

**PLENTEX LIMITED**

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

**FINANCIAL REPORT  
FOR THE HALF YEAR ENDED  
31 DECEMBER 2014**

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## **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 2014 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 75 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 was a Fellow of the Australian Institute of Company Directors for 16 years.

#### **DAVID VINSON**

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

Mr Vinson is 57 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.

#### **DANIEL PAUL GOLDMAN**

***Non Executive Director – Director since January 2011***

Mr Goldman is 51 years of age.

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

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.

### **CHRISTOPHER L ROBERTS**

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

Mr Roberts is 66 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) from which he has recently retired. He was appointed to the Board of Plentex in August 2006.

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

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

Mr Campi is 85 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 \$608,568, (2013: loss of \$2,386,761).

## **REVIEW OF OPERATIONS**

### **Proposed Acquisition of Biovite Business**

Despite strenuous efforts during June and July 2014, Plentex and its subsidiary Biovite Limited were unable to raise the funding required to complete the purchase of the Biovite business by the extended sunset date of 31 July 2014.

As a result the purchase contract automatically terminated and one of the consequences of this was the requirement to change the name of Biovite Limited to a name not containing the word "Biovite".

Effective 14 August 2014 the name of the Plentex subsidiary company originally known as Biovite Limited was changed to Xerion Limited.

Negotiations however were continued with the directors of Biovite Australia Pty. Ltd. and over the ensuing months a number of alternative acquisition proposals were explored, but in each case largely due to deteriorating investor sentiment in the biotechnology, sector they did not proceed.

### **Xerion Limited - Acquisition of Dried Blood Spot Technology Licence**

In late September 2014 Xerion acquired the worldwide exclusive commercial rights to the only Dried Blood Spot (DBS) technology that facilitates the accurate measurement of fatty acids in blood and other biological fluids such as breast milk. The technology was developed by Prof. Robert Gibson from the University of Adelaide, a leading world authority in nutrition. It is currently being used in a clinical trial testing 5,500 pregnant mothers and in another trial testing 1,225 infants.

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

This technology has the potential in revolutionizing aspects of the personalised medicine/nutrition space by offering a robust companion diagnostic. Xerion will explore its immediate applications in determining the Omega 3 Index, an emerging therapeutic indicator and other fatty acid profiles which are good biomarkers for cardiovascular health, inflammation and cognitive health. The Company anticipates immediate revenues from the technology by selling it as a research tool in biomarker discovery and clinical trials. Other future revenue streams from the technology are currently under discussion.

Through its acquisition last year of Plentex's portfolio of algae based projects and related intellectual property, the focus of which was to develop a range of natural efficacious algae derived products, Xerion has access to novel algal strains and proprietary extraction methods that could feed a robust product pipeline. Xerion also has high valued research partnerships which will be key in expanding its algal based product platforms.

### **Philippines Integrated Aquaculture Project**

During the half year significant progress was made with planning for Stage 1 of this project which consists of the establishment of a rice dryer and mill, a cassava dryer and mill and a fish meal/oil plant.

The capital cost of all three plants is comparatively low and they will be co-located so as to share common equipment and infrastructure. The three plants are to be supplied on a turn-key basis and overall construction time will be short.

Plant products are all highly profitable commodities comprising:

- milled rice and rice bran (mainly for local consumption)
- cassava meal/tapioca (export)
- fish meal and fish oil (export and local stock feed manufacture)

A detailed financial model has been developed for the project by an external consultant, which shows that the project should be very profitable.

Late in 2014 a new Plentex subsidiary was incorporated in the Philippines (Plentex Philippines Inc.) to be the corporate vehicle which will own and operate this project.

Another company Plentex Realty Inc. has also been incorporated to hold any real estate that is purchased by Plentex in the Philippines.

Each of these companies has its own Board of Directors which includes in each case, three Philippine resident directors who bring relevant and impressive experience to the Boards of each of these companies.

Stage 2 of this project involves the construction and operation of an extrusion plant to produce high quality aquafeed. Stage 3 will see the commencement of sea cage farming of barramundi and later cobia and Plentex will establish its own fish processing plant.

### **SA Aquafeed/Pet Food Project (formerly referred to as the Southern Bluefin Tuna Feed Project)**

In June/July 2014 Plentex conducted discussions with several tuna ranching companies with a view to carrying out on a cooperative basis a large scale tuna feed trial in 2015, modelled along the lines of the trial that was to have been conducted by the ASBFTIA in 2014.

These discussions were not successful due to concerns about cost and resource issues and it has become increasingly apparent that the introduction of a manufactured aquafeed to the Port Lincoln tuna ranching industry is going to take much longer than Plentex had initially contemplated would be the case.

Whilst Plentex is confident that a variety of influences will eventually persuade the tuna ranching industry to abandon its current practice of feeding raw baitfish to the caged tuna, it is clear that at least initially any new feed plant must focus on the production of other types of aquatic and animal feeds if it is to be economically viable.

