under the Letter of Intent Plentex had exclusive rights to acquire the Biovite business, and to negotiate a Sale of Business Agreement while at the same time completing due diligence.

A detailed Sale of Business Agreement was executed by the parties on 19 December 2013.

The consideration payable by Plentex for the acquisition will consist of a combination of \$2,500,000 cash, 5,100,000 fully paid ordinary shares in Plentex, and 2,550,000 options exercisable at \$0.30 to acquire fully paid ordinary shares expiring 31 July 2016.

The cash consideration is subject to adjustments (plus or minus) at completion to reflect changes in stock on hand etc. An amount of \$50,000 plus accrued interest (being the repayment of a loan) is also payable to a related party of Biovite.

The obligations of both parties to proceed to completion on or before 31 March 2014 is subject to satisfaction of a number of conditions precedent including in particular Plentex raising a minimum of \$6,500,000 under a prospectus and the ASX providing conditional approval to the reinstatement of Plentex shares to quotation on the ASX.

The acquisition will not trigger the takeover provisions of the Corporations Act.

## **OTHER DEVELOPMENTS DURING THE HALF YEAR**

### **Nutraceutical and other high value products**

#### **Plentex/SARDI – High Value Nutraceutical Project (ex microalgae)**

As we have previously reported, Plentex was the principal industry partner in a South Australian Premier's Science and Research Fund Round 6 (PSRF6) project which was undertaken by Flinders University and SARDI over a four year time frame involving total expenditure of approximately \$4.2 million.

During the course of this project SARDI isolated a native strain of microalgae which thrives in saltwater with varying promising attributes in terms of growth rate, lipid content, stability of the culture, ease of culture, tolerance to varying environmental conditions and showing commercial potential in the synthesis of other high value products such as carotenoids, proteins and certain essential fatty acids. Plentex has exclusive commercial rights to this strain.

In September 2012, Plentex finalised a contract under which it proposed to engage SARDI to quantify peak carotenoid production in the wild strain of the microalgae originally isolated by SARDI, together with a few mutants developed by Flinders University researchers.

Some changes were made to the scope and timing of the project late in 2012 and the project was commenced in early February 2013. Under the revised scope of the project, SARDI was required to compare the growth and carotenoid synthesis performance of three mutant strains (M104, M341 and M635) developed by Flinders University with the wild strain in outdoor raceways, followed by production of biomass in bulk of the best performing strain harvested at the carotenoid synthesis peak.

## **Directors' Report (cont'd)**

The project was completed early in the half year. The outdoor experiments were conducted in nine, 20 metre raceway ponds at SARDI's West Beach, Adelaide facility.

To resolve taxonomy of the wild strain, DNA sequence analysis was carried at Plentex's request by Dr. David Nobles from the Culture Collection of Algae at the University of Texas. Based on this work, Plentex and SARDI have designated the strain as Chloroparva.

Very valuable information in relation to the influence of varying factors such as temperature, salinity, dissolved oxygen and the use of various nutrients on synthesis of the selected carotenoid has been gained from the trials.

Plentex considers that there is potential to market Chloroparva as a human food supplement and the acquisition of the Biovite business will provide an immediate avenue to markets.

Samples of freeze dried Chloroparva were analysed during September/October 2013 with the objective of developing a nutritional label for this potential direct human food supplement. The results of this analytical work indicate that Chloroparva can compete very favourably with Spirulina in terms of its nutrient content and has the added advantage of the inclusion of carotenoids which are important for the development of, and maintenance of eye health.

### **Photobioreactor Selection Study**

Plentex considers that the commercial production of high purity, high value products from microalgae will very likely require the use of photobioreactors as opposed to growing the microalgae in open ponds or open raceways.

A photobioreactor is an enclosed culture vessel that is designed to use natural or artificial light to support photosynthesis for controlled production of microalgae biomass. Photobioreactors can consist of a series of inter-linked plastic or glass tubes in horizontal or vertical configuration or suspended plastic bags.

The use of photobioreactors will minimise the possibility of contamination and will allow greater control over the various factors which impact the growth of microalgae.

Earlier in 2013 a consultant engaged by Plentex conducted an international survey of photobioreactors which are currently being trialled or marketed for the production of microalgae.

