Profile of Grandis Timber Ltd
Company Description

- Grandis Timber Limited is a commercial reforestation company, focused on establishment of timber plantations on previously deforested lands.

- Grandis Timber Limited is a joint venture between SRP International Group Ltd., and Capricorn Timber Fund K/S, under the management of International Woodlands Company A/S (IWC) of Denmark.

Company Ownership Structure

```
Capricorn Forest Fund K/S
(Majority Owner)
```

```
SRP International Group Ltd.
```

```
Monsoon Timber K/S
```

```
Grandis Timber Ltd.
```

Mission of Grandis Timber:

The creation and management of timber plantation assets in Cambodia of a quality appealing to international institutional investors

Goals of Grandis Timber:

Creation of long term value for our shareholders
Establish industry leadership within the regional emerging markets in the following areas:
– Profitability / Return on Investment
– Tropical Hardwoods Plantation Technical Expertise
– Operating Procedures and Efficiencies
– Environmental Sustainability
– Social Responsibility
Objectives of Grandis Timber:

To accomplish the mission and goals stated above, the following objectives must be met over the next 5 years:

Establishment of a 10,000 hectare teak plantation

Continuous Improvement of:
- Operating Procedures / Methods
- Plant Materials
- Tracking, Reporting and Management of Plantation Data

Provide training and development for local staff in the following areas
- Technical: Forestry, Silviculture, Agriculture
- Business: Management, Finance, Data Management, Human Resources, Ethical Conduct
- Health and Safety

Achievement of International Certifications
- ISO 9000
- ISO 14001
- Forest Stewardship Council (FSC) Certification
Roles and Responsibilities

- **Capricorn Timber Fund**
  - Provider of capital
  - Communication of investors standards with regard to:
    - Financial Returns
    - Reporting Requirements
    - Social and Environmental Issues

- **IWC:**
  - Representation of Capricorn Timber Fund Investors interests on the Board of Directors
  - Communication and implementation of the investors standards with regard to:
    - Financial Returns
    - Reporting Requirements
    - Social and Environmental Issues

- **SRP International Group**
  - Operations /Project Management
  - Financial Management and Reporting
  - Government relations
  - Technical Expertise
  - Implementation of programs and policies meeting the investors standards in all areas
Profile of International Woodlands Company A/S
International Woodlands Company A/S (IWC)

Company Description

• IWC is a global provider of forest investment advisory services.
• Founded in 1991
• Based in Copenhagen Denmark
• Regional Office in Singapore
• Ownership: Teachers Fire Insurance Company (49%) and IWC Holdings A/S a Danish limited liability company owned by employees and board members of IWC.

Mission

• IWC is dedicated to creating and capitalizing on the optimal conditions for forest investments to benefit their clients. IWC employs practical experience and analysis to foster innovative thinking in order to promote the development and advancement of global forestry.
International Woodlands Company A/S (IWC)

Organization

• IWC is organized into 2 teams:
  
  – **Portfolio Management** responsible for client relations, client strategy, fund strategy, investment control and reporting in the *Mature Markets*
  
  – **Investment Development & Analysis** responsible for frontier and *Emerging Markets*, management of the *Capricorn Forest Fund*, new investment opportunities and new investment products.
International Woodlands Company A/S (IWC) (Continued)

Timberland Assets under Advice/Management

Amount Invested Worldwide: US$ 1.6 billion (1.4 million hectares)

Remaining Un-invested

Binding Capital Commitments: US$ 1.1 billion

Total

US$ 2.7 billion

Investment Regions:

Australia, Brazil, Cambodia, Chile, Estonia, France, Guatemala, Ireland, Latvia, Mozambique, New Zealand, Panama, Romania, Russia, Sweden, Uruguay, US Northeast, US Pacific Northwest
Capricorn Forest Fund K/S

Fund Description

- Established in 2007
- Investment period: 4 years
- Term of the Fund: 15 years
- Focus
  - Investment in commercial timber production in locations that are not currently developed for institutional forest investors