After several months of consultation and study, Plentex has decided to relocate its planned manufacturing plant to a site in the Port Adelaide area and to initially focus on the production of premium grade and niche aquafeeds and pet foods.



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

Plentex has established a new company Protemax Pty Ltd as the corporate vehicle for this project and has commenced project feasibility studies. This project is now called the SA aquafeed/pet food project.

The feed manufacturing plant which Protemax is planning to establish will require capital investment in the order of \$40-45 million.

It is proposed that Protemax will initially seek seed capital funding independent of Plentex to fund the completion of a bankable feasibility study, which should allow it to attract a joint venture partner or private equity type investors which may provide the platform for a future IPO.

**uniPartners Limited (formerly Nideux Limited)**

Effective 17 September 2014 Plentex transferred a total of 862,500 fully paid ordinary shares in Nideux Limited to the following parties in the proportions set out below:

Wisecover Nominees Pty. Ltd.	287,500
Lahare Pty. Ltd.	287,500
Wanda Mackinnon (as trustee for Mt. Barker Superannuation Fund)	75,000
Leahy Chan Pty. Ltd.	212,500

Wisecover and Lahare are related companies of Plentex directors Peter Streader and Daniel Goldman respectively. These transfers were made for nil consideration pursuant to arrangements made between Plentex, Flinders Partners Pty. Ltd., Nest Group Limited and Nideux Limited prior to the Share Rollover Agreement (under which Plentex's shares in Nest were exchanged on a four Nest shares for one Nideux share basis) in June 2014.

The net effect of these transactions was to replace the shares held by Wisecover, Lahare, Mackinnon and Leahy Chan in Nest which immediately prior to the rollover had been transferred by each of them to Plentex for nil consideration to simplify the rollover process. During the rollover process these shares were held in trust by Plentex and were replaced by the shares in Nideux which Plentex subsequently transferred to those parties as noted above. Plentex's resultant shareholding in Nideux was not impacted by these transactions.

On 20 October 2014 Plentex subsidiary Nideux Limited changed its name to uniPartners Limited.

uniPartners' objective is the creation of world class start-up companies based on technology developed in universities. It proposes to access commercially attractive technology through preferred partnerships with select universities using a proven model based on IP Group Plc, UK. IP Group first listed on the London Stock Exchange in 2003 and its current market capitalisation is around A\$2.4 billion. uniPartners is presently raising \$2 million in seed capital and is planning a \$20 million capital raising by way of a prospectus later this year.

At the date of this report Plentex holds 8,064,936 fully paid ordinary shares in uniPartners.

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

The Company received \$313,713.45 plus \$46.45 interest on 4 September 2014 as a tax refund for eligible research and development (R&D) expenditure in relation to the development of its proposed micro/macro algae and aquafeed businesses during the financial year ended 30 June 2014.

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.

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

The R&D Tax 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.

### **Expiry of the Company's 30 September 2014 Options**

A total of 7,460,000 options which were exercisable at 25 cents per share at any time prior to 30 September 2014, expired unexercised on 30 September 2014.

### **Expiry of Executive Options - 30 November 2014**

A total of 6,750,000 executive options which were exercisable at 30 cents per share (subject to meeting a trading price hurdle) at any time prior to 30 November 2014, expired unexercised on 30 November 2014.

### **Placements**

The Company raised a total of \$65,000 by the placement of 650,000 fully paid ordinary shares at an issue price of ten cents during the period under review.

## **OTHER MATTERS AND CIRCUMSTANCES**

The Directors are not aware of any other matter or circumstance since the end of the financial year, not otherwise dealt with in this report or group financial statements that has significantly or may significantly affect the operations of Plentex Limited, the results of those operations or the state of affairs of the Company or Group.

## **STATE OF AFFAIRS**

In the opinion of the Directors, there were no 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.

## **SUBSEQUENT EVENTS**

Reference should be made to Note 10 of the financial report regarding events subsequent to the reporting date.

## **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 8.

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

On behalf of the Directors



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Peter C. Streader - Director

Dated: 6 July 2015





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## 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 2014, 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.

A handwritten signature in blue ink, appearing to read 'AS', followed by a long horizontal flourish.