This study resulted in the recommendation to Plentex of a photobioreactor manufactured in the Netherlands.

A detailed proposal for the supply of photobioreactor and ancillary equipment from this manufacturer has been obtained and Plentex has decided to acquire, install and operate this photobioreactor subject to funds being available and final negotiations regarding price and other commercial terms. Arrangements have been negotiated with SARDI for the installation of this photobioreactor at SARDI's Aquatic Sciences facility at West Beach, Adelaide. SARDI will operate this photobioreactor on Plentex's behalf.

### **Microalgae Extraction Technology**

One of the other outcomes of the PSRF6 project was the development by Flinders University personnel of an innovative technique for extracting protein and carbohydrate from microalgae biomass before and after the lipids (oils) have been extracted.

Plentex has exclusive commercialisation rights with respect to all intellectual property (IP) developed under the PSRF6 project.

Under the applicable agreement Plentex is required to take all necessary steps at its cost to protect any such IP by the lodgement of applications for patents where appropriate.

To this end Plentex was involved during September/October 2012 in the development of a new international (PCT) Patent Application – Microalgal Extraction (PCT/AU2012/001279) with respect to the technology developed by Flinders University personnel during the PSRF6 project.

## **Directors' Report (cont'd)**

Plentex provided funds for some additional research by Flinders University personnel to develop additional test data to support this PCT application.

In addition, Plentex paid the Patent Attorneys' fees for the PCT application and is responsible for all ongoing patent application costs.

In late March 2013, the International Search Report (ISR) and Written Opinion from the International Secretary Authority (ISA) were received by the Patent Attorneys.

ISA has taken the view some of the claims of the PCT application are not considered to be novel and/or involve an inventive step.

The Patent Attorney acting on behalf of Plentex considers that the ISA opinion is incorrect and the Flinders University personnel involved in the development of the subject technology strongly support this view.

Plentex has obtained a report from a consultant in relation to the issues of prior art and lack of inventive steps identified by the ISA.

Plentex also completed during the period under review an internal study in relation to the economics of the Flinders University extraction technology if utilised on a commercial scale. Plentex representatives met on 13 December 2013 with Flinders University representatives and Plentex's patent attorney, and discussions are underway as to the future prosecution of the PCT applications in selected countries.

### **Aquafeed and Livestock Feed**

#### **Philippines Aquafeed Project**

During a visit to the Philippines in August 2013 Plentex met with its advisors in Manila and initiated arrangements for the incorporation in the Philippines of several companies which will serve as the vehicles for the development of Plentex's proposed aquaproducts business.

Subsequent discussions were held in Tacloban with Tacloban City officials and the Regional Director of the Philippines Bureau of Fisheries and Aquatic Fisheries.

Dr. Sasi Nayar from SARDI accompanied Plentex executives during this visit and took part in the inspection of the various infrastructure which Plentex hopes to acquire or have access to for the purposes of its proposed aquaproducts project.

Unfortunately the City of Tacloban and most of the surrounding area was decimated by Typhoon Haiyan (locally known as Yolanda) on 8 November 2013. Plentex's consultant was in Tacloban at the time but fortunately escaped uninjured.

Some of the infrastructure Plentex was considering using for its project was severely impacted by the typhoon.

It will be some months before a decision can be made in relation to the future of this project.

#### **Confidential Aquafeed Projects**

During the half year the Company progressed its plans to develop and ultimately produce aquafeeds for special aquaculture applications with initial focus being directed to carrying out trials directed to improving the growth rates, health and product quality of two aquatic species currently being commercially farmed in Australia, by using specialised feeds developed by Plentex in conjunction with its Auckland based aquafeed/stockfeed consultant, ENH Ltd.

A trial batch of aquafeed was manufactured in the USA by Plentex's collaborative partner. This aquafeed was intended to be utilised in a feed trial which was to be conducted in Australia in 2014.

At the end of the year Plentex was exploring the possibility of organizing a small scale feed trial in 2014 and was working with its USA based collaborative partner to optimize features of the trial aquafeed.

## **Directors' Report (cont'd)**

### **Restructuring of Aquafeed/Stockfeed Business Plan**

With the increasing focus on the advantages that would flow from the successful acquisition of the Biovite business and the move to position Plentex as a biotechnology business, the decision was made late in the year to establish a new company to be the vehicle for Plentex's proposed aquafeed/aquaculture activities within Australia and the Philippines.