- Management
  - IWC Investment Development and Analysis Division
International Woodlands Company A/S (IWC) (Continued)

Capricorn Forest Fund K/S (continued)

• Goals:
  – Higher risk adjusted financial returns
  – Benefit from increased diversification
  – Capture early mover advantage

• Target Investment Regions:
  – Asia
  – Africa
  – Tropical Latin America
  – Russia

• Types of Investments
  – Direct Ownership
  – Concessions
  – Partnership with/in established timber funds
  – Forestry linked bonds
Profile of SRP International Group Ltd
SRP International Group Limited

Company Description

- SRP International Group Limited is a Hong Kong limited company, with offices in Bangkok, Thailand.
- Formed in 1999 for the purposes of exploring investments in the developing markets of Asia.
- Originates, structures, sources capital and implements the management necessary for the execution of business plans developed for acquisitions, new ventures, joint ventures and business alliances.
- Active throughout ASEAN, with specific focus in Cambodia, Thailand and Indonesia.
- Focus industries are agriculture, automotive, timber, and general manufacturing.
- In Cambodia, SRP International is focused on Plantation Development and Management.
SRP International Group Limited (Continued)

History

- In 2001 SRP International began a feasibility study into the development of commercial scale agriculture and timber plantations in Cambodia.
  - The study included an extensive analysis of:
    - Market trends for tropical timber
    - Trends in the business/investment climate in Cambodia
    - Technical expertise required
    - Operating issues
  - Later that year, the company established SRP International (Cambodia) Ltd.
- The above efforts positioned SRP International to maximize opportunities in Cambodia for new foreign entrants with whom SRP International could partner.
SRP International Group Limited (Continued)

History

• In 2002 SRP International established its first teak nursery operations in Kampong Cham province.
  – Operation produced over 1.25 million seedlings
SRP International Group Limited (Continued)

**History**

- In 2003 and 2004, the first teak seedlings were planted on approximately 450 hectares of privately leased land Kampong Cham province.
SRP International Group Limited (Continued)

History

- SRP International’s operations have:
  - Employed over 2000 persons during peak activity periods
  - Temporary staff are recruited nationwide
  - Personnel are fed and housed at SRP International’s remote Operating Sites
Establishment of Grandis Timber Limited

- In November 2006, SRP International and IWC began discussion regarding potential investment in Cambodia
- Over the next 24 months:
  - A business plan was developed
  - Due diligence study was completed; and
  - Contracts were negotiated

- November 2008 Monsoon Timber K/S and its wholly owned subsidiary, Grandis Timber Limited, were established

- In early 2008, SRP International began searching for an acceptable large scale plantation site
  - Through this process, the requested site was identified
Grandis Timber’s Current Activities

• In December 2009 Grandis Timber successfully negotiated an Economic Land Concession in Kompong Spue Province.
  – Area was previously deforested in early 1990’s
  – A teak plantation will be reestablished on the site.
• Operation will be the first to seek Forest Stewardship Council (FSC) certification in Cambodia
Grandis Timber’s Current Activities

• To accomplish our objectives
  – An extensive training program has been underway to develop the local management team

  • Safety and First Aid
  • Remedial Mathematics
  • Environmental and Conservation Issues
  • General Management
  • Basic Nursery Operations
  • Basic Silviculture
  • Fire Prevention and Fighting
Grandis Timber’s Current Activities

- To accomplish our objectives
  - A seedbed and nursery operations was established outside of the concession area,
  - Estimate 3.0 million seedlings produced in 2009-10
Contact Information

• For further information contact:

  Daniel Mitchell  
  Managing Director  
  Grandis Timber Limited  
  61B Street 261  
  Group 17, Sangkat Teuk Leak 3  
  Khan Toul Kok  
  Phnom Penh, Cambodia  

  Office: + (855) 23 882 173  
  Cambodian Mobile: + (855) 92 744 631  

  Email: danielmitchell@srpintl.com  

  Websites:  
  www.srpintl.com  
  www.iwc.dk