Alex Swansson  
Partner

**BDO East Coast Partnership**

Melbourne, 6 July 2015

**Statement of Profit or Loss and Other Comprehensive Income  
for the Half Year Ended 31 December 2014**

	Note	Consolidated Entity 31 December 2014 \$	Consolidated Entity 31 December 2013 \$
Revenue from continuing operations:	2	4,690	3,452
Expenses from continuing activities:			
- Occupancy costs		(40,880)	(32,781)
- Bad debts expense		(19,551)	-
- Regulatory and compliance costs		(52,920)	(37,447)
- Employee & director costs		(135,500)	(5,750)
- Legal costs		(16,600)	10,875
- Administration costs		(347,807)	(271,504)
- Impairment of intangibles		-	(2,548,460)
- Share of net loss of associates		-	(58,144)
(Loss) before income tax		(608,568)	(2,939,759)
Income tax credit/(expense)		-	552,998
(Loss) attributable to members of parent entity		(608,568)	(2,386,761)
Other comprehensive income for the period net of tax		-	-
Total comprehensive income for the period		(608,568)	(2,386,761)
Total comprehensive income attributable to members of the parent entity		(608,568)	(2,386,761)
Basic (Loss) Per Share (cents per share)	4	(1.38)	(5.91)
Diluted (Loss) Per Share (cents per share)	4	(1.38)	(5.91)

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 13 to 25.

**Statement of Financial Position  
as at 31 December 2014**

	Note	Consolidated Entity 31 December 2014 \$	Consolidated Entity 30 June 2014 \$
<b>Current Assets</b>			
Cash and Cash Equivalents		59,115	26,909
Trade and Other Receivables		17,305	378,376
<b>Total Current Assets</b>		<b>76,420</b>	<b>405,285</b>
<b>Non Current Assets</b>			
Plant and Equipment		7,961	18,203
Intangibles	6	82,850	-
Investments accounted for using the equity method	7	25,784	25,784
Other financial assets	8	143,707	143,707
<b>Total Non Current Assets</b>		<b>260,302</b>	<b>187,694</b>
<b>Total Assets</b>		<b>336,722</b>	<b>592,979</b>
<b>Current Liabilities</b>			
Trade and Other Payables		605,679	766,568
<b>Total Current Liabilities</b>		<b>605,679</b>	<b>766,568</b>
<b>Total Liabilities</b>		<b>605,679</b>	<b>766,568</b>
<b>Net Assets Deficiency</b>		<b>(268,957)</b>	<b>(173,589)</b>
<b>Equity</b>			
Ordinary Capital	3	8,467,871	8,402,871
Reserves		71,550	71,550
Accumulated Losses		(9,398,007)	(8,789,439)
<b>Total Equity Attributable to Parent Entity</b>		<b>(858,586)</b>	<b>(315,1018)</b>
Non-Controlling Interest		589,629	141,429
<b>Total Equity Deficiency</b>		<b>(268,957)</b>	<b>(173,589)</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 13 to 25.

**Statement of Changes in Equity  
for the Half Year Ended 31 December 2014**

**Consolidated Entity**

	Issued Capital \$	Performance Capital \$	Options Reserve \$	(Accumulated Losses) \$	Parent Total \$	Non- Controlling Interest \$	Total \$
<b>Balance at 1 July 2014</b>	<b>8,402,871</b>	<b>-</b>	<b>71,550</b>	<b>(8,789,439)</b>	<b>(315,018)</b>	<b>141,429</b>	<b>(173,589)</b>
<b>Transactions with owners in their capacity as owners</b>							
Ordinary Shares issued during period	65,000	-	-	-	65,000	-	65,000
Recognition of outside equity interest upon part disposal of controlled entities	-	-	-	-	-	448,200	448,200
<b>Comprehensive income transactions</b>							
Loss for the year after income tax benefit	-	-	-	(608,568)	(608,568)	-	(608,568)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	(608,568)	(608,568)	-	(608,568)
<b>Balance at 31 December 2014</b>	<b>8,467,871</b>	<b>-</b>	<b>71,550</b>	<b>(9,398,007)</b>	<b>(858,586)</b>	<b>589,629</b>	<b>(268,957)</b>

<b>Balance at 1 July 2013</b>	<b>7,968,121</b>	<b>703,650</b>	<b>71,550</b>	<b>(6,473,087)</b>	<b>2,270,234</b>	<b>-</b>	<b>2,270,234</b>
<b>Transactions with owners in their capacity as owners</b>							
Ordinary Shares issued during period	150,000	-	-	-	150,000	-	150,000
Performance Shares Lapse	-	(181,650)	-	181,650	-	-	-
<b>Comprehensive income transactions</b>							
Loss for the year after income tax benefit	-	-	-	(2,386,761)	(2,386,761)	-	(2,386,761)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	(2,386,761)	(2,386,761)	-	(2,386,761)
<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>-</b>	<b>33,473</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 13 to 25.