To this end, Plentex arranged for the incorporation in December 2013 of a new company, Pacific Aquaproducts Pty. Ltd. Plentex intends to transfer its aquafeed/aquaculture activities to this company which will seek independent funding in 2014.

### **OTHER BUSINESS (Non Algae)**

#### **Nest Group Limited (Nest)**

Over the past year, Plentex has developed in conjunction with Flinders Partners Pty. Ltd. (the commercial arm of Flinders University) a new business focused on the commercialisation of world class technology developed within Australian universities.

Plentex and Flinders Partners Pty. Ltd. have housed this new business in a new company called Nest Group Limited, which was incorporated in late February 2013.

Nest accesses technology through strategic partnerships with select universities, working to identify, invest in, and build commercial opportunities.

Nest's focus is on opportunities with potential to capture a global market and grow into a major business with emphasis on the health and digital sectors.

Nest is currently seeking seed capital and subject to market conditions, intends to raise further funds by way of an IPO in the second half of 2014 and to seek listing on the ASX.

Plentex holds 16,000,000 fully paid ordinary shares in Nest, currently representing approximately 39% of its issued capital. Flinders Partners Pty. Ltd. is currently Nest's major shareholder.

At the end of the reporting period Plentex and Flinders Partners were in discussion in relation to proposed changes in the management and capital structure of Nest and it is likely that these changes will be implemented in early 2014.

#### **Prosthesis Pty. Ltd.**

During the half year Plentex invested further funds in Prosthesis Pty. Ltd. bringing the total investment to date to \$105,013, representing 21.47% of the current issued capital of Prosthesis Pty. Ltd. Prosthesis is a Victorian based medical device development company. It has developed concepts for a unique prosthetic knee meniscus intended to replicate the shape and functional characteristics of the human knee meniscus.

Prosthesis claims that early detection and an implementation of a prosthetic replacement will arrest the normal descent into fully developed knee osteoarthritis.

Prosthesis is developing a substantial international patent portfolio to protect its intellectual property.

### **FUNDING AND ALLIED MATTERS**

#### **R&D Tax Incentive Program – AusIndustry (on behalf of Innovation Australia) and the Australian Taxation Office (ATO)**

The Company received \$276,215 during this period as a tax refund for eligible research and development (R&D) expenditure in relation to the development of its proposed micro/macro algae businesses during the financial year ended 30 June 2013.

## **Directors' Report (cont'd)**

The R&D Tax Incentive is a targeted program that helps business offset a portion of its costs relating to eligible R&D activities and innovation. It aims to:

- Boost competitiveness and improve productivity across the Australian economy;
- Encourage industry to conduct R&D activities that may not otherwise have been conducted;
- Provide businesses with more predictable, less complex support; and
- Improve the incentive for smaller firms to engage in R&D.

The R&D Incentive is jointly administered by AusIndustry (on behalf of Innovation Australia) and the Australian Taxation Office. AusIndustry is a specialist program delivery division within the Australian Government's Department of Industry, Innovation, Science, Research and Tertiary Education.

### **Placement of Shares**

During the half year period the Company issued a total of 1,500,000 fully paid ordinary shares ('PRM') at an issue price of 10 cents per share.

The funds received from the abovementioned issues are being applied as working capital.

The Company is currently seeking further interim funding pending the planned major capital raising by way of a Prospectus scheduled for March 2014, to facilitate the acquisition of the Biovite business discussed earlier in this report.

### **Lapse of Plentex B Class Performance Shares**

On 21 July 2013, 3,500,000 B class Performance shares held by the Vendors of Blue Sundial Pty. Ltd. issued capital to Plentex in 2011 lapsed. The remaining B class Performance shares on issue (1,750,000 in number) held by Flinders Partners Pty. Ltd. also lapsed on 13 September 2013.

These performance shares which could have converted to fully paid ordinary shares in Plentex, lapsed because the relevant performance milestone which would have triggered their conversion was not achieved in the required timeframe, ie. 21 months from their date of issue.

