

Sapling Teak Plantation

Batticaloa, Sri Lanka
Planted January 2016



Sapling Teak Investment (Sri Lanka)

Opportunity

To acquire physical teak trees direct from newly planted estates in Sri Lanka. Sapling trees are a long-term opportunity, typically 17 - 20 years, which can provide a high return on investment.

Purchase Order

Clients acquire specific trees from specific plantations. Trees are sold based on an audited grid map with each tree given a unique grid reference. Each plantation has a completion date which is the final date at which the trees must be sold. Clients can however sell their trees at any time prior to the final completion date.

Minimum Investment

AsiaTeak offers a number of standard tree packages starting from US \$50,000 upwards. Our clients can expect an annual return in excess of 9% IRR pa depending on number of trees purchased and investment term.

Size Warranty

In order to reduce risk AsiaTeak underwrites the average size of the investors trees and provides a buffer stock to ensure full delivery of a minimum amount of teak

KEY FACTS

Supplier:	AsiaTeak Group
Asset:	Forestry (Timber)
Type:	Direct/Physical
Species:	Teak (Tectona Grandis)
Location:	Batticaloa, Sri Lanka
Minimum Investment:	US\$ 50,000
Projected Return:	9%+ (IRR) pa
Tree Age:	0 Years
Security:	Debenture/Trust
Trustees:	Forestry Ownership Ltd
Auditors:	Austhai Geophysical
Exit:	Harvest 17 - 20 years

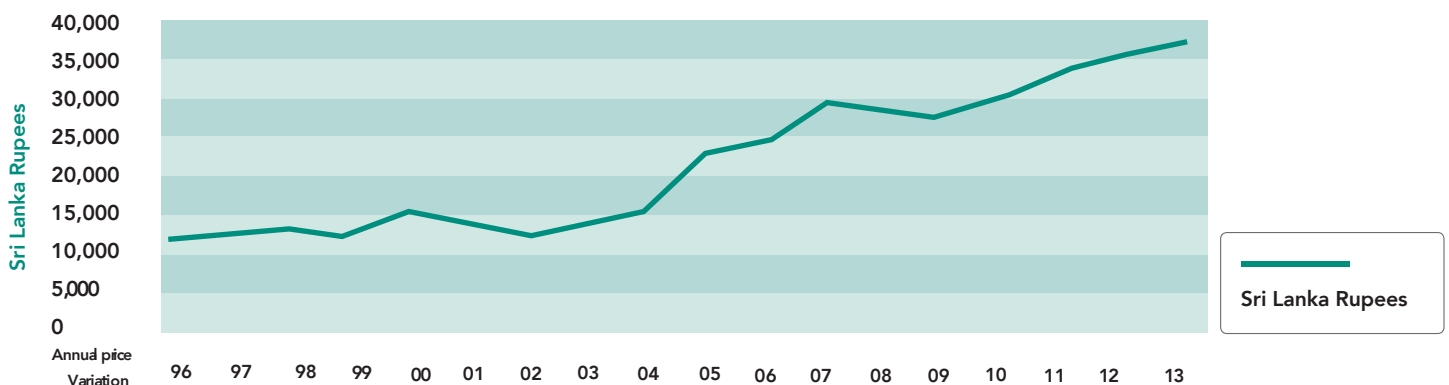
Illustration:

This illustration projects the value of a US\$200,000 investment at various ages (net of 10% harvest fee)

Price/Value	\$200,000				
Size (GBH)	7 cms				
Annual Return % (IRR)					
Tree Age	0 years	17 years	18 years	19 years	20 years
		\$875k 119 cms 9.38%	\$1,028k 126 cms 9.82%	\$1,187k 133 cms 10.11%	\$1,376k 140 cms 10.39%

Teak Price Inflation (Sri Lanka) - Sri Lanka Price Trends (1996 – 2013)

Pricing used is sourced from SL State Timber Corp. base grade pricing and illustrating general price trends within the Sri Lanka teak market. In simple terms the graph below shows a significant increase in the value of teak from 1996 – 2013. Starting from SLR 12,000 in 1996 to around SLR 36,000 in 2013, indicating an average annual increase of just over 10%.



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Sapling Teak Investment, Batticaloa, Sri Lanka

Forestry Managers: AsiaTeak Lanka (Pvt) Ltd. Auditors: Austhai GeoPhysics Ltd.

Total Planted Stock: 30,500 Plantation Area: 122 Acres
Available to Buy: 17,500 Planting Date: 2016

Projected Growth GBH: 7cm pa Size Projection at age 20 years: 140cm GBH
(girth at breast height)

Maturity From: 2033 to 2036
Completion Date: 2033
Final Harvest Date: June 2036

Projections

Investment	Quantity	Tree Price	Projected Value	Capital Growth %	Annual Return (IRR)
US\$ 50,000	227	US\$ 220	\$328,083	656.17%	9.83%
US\$ 100,000	465	US\$ 215	\$672,065	672.07%	10.09%
US\$ 200,000	952	US\$ 210	\$1,375,925	687.96%	10.35%

Assumptions

These projections are based on currency conversion LKR144:1US\$. FIO Teak pricing and 2.5% market price inflation.
Investors should make themselves fully aware of all the risks before ordering.
Prices can go down as well as up.

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