**Statement of Cash Flows  
for the Half Year Ended 31 December 2014**

	Consolidated Entity 31 December 2014 \$	Consolidated Entity 31 December 2013 \$
<b>Cash Flows from Operating Activities</b>		
R&D refund	313,713	276,215
Payments to suppliers and employees	(268,347)	(504,415)
Interest and other receipts	4,690	3,452
<b>Net Cash (Used in) Operating Activities</b>	<b>50,056</b>	<b>(224,748)</b>
<b>Cash Flows from Investing Activities</b>		
Payments for investments in Prosthesis Pty Ltd	-	(37,001)
Payments – Intangibles	(82,850)	-
<b>Net Cash (Used in) Investing Activities</b>	<b>(82,850)</b>	<b>(37,001)</b>
<b>Cash Flows from Financing Activities</b>		
Shares issued / Options exercised	65,000	150,000
<b>Net Cash Provided by Financing Activities</b>	<b>65,000</b>	<b>150,000</b>
<b>Net Increase (decrease) in Cash and Cash Equivalents</b>	<b>32,206</b>	<b>(111,749)</b>
Cash and cash equivalents at the beginning of the half year	26,909	169,868
<b>Cash and Cash Equivalents at the end of the Half Year</b>	<b>59,115</b>	<b>58,119</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 13 to 25.

**Notes To and Forming Part of the Financial Statements  
for the Half Year Ended 31 December 2014**

**INTRODUCTION**

The financial report of Plentex Limited ("Plentex") for the half year ended 31 December 2014 was authorised for issue in accordance with a resolution of directors pursuant to Section 298(2) of the Corporations Act 2001 on 14 March 2015.

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 2014 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 2014 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 2014 the consolidated entity incurred a net loss of \$608,568 and as of that date, and reported a net current liability position of \$529,259 and an equity deficiency of \$268,957.

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 their operations. 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.



**Notes To and Forming Part of the Financial Statements  
for the Half Year Ended 31 December 2014**

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

The ability of the consolidated entity to continue as a going concern is dependent upon a number of factors, one being the continuation and availability of funds. After period end the company has raised \$508,000 of capital from sophisticated investors. At the AGM held on 29 June 2015, Plentex obtained shareholder approval for new capital to be raised in two phases. Phase 1 being the raising of \$1,250,000 by the placement of up to 12,500,000 fully paid ordinary shares at ten cents per share, to sophisticated and other exempt investors. Phase 2 being the raising of \$5,750,000 by the issue pursuant to a prospectus of 19,166,667 fully paid ordinary shares at 30 cents per share.

Cash flow forecasts prepared by management demonstrate that, subject to successful completion of the capital raising planned, 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.

**Notes To and Forming Part of the Financial Statements  
for the Half Year Ended 31 December 2014**

	Consolidated 31 December 2014 \$	Consolidated 31 December 2013 \$
<b>2. REVENUE</b>		
Operating loss has been determined after:-		
Crediting as Income:		
Office sub-rent	3,750	3,150
Interest received or due and receivable	94	302
Other	846	-
	<b>4,690</b>	<b>3,452</b>

**3. ORDINARY & PERFORMANCE CAPITAL**

	31 December 2014 \$	30 June 2014 \$
Ordinary Shares	8,467,871	8,402,871
A Class Shares	-	-
B Class Shares	-	-
C Class Shares	-	-
<b>Total Issued Capital</b>	<b>8,467,871</b>	<b>8,402,871</b>

During the period, share issues occurred as follows:-

<b>Ordinary Shares</b>	<b>Number</b>	<b>\$</b>
Balance 1 July 2014	43,830,106	8,402,871
0.65 million ordinary shares (i)	650,000	65,000
<b>Balance 31 December 2014</b>	<b>44,480,106</b>	<b>8,467,871</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 Sep 2014
Balance – 1 July 2014	6,750,000	7,460,000
Issues to 31 December 2014	-	-
Expired to 31 December 2014	(6,750,000)	(7,460,000)
<b>Balance 31 December 2014</b>	<b>-</b>	<b>-</b>

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

In calculating basic and diluted earnings (loss) per share, the weighted average number of ordinary shares for the period has been calculated to be 44,155,106 shares (31 December 2013: 40,373,181). The net loss after income tax is \$608,568 (31 December 2013 loss of \$2,386,761).

**Notes To and Forming Part of the Financial Statements  
for the Half Year Ended 31 December 2014**

**5. SEGMENT REPORTING**

*Identification of reportable operating segments*

The consolidated entity is organised into two 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 occurs at least monthly.

*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 UniPartners Ltd and Prosthesis Pty Ltd

**Segment Performance**

	Algae		Investments		Consolidated	
	Dec 2014	Dec 2013	Dec 2014	Dec 2013	Dec 2014	Dec 2013
	\$	\$	\$	\$	\$	\$
<b>Segment Revenue</b>	4,690	3,452	-	-	4,690	3,452
<b>Segment Result/(Loss)</b>	(608,568)	(2,328,617)	-	(58,144)	(608,568)	(2,386,761)

**Total Segment Assets**

	Algae \$	Investments \$	Consolidated \$
31 December 2014	167,231	169,491	336,722
30 June 2014	313,713	279,266	592,979

**Total Segment Liabilities**

	Algae \$	Investments \$	Consolidated \$
31 December 2014	289,776	315,903	605,679
30 June 2014	275,997	490,571	766,568