### **Expiry of the Company's 30 November 2013 Options**

A total of 14,945,428 options which were exercisable at 25 cents per share at any time prior to 30 November 2013, expired unexercised on 30 November 2013.

## **STATE OF AFFAIRS**

In the opinion of the Directors, there were no other significant changes in the state of affairs of the economic entity that occurred during the 6 months under review or thereafter not otherwise disclosed in this report or the financial report.

## **AUDITOR'S INDEPENDENCE DECLARATION**

The auditor's independence declaration as required under Section 307C of the Corporations Act 2001 is attached to this report on page 11.

**Directors' Report (cont'd)**

Signed in accordance with a resolution of the Board of Directors:-

On behalf of the Directors



---

Peter C. Streader - Director

Dated: 14 March 2014

## DECLARATION OF INDEPENDENCE BY ALEX SWANSSON TO THE DIRECTORS OF PLENTEX LIMITED

As lead auditor for the review of Plentex Limited for the half-year ended 31 December 2013, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Plentex Limited and the entities it controlled during the period.



Alex Swansson  
Partner

**BDO East Coast Partnership**

Melbourne, 14 March 2014

**Statement of Profit or Loss and Other Comprehensive Income  
For the Half Year Ended 31 December 2013**

	Note	Consolidated Entity 31 December 2013 \$	Consolidated Entity 31 December 2012 \$
Revenue from continuing operations:	2	3,452	1,461
Expenses from continuing activities:			
- Occupancy costs		(32,781)	(29,733)
- Regulatory and compliance costs		(37,447)	(40,530)
- Employee & director costs		(5,750)	(8,397)
- Legal costs		10,875	(3,630)
- Administration costs		(271,504)	(162,103)
- Amortisation of Intangibles		-	(127,464)
- Impairment of intangibles		(2,548,460)	-
- Share of net loss of associates		(58,144)	-
(Loss) before income tax		(2,939,759)	(370,396)
Income tax benefit		552,998	267,390
(Loss) attributable to members of parent entity		(2,386,761)	(103,006)
Other comprehensive income for the period net of tax		-	-
Total comprehensive income for the period		(2,386,761)	(103,006)
Total comprehensive income attributable to members of the parent entity		(2,386,761)	(103,006)
Basic (Loss) Per Share (cents per share)	4	(5.91)	(0.29)
Diluted (Loss) Per Share (cents per share)	4	(5.91)	(0.29)

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to and forming part of the half-year financial statements set out on pages 16 to 22.

**Statement of Financial Position  
as at 31 December 2013**

	Note	Consolidated Entity 31 December 2013 \$	Consolidated Entity 30 June 2013 \$
<b>Current Assets</b>			
Cash and Cash Equivalents		58,119	169,868
Trade and Other Receivables		165,894	16,513
<b>Total Current Assets</b>		<b>224,013</b>	<b>186,381</b>
<b>Non Current Assets</b>			
Plant and Equipment		10,277	6,194
Intangibles	6	-	2,548,460
Investments accounted for using the equity method	7	126,869	80,000
Other financial assets	8	-	68,012
<b>Total Non Current Assets</b>		<b>137,146</b>	<b>2,702,666</b>
<b>Total Assets</b>		<b>361,159</b>	<b>2,889,047</b>
<b>Current Liabilities</b>			
Trade and Other Payables		327,686	321,339
<b>Total Current Liabilities</b>		<b>327,686</b>	<b>321,339</b>
<b>Non-Current Liabilities</b>			
Deferred tax liability		-	297,474
<b>Total Non-Current Liabilities</b>		<b>-</b>	<b>297,474</b>
<b>Total Liabilities</b>		<b>327,686</b>	<b>618,813</b>
<b>Net Assets</b>		<b>33,473</b>	<b>2,270,234</b>
<b>Equity</b>			
Ordinary Capital	3	8,118,121	7,968,121
Performance Capital	3	522,000	703,650
Reserves		71,550	71,550
Accumulated Losses		(8,678,198)	(6,473,087)
<b>Total Equity</b>		<b>33,473</b>	<b>2,270,234</b>

The consolidated statement of financial position is to be read in conjunction with the notes to and forming part of the half-year financial statements set out on pages 16 to 22.

