

IMPORTANT NOTICE

Anglo Asia Forestry Company Limited and AsiaTeak Group (Hong Kong) Limited

Notice of Variance to Terms and Conditions of Sale

The following announcement is of relevance to all AsiaTeak clients who hold Purchase Orders for teak trees growing in AsiaTeak plantations in Sri Lanka and Thailand.

It is with regret that, in order to manage our plantation maintenance program, the company needs to make significant changes to our Terms and Conditions of Sale. This change will affect the financial return to our clients and also the ability of clients to determine the timing of the harvest of their trees.

The amended Terms and Conditions of Sale are detailed below but in practical terms there are two main changes to your Purchase Order:

1. The Harvest Fee will increase from 10% to 30% (includes the additional 20% fee)
2. The Harvest Date will be determined by the company not by the client.
 - a. For Thailand this is expected to commence in January 2024 and completed no later than 31st December 2026
 - b. For Sri Lanka this is expected to commence in January 2030 and completed no later than 31st December 2034

Anglo Asia Forestry Company Limited and AsiaTeak Group (Hong Kong) Limited hereby announces the following variance to its Terms and Conditions of Sale.

1. The "Completion Date" will now be referred to as the "Harvest Date" and will be determined by the Board of Directors of the Supplier.
2. The "Harvest Date" as referred to in point 11 of the Definitions section, will in future be determined by the Board of Directors of the Supplier.
3. An early "Completion Date/Harvest Date" as previously referred to in point 6 of the Purchase Order Process section cannot now be requested by the Customer and has been removed.
4. With reference to point 2 of the Sale of Trees section, Customers will no longer be able to decide upon the harvest date of their trees. The Supplier will in future determine this date.
5. Under point 1 of the Sale of Trees section, the supplier is appointed as the customers agent to harvest and sell their trees.
6. The fee for harvesting and selling the Customers Trees as referred to in point 3 of the Sale of Trees section has increased to 30% of the gross sale price of the trees. This includes the additional 20% fee.
7. AsiaTeak will re-issue revised Purchase Confirmations, as referred to in point 9 of the Definitions section, to all Customers, before 30th October 2019 to reflect these changes.

The above notice is issued by the Board of Directors of Anglo Asia Forestry Company Limited and AsiaTeak Group (Hong Kong) Ltd. The variance to the company's Terms and Conditions of Sale will become effective on 1st September 2019. AsiaTeak Group (Hong Kong) Limited is a 100% subsidiary of Anglo Asia Forestry Company Limited.