**Notes To and Forming Part of the Financial Statements  
for the Half Year Ended 31 December 2014**

6. INTANGIBLE ASSETS	31 December 2014 \$	30 June 2014 \$
<b>Patents</b>		
Cost at the start of the period	-	-
Additions for the period	82,850	-
Net book value at the end of the period	82,850	-
<b>Goodwill on Acquisition of Controlled Entity</b>		
Balance at start of period	-	-
Additions during period	-	205,335
Impairment	-	(205,335)
Balance at end of period	-	-
<b>Nest Group Intellectual Property</b>		
Balance at start of period	-	-
Additions during period	-	182,880
Impairment	-	(182,880)
Balance at end of period	-	-
<b>Blue Sundial:</b>		
Cost at the start of the period	1,920,230	1,920,230
Additions for the period	-	-
Cost at the end of the period	1,920,230	1,920,230
Amortisation at the start of the period	(1,920,230)	(270,066)
Charge for the period	-	(1,650,164)
Amortisation at the end of the period	(1,920,230)	(1,920,230)
Net book value at the end of the period	-	-
<b>Flinders Partners:</b>		
Cost at the start of the period	1,088,846	1,088,846
Additions for the period	-	-
Cost at the end of the period	1,088,846	1,088,846
Amortisation at the start of the period	(1,088,846)	(190,550)
Charge for the period	-	(898,296)
Impairment/Amortisation at the end of the period	(1,088,846)	(1,088,846)
Net book value at the end of the period	-	-
<b>Total Balance – 30 June 2014</b>	<b>82,850</b>	<b>-</b>

Intangible assets (intellectual property pertaining to Blue Sundial Pty Ltd and Flinders Partners) were previously being amortised over their useful lives (Estimate: 10 years) in 2013. In 2014, given a redirection of Company activities, these assets were written down to \$nil, albeit, they continue to contribute (ie. the Intellectual Property) to other Company pursuits.

Nest Group Limited intellectual property and goodwill was acquired in June 2014. To comply with AASB 136, both assets were written down / impaired to \$nil after acquisition, albeit the Directors believe such assets have ongoing economic value to the Group and will contribute to future profitability.

Patents are capitalised and will be amortised over their useful lives (Estimate: 10 years).

**Notes To and Forming Part of the Financial Statements  
for the Half Year Ended 31 December 2014**

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

	<b>Consolidated Entity</b>	
	<b>31 December 2014</b>	<b>30 June 2014</b>
	<b>\$</b>	<b>\$</b>
Prosthesis Pty Ltd	105,013	105,013
Less Impairment	(79,229)	(79,229)
	25,784	25,784

Interests are held in the following associated companies:

<b>Name</b>	<b>Principal Activities</b>	<b>Country of Incorporation</b>	<b>Shares</b>	<b>Ownership Interest</b>		<b>Carrying Amount of Investment</b>	
				<b>31 December 2014</b>	<b>30 June 2014</b>	<b>31 December 2014</b>	<b>30 June 2014</b>
				<b>%</b>	<b>%</b>	<b>\$</b>	<b>\$</b>
Unlisted: Prosthesis Pty Ltd	Commercialisation of New Technology	Australia	Ord	21.47	21.47	25,784(i)	25,784(i)

- (i) In 2013, the parent entity had acquired a 19% interest in Prosthesis Pty Ltd. This was increased to 21.47% in the 2014 year. 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.

**Notes To and Forming Part of the Financial Statements  
for the Half Year Ended 31 December 2014**
**7. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (cont'd)**

		Consolidated Group	
		31 December	30 June
		2014	2014
		\$	\$
a.	Movements during the year in equity accounted Investment in associated companies:		
	Balance at beginning of the financial year	25,784	80,000
	Transfer from other financial assets	-	68,012
Add:	New investments during the year	-	37,001
	Share of associated company's profit after income tax	-	(323,246)
Less:	Dividend revenue from associated company	-	-
	Disposals during the year (carrying value of associate)	-	243,246
	Impairment of associate		79,229
	Balance at end of the financial year	25,784	25,784
b.	Equity accounted profits of associates are broken down as follows:		
	Share of associate's loss before income tax expense	-	(323,246)
	Share of associate's income tax expense	-	-
	Share of associate's loss after income tax	-	(323,246)

c. Summarised presentation of aggregate assets,  
liabilities and performance of associates:

	Prosthesis Pty Ltd	
	31 December 2014	30 June 2014
	\$	\$
Current Assets	392	392
Non-Current Assets	172,749	172,749
Total Assets	173,141	173,141
Current Liabilities	52,653	52,653
Total Liabilities	52,653	52,653
Net Assets	120,488	120,488
Group's share	21.4%	21.4%
Group's share of associate's net assets	25,784	25,784
Revenue	-	-
Profit after tax of associates	-	-



**Notes To and Forming Part of the Financial Statements  
for the Half Year Ended 31 December 2014**

<b>8. OTHER FINANCIAL ASSETS</b>	<b>31 December 2014</b>	<b>30 June 2014</b>
	\$	\$
Available for sale - financial assets	(i) 143,707	143,707
	143,707	143,707

(i) Unlisted private company shares held in ReTime Pty Ltd

**9. FAIR VALUE MANAGEMENT**

The Consolidated Entity measures and recognises the following assets and liabilities at fair value on a recurring basis after initial recognition:

- financial assets at fair value through profit or loss;
- available-for-sale financial assets; and
- freehold land and buildings.