## Statement of Changes in Equity for the half year ended 31 December 2013

	Issued Capital \$	Performance Capital \$	Options Reserve \$	(Accumulated Losses) \$	Total \$
<b>Balance at 1 July 2013</b>	<b>7,968,121</b>	703,650	71,550	(6,473,087)	2,270,234
Ordinary Shares issued during period	150,000	-	-	-	150,000
Total comprehensive income for the period	-	-	-	(2,386,761)	(2,386,761)
Performance Capital Lapsed	-	(181,650)	-	181,650	-
<b>Balance at 31 December 2013</b>	<b>8,118,121</b>	<b>522,000</b>	<b>71,550</b>	<b>(8,678,198)</b>	<b>33,473</b>
<b>Balance at 1 July 2012</b>	<b>7,267,916</b>	<b>1,160,400</b>	<b>71,550</b>	<b>(6,433,195)</b>	<b>2,066,671</b>
Ordinary Shares issued during period	250,000	-	-	-	250,000
Options converted to Ordinary Shares during period	204	-	-	-	204
Total comprehensive income for the period	-	-	-	(103,006)	(103,006)
<b>Balance at 31 December 2012</b>	<b>7,518,120</b>	<b>1,160,400</b>	<b>71,550</b>	<b>(6,536,201)</b>	<b>2,213,869</b>

The statement of changes in equity is to be read in conjunction with the notes to and forming part of the half-year financial statements set out on pages 16 to 22.

**Statement of Cash Flows**  
**For the Half Year Ended 31 December 2013**

	Consolidated Entity 31 December 2013 \$	Consolidated Entity 31 December 2012 \$
<b>Cash Flows from Operating Activities</b>		
R&D refund	276,215	229,151
Payments to suppliers and employees	(504,415)	(435,857)
Interest and other receipts	3,452	1,266
<b>Net Cash (Used in) Operating Activities</b>	<b>(224,748)</b>	<b>(205,440)</b>
<b>Cash Flows from Investing Activities</b>		
Payments for investments in Prosthesis Pty Ltd	(37,001)	-
Payments – Intangibles	-	(36,005)
<b>Net Cash (Used in) Investing Activities</b>	<b>(37,001)</b>	<b>(36,005)</b>
<b>Cash Flows from Financing Activities</b>		
Shares issued / Options exercised	150,000	250,204
<b>Net Cash Provided by Financing Activities</b>	<b>150,000</b>	<b>250,204</b>
<b>Net Increase (decrease) in Cash and Cash Equivalents</b>	<b>(111,749)</b>	<b>8,759</b>
Cash and cash equivalents at the beginning of the half year	169,868	216,351
<b>Cash and Cash Equivalents at the end of the Half Year</b>	<b>58,119</b>	<b>225,110</b>

The consolidated statement of cash flows is to be read in conjunction with the notes to and forming part of the half-year financial statements set out on pages 16 to 22.

**Notes To and Forming Part of the Financial Statements  
For the Half Year Ended 31 December 2013**

**INTRODUCTION**

The financial report of Plentex Limited ("Plentex") for the half year ended 31 December 2013 was authorised for issue in accordance with a resolution of directors pursuant to Section 298(2) of the Corporations Act 2001 on 14 March 2014.

The consolidated financial statements are those of the consolidated entity comprising Plentex (the parent entity) and the entities which the parent entity controlled from time to time during the period and at balance date.

Plentex is a company incorporated in Australia and limited by shares. Plentex is listed on the Australian Stock Exchange but its securities are currently suspended from trading. The financial report is presented in Australian dollars. The principal activities are set out in Note 5 of the financial statements.

**1. SIGNIFICANT ACCOUNTING POLICIES**

This general purpose financial report for the interim half-year reporting period ended 31 December 2013 has been prepared in accordance with Australian Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Act 2001. The consolidated entity is a 'for profit' entity for financial reporting purposes under Australian Accounting Standards.

These consolidated financial statements are intended to provide users with an update on the most recent annual financial report but do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2013 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

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

**(a) Basis of accounting**

An accruals basis of accounting has been adopted. The report is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been adopted.

**(b) Going concern**

For the half year ended 31 December 2013 the consolidated entity incurred a net loss of \$2,386,761 (2012: loss of \$103,006), and net operating cash outflows of \$224,748 (2012: outflows of \$205,440).

