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## Chairman's Report

Season's greetings and welcome to our second issue of *Progress*. This newsletter aims to keep you informed about Plentex Limited's journey to become a leading Australian-Asian aquaculture business.

I am pleased to report that our capital raising efforts are being well received in Manila. We have progressed due diligence with a number of serious parties including banks, high net worth families and investment groups and I am confident of being able to bring news of our success in the New Year. It is interesting to note that several aspects of our business model appeal to these potential investors. While aquaculture is our main game (see Fish Farming Value Proposition later in this newsletter) the short-term payback on significant revenue generated by the integrated agri-product plant is attractive as is the perceived social enterprise value of our diverse operations to the local

communities.

In *Progress* Issue 1, our aquaculture plan was briefly outlined and I'm pleased to report on the latest developments.

While our goal is to market high-quality Barramundi fish throughout the region, Barramundi farming is still some way off for us. In the meantime, we have taken a modest, low cost entry point into fish farming. As reported in *Progress* Issue 1, the large purpose built dam at our Suhi base has been stocked with tilapia.

Tilapia is a hardy fast growing freshwater fish with mild tasting white flesh and is now one of the fastest growing and widespread aquaculture species in the world.

The Washington Post (October, 2016) described tilapia as an "environmentally friendly, lean, low-calorie source of protein" and, in a blind tasting by six experts, rated it better than barramundi.



Fig 1

Fig 1: First harvest of tilapia received an enthusiastic response from the buying public.

These small beginnings have already started to generate revenue to offset local operational expenses.

Figs 2, 3, 4, 5: Plentex's aquaculture infra-structure. Left: the refurbished office and staff amenities block; Below Left: PPI's own boat used for transportation Right: pristine waterways where marine fish can ultimately be grown to market size in sea cages. Below right: tilapia grown in dam.



Fig 2



Fig 4



Fig 3



Fig 5

## Fish Farming Value Proposition

A recent article from Aquasol fish farming consultants ([www.fishfarming.com](http://www.fishfarming.com) 12/10/2016) described five golden rules for successful investment in aquaculture and we are pleased to see that Plentex Philippines Inc. (PPI) can tick all the boxes.

### ✓ Top management

PPI has a Board, Management team and advisors who are well credentialed and experienced in the industry.

### ✓ Location

PPI has a superior site of operations in the right climate with access to high quality water both of which are essential for achieving quality product.

### ✓ Minimize risk

Early stage development is inherently risky but is offset by PPI in selecting the right species - barramundi and tilapia, both of which have well-established farming methods and markets.

### ✓ Economic sustainability

Lack of capital is a common cause of failure in the aquaculture industry. PPI has planned for sustainability through its scalable business model which features multiple revenue streams from a diversified range of agri-products.

### ✓ Maximize returns

According to Aquasol, the greatest returns on investment in the aquaculture industry are achieved by internally controlling all the major components required for the final product. Fully integrated companies are best positioned to return the greatest profits. This bodes well for PPI's ultimate integrated agri-business objective.

*"The potential for excellent rates of return on investment are present; internal rates of return of 20-30% over a ten year timeframe are achievable in well-managed projects and companies."* Aquasol 12/10/2016

## Chairman's Report continued

Work is forging ahead at our Suhi base to prepare for our integrated agri-product plant. Site plans and plant design are now complete. A building permit has been received for redevelopment of an existing weighbridge building into office facilities. Importantly, environmental approval has been received for rice and cassava processing paving the way for the plant's development.



Figs 6 & 7: Above: Coconut seedlings being planted at Suhi Lot 2;  
Below: Some of the PPI workers



*"To our shareholders and business associates who have made our progress possible, thank you for your support and thank you to our hard working staff for your efforts. We can confidently look forward to a partnership of continuing success in 2017. On behalf of the Plentex Board, I extend to you and your loved ones our warmest wishes for a happy Holiday Season and a prosperous and peaceful New Year."* Peter Streader, Chairman

## Spotlight – 2016 Milestones

- Long term lease of plant site (approx. 1.6 hectare) from City of Tacloban signed and ratified by Council on 3 August 2016 (Suhi Lot 1)
- Adjoining 4½ hectare block (Suhi Lot 2) purchased by PRI. Large dam (approx 50 million litre capacity) constructed to provide process water and other site development works in progress
- Contract signed for purchase of another 1½ hectare block (Suhi Lot 3) adjoining Suhi Lot 2
- Decommissioned fish hatchery at Villareal (35kms from Suhi Lots 1, 2 and 3) purchased by PRI. Renovation works in progress. Negotiations in progress to purchase adjoining 2 hectare block to facilitate expansion
- D. Oehlmann & Associates (DOA) engaged as Project Manager. DOA finalising the design of the coconut processing plant, procurement of equipment and will manage construction
- Turn key contracts for rice and cassava plant supply and installation being finalised
- Financial model developed by an external consultant for the integrated agri-product plant
- PPI's high potential Philippine R&D commercialisation projects being advanced – two MOUs signed with respect to *Halymenia durvillei* growing and extraction