The Consolidated Entity does not subsequently measure any liabilities at fair value on a recurring basis, or any assets or liabilities at fair value on a non-recurring basis.

**a. Fair Value Hierarchy**

AASB 13: Fair Value Measurement requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

## Notes To and Forming Part of the Financial Statements for the Half Year Ended 31 December 2014

### 9. FAIR VALUE MANAGEMENT (cont'd)

#### a. Fair Value Hierarchy (cont'd)

##### Valuation techniques

The Consolidated Entity selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Controlled Entity are consistent with one or more of the following valuation approaches:-

- Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Consolidated Entity gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

The following tables provide the fair values of the Controlled Entity's assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation with the fair value hierarchy.

	31 December 2014			
	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>Recurring fair value measurements</b>				
<i>Financial assets</i>				
Financial assets at fair value through profit or loss:	-	-	-	-
Available-for-sale financial assets:	-	-	143,707	143,707
<b>Total financial assets recognised at fair value</b>	-	-	143,707	143,707
<i>Non-financial assets</i>				
Freehold land & buildings	-	-	-	-
<b>Total non-financial assets recognised at fair value</b>	-	-	-	-

Notes To and Forming Part of the Financial Statements  
for the Half Year Ended 31 December 2014

9. FAIR VALUE MANAGEMENT (cont'd)

a. Fair Value Hierarchy (cont'd)

	30 June 2014			
	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>Recurring fair value measurements</b>				
<i>Financial assets</i>				
Financial assets at fair value through profit or loss:	-	-	-	-
Available-for-sale financial assets:	-	-	143,707	143,707
<b>Total financial assets recognised at fair value</b>	-	-	143,707	143,707
<i>Non-financial assets</i>				
Freehold land & buildings	-	-	-	-
<b>Total non-financial assets recognised at fair value</b>	-	-	-	-

b. Disclosed Fair Value Measurements

Assets and liabilities held for sale are measured at fair value on a non-recurring basis.

There were no transfers between levels during the financial year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

*Valuation techniques for fair value measurements categorised within level 2 and level 3:-*  
Unquoted investments have been valued using a price earnings ratio of similar entities.

**Notes To and Forming Part of the Financial Statements  
for the Half Year Ended 31 December 2014**

**10. SUBSEQUENT EVENTS**

**Proposed Acquisition of Biovite Business**

In early January 2015 a new proposal involving the purchase of the issued capital of Biovite Australia Pty. Ltd. as opposed to buying the business of that company was developed which ultimately led to the acquisition of the company by Xerion Limited on 17 February 2015.

Consideration for the purchase consisted of a mix of cash payable in instalments totalling \$3,000,000, and the issue to the Biovite shareholder vendors of 6,499,000 fully paid ordinary shares in Xerion and 2,499,770 Performance Shares and, subject to Plentex shareholder approval, 1,499,864 fully paid ordinary shares in Plentex.

An initial deposit of \$50,000 was paid on 17 February 2015 and the balance of deposit (\$450,000) has since been paid. The balance of the cash component of the purchase price (\$2,500,000) is payable on or before 17 February 2017.

The Xerion Performance Shares have been issued on the basis that they will convert into fully paid ordinary shares if, within 24 months of the date of their issue, Xerion is successful in concluding the licensing of any product which contains or is to contain Biovite Australia's key bioactive product Amycot® or any derivative thereof or Xerion licenses its Dried Blood Spot sampling technique which results in consideration being payable to Xerion either as an upfront licence payment or guaranteed cumulative consideration payable by the licensee to Xerion exceeding \$4 million on a tiered conversion basis, depending on the cumulative consideration payable pursuant to an agreed licensing arrangement.

This event of conversion is to apply once only and in the event that any one of the above milestones is not achieved by the expiration of the 24 month period, the Performance Shares will lapse.

Xerion has assumed management control of Biovite Australia Pty. Ltd. and Plentex Directors, Peter Streader and Daniel Goldman, and Xerion's Chief Scientific Officer, Dr Vic Ilag, have been appointed as Directors of Biovite Australia Pty. Ltd.

Xerion completed a second seed capital raising at an issue price of 15 cents a share in early May 2015. On 25 May 2015 Xerion issued an Offer Information Memorandum pursuant to which it is seeking to raise \$3,000,000 before the cost of the offer by issuing 15,000,000 shares at an issue price of 20 cents each. Provision has been made in this offer to accept over subscriptions of up to a further 10,000,000 shares.