Furthermore, the consolidated entity does not have any regular source of income and is reliant on existing cash assets, and beyond those cash assets, equity capital and/or loans from third parties to fund its operating activities. For the period covering 12 months from the date of signature of the financial report, the consolidated entity expects this trend to continue. These conditions indicate a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern.

The ability of the consolidated entity to continue as going concern is dependent upon a number of factors, one being the continuation and availability of funds. The consolidated entity is expecting to fund ongoing obligations through placement of further shares, reduced expenditure and reduced project development.

**Notes To and Forming Part of the Financial Statements  
For the Half Year Ended 31 December 2013**

**(b) Going concern (cont'd)**

The consolidated entity has also announced its intentions to acquire the Biovite business. The consolidated entity is seeking to raise up to \$8.5 million to fund this acquisition. This capital raising would be subject to shareholder approval.

The following matters have been considered by the Directors in determining the appropriateness of the going concern basis of preparation:

- Cash flow forecasts prepared by management demonstrate that the consolidated entity has sufficient cash flows to meet its commitments over the next twelve months based on the above factors, and for that reason the financial statements have been prepared on the basis the consolidated entity is a going concern, which contemplates the continuity of normal business activity, realisation of assets and the settlement of liabilities in the normal course of business.

Should the consolidated entity be unable to continue as a going concern, it may be required to realise assets and extinguish liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern.

**(c) New, revised or amending Accounting Standards and Interpretations adopted**

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

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

**(d) Fair Value of Assets and Liabilities**

The consolidated entity has a number of financial instruments which are not measured at fair value in the statement of financial position.

The carrying amounts of these financial instruments is considered to approximate their fair value.

	<b>Consolidated 31 December 2013 \$</b>	<b>Consolidated 31 December 2012 \$</b>
<b>2. REVENUE</b>		
Operating loss has been determined after:–		
Crediting as Income:		
Office sub-rent	3,150	1,000
Interest received or due and receivable	302	461
	<b>3,452</b>	<b>1,461</b>

**Notes To and Forming Part of the Financial Statements  
For the Half Year Ended 31 December 2013**

**3. ORDINARY & PERFORMANCE CAPITAL**

	31 December 2013\$	30 June 2013\$
Ordinary Shares	8,118,121	7,968,121
A Class Shares	-	-
B Class Shares	-	181,650
C Class Shares	522,000	522,000
<b>Total Issued capital</b>	<b>8,640,121</b>	<b>8,671,771</b>

During the period, share issues occurred as follows:-

<i>Ordinary Shares</i>	Number	\$
Balance 1 July 2013	39,963,183	7,968,121
1.5 million ordinary shares (i)	1,500,000	150,000
<b>Balance 31 December 2013</b>	<b>41,463,183</b>	<b>8,118,121</b>

<i>B Class Shares</i>	Number	\$
Balance 1 July 2013	5,250,000	181,650
Lapsed – 21 July 2013	(3,500,000)	(121,100)
Lapsed – 13 September 2013	(1,750,000)	(60,550)
<b>Balance 31 December 2012</b>	<b>-</b>	<b>-</b>

<i>C Class Shares</i>	Number	\$
Balance 1 July 2013	18,000,000	522,000
<b>Balance 31 December 2013</b>	<b>18,000,000</b>	<b>522,000</b>

(i) Funds received by these shares have been applied as working capital.

The table below summarises option movements during the period:-

Number Issued	30c/share Expiry 30 Nov 2014	25c/share Expiry 30 Nov 2013	25c/share Expiry 30 Sep 2014
Balance – 1 July 2013	6,750,000	14,945,428	6,410,000
Issues to 31 December 2013	-	-	-
Expired to 31 December 2013	-	(14,945,428)	-
<b>Balance 31 December 2013</b>	<b>6,750,000</b>	<b>-</b>	<b>6,410,000</b>

**4. EARNINGS (LOSS) PER SHARE**

In calculating basic and diluted loss per share, the weighted average number of ordinary shares for the period has been calculated to be 40,373,182 shares (31 December 2012: 35,463,183). The net loss after income tax is \$2,386,761 (31 December 2012 loss of \$103,006).

**Notes To and Forming Part of the Financial Statements  
For the Half Year Ended 31 December 2013**

**5. SEGMENT REPORTING**

*Identification of reportable operating segments*

The consolidated entity is organised into three operating segments: Algae and Investments.. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on at least a monthly basis.

*Types of products and services*

The principal products and services of each of these operating segments are as follows:

Algae - The commercialisation of algae-based raw materials for the renewable fuel and energy, livestock feed and nutraceutical industries

Investments - Equity stake in start up technology businesses Nest Group Limited and Prosthesis Pty Ltd

**Segment Performance**

	Algae		Investments		Consolidated	
	Dec 2013	Dec 2012	Dec 2013	Dec 2012	Dec 2013	Dec 2012
	\$	\$	\$	\$	\$	\$
<b>Segment Revenue</b>	3,452	1,461	-	-	3,452	1,461
<b>Segment Result/(Loss)</b>	(2,328,617)	(103,006)	(58,144)	-	(2,386,761)	(103,006)

**Total Segment Assets**

	Algae \$	Investments \$	Consolidated \$
31 December 2013	234,290	126,869	361,159
30 June 2013	2,741,035	148,012	2,889,047

**Total Segment Liabilities**

	Algae \$	Investments \$	Consolidated \$
31 December 2013	327,686	-	327,686
30 June 2013	618,813	-	618,813

**Notes To and Forming Part of the Financial Statements  
For the Half Year Ended 31 December 2013**

**6. INTANGIBLE ASSETS**

	31 December 2013 \$	30 June 2013 \$
<b>Blue Sundial</b>		
Balance bought forward	1,650,164	1,920,230
Acquisitions	-	-
Amortisation / Impairment	(1,650,164)	(270,066)
	-	1,650,164
<b>Flinders Partners</b>		
Balance bought forward	898,296	1,088,846
Acquisitions	-	-
Amortisation	(898,296)	(190,550)
	-	898,296
Balance	-	2,548,460

Intangible assets (intellectual property) were being amortised over their useful lives (Estimate: 10 years). The directors have in the current period written down these assets to \$nil as the directors are not currently able to prepare sufficiently detailed models to support a carrying value as is required by accounting standards. Notwithstanding this writedown, the directors believe the intellectual property continues to have an intrinsic value to the consolidated entity's future endeavours.

**7. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD**

	31 December 2013 \$000	30 June 2013 \$000
Prosthexis Pty Ltd	105,013	-
Nest Group Limited	21,856	80,000
	126,869	80,000

Interests are held in the following associated companies:

Name	Principal Activities	Country of Incorporation	Shares	Ownership Interest		Carrying Amount of Investment	
				31 December 2013 %	30 June 2013 %	31 December 2013 \$	30 June 2013 \$
Unlisted: Nest Group Ltd	Commercialisation of New Technology	Australia	Ord	39.0	39.0	21,856	80,000 (i)
Prosthexis Pty Ltd		Australia	Ord	21.4	-	105,013 (ii)	-

**Notes To and Forming Part of the Financial Statements  
For the Half Year Ended 31 December 2013**

**7. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (cont'd)**

- (i) On 26 February 2013, the parent entity acquired an interest in Nest Group Ltd (interest as at 30 June 2013, represents a 39.0% interest in the entity).
- (ii) On 11 December 2013, the parent entity acquired a 21.47% interest in Prosthesis Pty Ltd (at 30 June 2013, it held a 19% interest in the entity). The company has not traded since significant influence was established, accordingly no share of its operating result has been included in the results of associated companies reported in this financial report.

		<b>Consolidated Group</b>	
		<b>31 December</b>	<b>30 June</b>
		<b>2013</b>	<b>2013</b>
a.	Movements during the year in equity accounted	68,012	
		37,001	
	Investment in associated companies:		
	Balance at beginning of the financial year	80,000	-
	Transfer from other financial assets	68,012	
Add:	New investments during the year	37,001	80,000
	Share of associated companies profit after income tax	(58,144)	-
	Share of associated companies reserve increments arising during the year after tax	-	-
Less:	Dividend revenue from associated company	-	-
	Disposals during the year	-	-
	Other	-	-
	<b>Balance at end of the financial year</b>	<b>126,869</b>	<b>80,000</b>
b.	Equity accounted profits of associates are broken down as follows:		
	Share of associate's loss before income tax expense	(58,144)	-
	Share of associate's income tax expense	-	-
	<b>Share of associate's loss after income tax</b>	<b>(58,144)</b>	<b>-</b>