Xerion has engaged Melbourne based Sanston Securities Australia Pty. Ltd. as Corporate Financial advisor to the offer to assist Xerion with this capital raising.

Plentex hold 6,010,000 fully paid ordinary shares in Xerion together with 3,000,000 options exercisable at 30 cents at any time prior to 31 December 2016.

**Notes To and Forming Part of the Financial Statements  
for the Half Year Ended 31 December 2014**

**10. SUBSEQUENT EVENTS (cont'd)**

The capital structure of Xerion following the completion of the second seed capital raising referred to above is as follows:

<b>Shareholders</b>	<b>No. of Shares</b>	<b>% Shareholding</b>
Plentex Limited	6,010,000	29.5%
Other shareholders	14,372,399	70.5%
Total	20,382,399	100.0%
<b>Optionholders</b>	<b>No. of Options</b>	<b>% Options</b>
Plentex Limited <sup>(1)</sup>	3,000,000	33.2%
Other optionholders <sup>(1)</sup>	1,577,999	17.5%
ESOP optionholders <sup>(2)</sup>	4,450,000	49.3%
Total	9,027,999	100.0%
<b>Performance Shares</b>		
Shareholders - Biovite Australia Pty. Ltd.	2,499,770	100.0%

Notes:

- (1) These options are exercisable at 30 cents at any time prior to 31 December 2016.
- (2) These options are exercisable at 30 cents at any time prior to 5 years from their date of issue subject to certain conditions.
- (3) Subject to the successful completion of the \$3 million capital raising referred to above, Xerion will issue to Sanston Securities (or their nominee) up to a further 3,538,240 options exercisable at 30 cents at any time prior to 5 years from their date of issue and in the case of full oversubscriptions being received, Xerion will issue 4,538,240 options to Sanston Securities (or their nominee).

With the acquisition of Biovite, Xerion now has 3 significant platforms to enhance its business growth:

1. An existing range of Australian Therapeutic Goods Administration (TGA) approved anti-fungal products that are already being sold in Australia and some offshore markets which currently generate cashflow. With a new professional marketing campaign and distribution strategy, Xerion expects sales to grow significantly.
2. An exciting new medical device/companion diagnostic tool that is market ready to generate substantial sales. This tool allows for a different way to collect blood in a cost effective manner perfectly suited to the mass market and has the potential to disrupt certain aspects of the existing labour intensive process for the collection of blood.
3. A portfolio of projects that are in various stages of research and/or development that will bring new naturally based algae products to the market in a controlled manner.

Xerion's short-term objectives will be to expand the Calmagen® product line and boost sales and distribution. Xerion has appointed an internationally recognised marketing organisation SPRIM to investigate licensing opportunities, assist with the relaunch of the Biovite range of products, implementation of a digital marketing strategy including e-commerce capability and the appointment of additional local and international distributors. The product range will be launched in Canada in the second half of 2015. New products may be developed to treat acne, atopic dermatitis and other skin conditions using the AMYCOT® platform.

**Notes To and Forming Part of the Financial Statements  
for the Half Year Ended 31 December 2014**

**10. SUBSEQUENT EVENTS (cont'd)**

The market for fungal products is very large. Fungal infections of the skin and nails are a health concern worldwide affecting an estimated 10-20% of the global population. Biovite's Calmagen® product is very effective because it kills fungal spores unlike most existing products in the market which do not kill the fungi but only inhibit future growth. Most of these other products are chemically based and can have unwanted side effects. Naturally-based Calmagen® offers a safe and highly efficacious alternative that has been validated in multiple clinical trials.

Some months ago, Xerion acquired the worldwide exclusive commercial rights to the only Dried Blood Spot (DBS) technology that accurately facilitates the measurement of fatty acids in blood and other biological fluids such as breast milk. The technology was developed by Prof. Robert Gibson from the University of Adelaide, a leading world authority in nutrition. It is currently being used in a clinical trial testing 5,500 pregnant mothers and in another trial testing 1,225 infants.

This technology has the potential of revolutionizing aspects of the personalised medicine/nutrition space by offering a robust companion diagnostic. Xerion will explore its immediate applications in determining the Omega 3 Index, an emerging therapeutic indicator and other fatty acid profiles which are good biomarkers for cardiovascular health, inflammation and cognitive health. The Company anticipates immediate revenues from the technology by selling it as a research tool in biomarker discovery and clinical trials. Other future revenue streams from the technology are currently under discussion.

Through its acquisition last year of Plentex's portfolio of algae based projects and related intellectual property, the focus of which was to develop a range of natural efficacious algae derived products, Xerion has access to novel algal strains and proprietary extraction methods that could feed a robust product pipeline. Xerion also has high valued research partnerships which will be key in expanding its algal based product platforms.