**Notes To and Forming Part of the Financial Statements  
For the Half Year Ended 31 December 2013**

<b>8. OTHER FINANCIAL ASSETS</b>	<b>31 December 2013</b>	<b>30 June 2013</b>
	<b>\$</b>	<b>\$</b>
Available for sale - financial assets	(i) -	68,012
	-	68,012

(i) Refer Note 7, now accounted for as investment using the equity method.

**9. SUBSEQUENT EVENTS**

**Appointment of Chief Scientific Officer**

In January 2014 the Company appointed Dr Leodevico (Vic) Ilag as its chief scientific officer.

Vic has extensive research and technical experience in discovery, preclinical and clinical development of biologics and dietary/food ingredients (peptides, proteins, antibodies, natural products, agricultural waste streams) with applications in oncology, cardiovascular disease, CNS, infectious disease and metabolic diseases.

Vic has a PhD in Microbiology/Immunology and did postdoctoral studies in structural biology.

Vic has more than 20 years of biotech experience in the discovery and development of biologics and diagnostics serving in multiple senior executive roles in R&D and business development with several biotech companies in Australia and Europe including Horizon Science Pty Ltd, Patrys Ltd, HealthLinx Ltd (formerly Cryptome Pharmaceuticals), Xerion Pharmaceuticals AG and Morphosys AG.

**South Australian PRIF Collaboration Pathways Program Grant**

Plentex was also advised in February 2014 that this application for South Australian Government funding had also been unsuccessful.

**Pacific Aquaproducts Pty. Ltd.**

**Confidential Aquafeed Project**

A program of product development was carried out in early January 2014 by Plentex/Pacific Aquaproducts collaborative partner in the US resulting into the production of approximately 3 tonne of novel aquafeed.

This product was air freighted to Australia and at the date of this report is being used for preliminary feed trials.

**Capital Raising**

A total of 699,615 fully paid shares have been placed in the period 1 January 2014 to the date of this report; 365,000 at an issue prices of 10 cents and 334,615 at an issue price of 13 cents.

**Directors' Declaration**

In the Directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporate Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5) of the *Corporations Act 2001*.

On behalf of the Directors



Peter C. Streader - Director

Dated: 14 March 2014

Melbourne

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Plentex Limited

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Plentex Limited, which comprises the consolidated statement of financial position as at 31 December 2013, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of 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's 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 2013 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 Plentex 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 Plentex Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

### **Basis for Qualified Conclusion**

#### *Carrying value of intangible asset*

The consolidated entity recorded intangible assets valued at \$2,548,460 in its statement of financial position as at 30 June 2013. The recoverability, at 30 June 2013, of the carrying amount of intangible assets was dependent upon the ability of Plentex Limited to generate sufficient future cash flows from the assets. The directors provided representations that the carrying value of the intangible assets was recoverable. However, contrary to the requirements of *Australian Accounting Standard 136: Impairment of Assets*, the directors did not provide sufficient evidence to support their assertions. Consequently, we were unable to determine whether an adjustment to the carrying value of the intangible assets in the consolidated and company's statement of financial position as at 30 June 2013 was required. Our audit opinion on the financial report for the period ended 30 June 2013 was modified accordingly.

Our conclusion on the current period's half-year financial report is also modified because of the possible effect of this matter on the comparability of the current period's figures and the corresponding figures.

### **Qualified Conclusion**

Based on our review, which is not an audit, except for the effects of the matter described in the Basis for Qualified Conclusion paragraph, we have not become aware of any matter that makes us believe that the half-year financial report of Plentex 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 2013 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

### **Emphasis of matter**

Without further modifying our conclusion, we draw attention to Note 1 in the half-year financial report, which indicates that the ability of the consolidated entity to continue as a going concern is dependent upon future successful raising of necessary funding through equity placements and/or sale of non-core assets. These conditions, along with other matters as set out in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

### **BDO East Coast Partnership**



**Alex Swansson**  
**Partner**

Melbourne, 14 March 2014