**Philippines Integrated Aquaculture Project**

Significant progress continues to be made in the development of this project.

Recent highlights include the signing by Plentex Realty Inc. (PRI) of a contract to purchase a 4½ hectare parcel of land at Suhi which adjoins the approximate 1 hectare block of strategically located land which Plentex Philippines Inc. (PPI) is negotiating to lease from the City of Tacloban as the site for its Stage 1 fish meal/oil plant.

For ease of reference the 4½ hectare block is referred to as Suhi Lot 2, and the proposed lease site as Suhi Lot 1. Suhi Lot 2 has recently been surveyed and some clearing of the block has taken place.

PRI has also entered into a contact to purchase a decommissioned fish hatchery located on an approximate 1 hectare block at Villareal some 35 kms from Suhi Lots 1 and 2. This fish hatchery can be brought into operation at a very low cost and will eventually provide fingerlings for Plentex's proposed Stage 3 fish production business.

**SA Aquafeed/Petfood Project - Protemax Pty. Ltd.**

This project has also seen significant progress since 1 January 2015.



**Notes To and Forming Part of the Financial Statements  
for the Half Year Ended 31 December 2014**

**10. SUBSEQUENT EVENTS (cont'd)**

Protemax has selected a strategically situated site for its proposed manufacturing plant in an industrial estate which has been developed by the South Australian State Government at Port Adelaide. Discussions have taken place over recent months in relation to the acquisition of this site which provides focus for a definitive feasibility study which is being carried out by ProteMax.

Protemax has engaged Netherlands based Ottevanger Milling Engineers, one of the world's leading suppliers of production facilities and processing lines for grain processing compound feed products, pre-mixes, feed concentrates, aquafeed, petfood and cereals. Ottevanger manufactures hammer mills, mixers, conditioners, pellet mills, extruders, driers/coolers, crumblers, bucket elevators, screw conveyors, chain conveyors, liquid dosing systems, storage silos, electrical and process control and fully automated control systems, and provides after sales service worldwide.

Ottevanger has recently completed a first pass capital cost estimate for ProteMax and is working closely with Wenger Manufacturing Inc. of Kansas USA which will provide two state of the art extruders and other equipment for inclusion in ProteMax/s plant.

Albury based Austratek Designs has been engaged by ProteMax to provide overall project management and will also be responsible for the construction of buildings, site works and other facilities falling outside the scope of Ottevanger's project responsibilities.

Protemax has recently initiated discussions with potential aquafeed and petfood customers and expects to conclude its definitive feasibility study in September 2015.

**Funding**

The Company has raised a total of \$508,000 since 1 January 2015 by the placement of 4,830,000 shares at ten cents per share.

Whilst Plentex will not be required to provide further financial support to Xerion, it is important that new funds be raised by the Company to advance its core activities in the Philippines, initially support ProteMax's activities and to meet Plentex's day to day operating costs.

To facilitate this capital raising and address other ancillary matters, Plentex has convened a General Meeting of its shareholders which was held on 29 June 2015. At this meeting shareholders authorised the placement of up to 12,500,000 fully paid ordinary shares to sophisticated and other exempt investors at an issue price of ten cents per share.

This is to be the first phase of a two phase capital raising program, the second of which planned for later in the year being by way of an offering under a prospectus of up to 20,000,000 fully paid ordinary shares at an issue price of 30 cents per share.

The Phase 2 capital raising will be subject to and conditional upon Plentex shareholders approving in General Meeting the consolidation of the Company's share capital on a 1 new share for every 2 existing shares basis.

As part of this consolidation process (again subject to prior shareholder approval), Plentex shareholders will be offered 3 bonus options for every 5 shares held on a post consolidation basis. These options will be exercisable at 35 cents at any time prior to 31 March 2018.

**Notes To and Forming Part of the Financial Statements  
for the Half Year Ended 31 December 2014**

**10. SUBSEQUENT EVENTS (cont'd)**

The Directors hope that successful completion of the planned Phase 2 capital raising will result in the requotation of the Company's securities on the ASX. This will require that in addition to raising the targeted \$6,000,000 that the Company meet the other requirements of Chapters 1 & 2 of the ASX Listing Rules. This offer will include provision for a priority offer to Plentex shareholders.

**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 Corporations 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 2014 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: 6 July 2015

Melbourne



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## 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 statement of financial position as at 31 December 2014, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the 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 2014 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.



## 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 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 2014 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*

## Emphasis of matter

Without modifying our conclusion, we draw attention to Note 1(b) in the half-year financial report, which indicates that the ability of the consolidated entity to continue as a going concern is dependent upon the future successful raising of necessary funding through equity. These conditions, along with other matters as set out in Note 1(b), 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

A handwritten signature in blue ink, appearing to read 'Alex Swansson', is written over a faint, stylized 'BDO' logo.

Alex Swansson  
Partner

Melbourne, 6 July 2015