



New Forests Completes Investment in Hardwood Plantation in Laos
Asian investment business has now expanded across Indonesia, Malaysia, and Laos

SINGAPORE – 4 April 2017 – New Forests, on behalf of its Tropical Asia Forest Fund (TAFF), has completed the acquisition of a majority shareholding in one of the largest hardwood plantation estates in Laos. TAFF's portfolio now comprises investments with diversified timber species and market exposures across plantation companies in Malaysia, Indonesia, and Laos. TAFF includes capital commitments from nine investors and is the only institutional forestry fund dedicated to investing in sustainably managed timber plantations in Southeast Asia.

TAFF's latest acquisition is an 85% interest in a mature plantation estate that will be known as Mekong Timber Plantations. New Forests intends to develop the plantation as a high-quality timber asset serving regional markets for certified plantation hardwood. The purchase further supports TAFF's investment thesis of acquiring significant interests in plantation timber companies and investing to transition these assets toward higher value end markets and to service the growing demand for certified, sustainable timber in Asian markets. The fund's investments include eucalyptus and acacia plantations as well as a rubber plantation that will produce both latex and timber products.

Mekong Timber Plantations will manage 22,000 hectares of leased area mainly in Bolikhamxay and Khammouane provinces of Laos. TAFF also has equity interests in Acacia Forest Industries Sdn Bhd of Sabah, Malaysia and PT Hutan Ketapang Industri of West Kalimantan, Indonesia. In total, the fund has invested in more than 150,000 hectares of concessions, leases, and gazetted land, currently including around 45,000 net planted hectares.

"New Forests has steadily expanded the portfolio of investments we manage across Southeast Asia through the activities of the TAFF," said CEO David Brand. "The fund has proven that there is an opportunity for institutional investors to contribute to the shift of Asia's forest sector to long-term, sustainable management. With a patient and disciplined approach to acquisitions, good forestry investments are available throughout the region. We also believe there is great opportunity to improve silviculture, increase growth rates, and develop markets linked with the growing demand for wood products in Asia."

New Forests launched the Tropical Asia Forest Fund to bring its timberland investment expertise to emerging markets in Asia. The company has established a dedicated, local team to develop and manage investment opportunities. Today the TAFF team includes six investment professionals based in Singapore with expertise across private equity, forestry investment, forest resource management, and environmental and social management.

Managing Director for New Forests Asia, Geoffrey Seeto, commented, "Southeast Asia is a new market for forestry investors, but it is at the centre of the rising Asian demand for responsibly produced timber. Our approach has been to progressively work through a pipeline of quality deals developed through our regional network and local presence. We have demonstrated an ability to complete complex transactions and provide beneficial outcomes to our business



partners. We continue to see attractive opportunities and look forward to continuing our investment program in the region.”

Brand added, “Since we launched TAFF, interest in sustainable investments has grown dramatically, and we believe the TAFF portfolio will demonstrate the ability to generate appropriate risk-adjusted returns from forestry in Southeast Asia while also delivering on objectives like biodiversity conservation, climate change mitigation, and shared prosperity.”

About New Forests

New Forests (www.newforests.com.au) is a sustainable real assets investment manager offering leading-edge strategies in forestry, timber processing, infrastructure, land management, and conservation. Founded in 2005, the company’s investment programs focus on the Asia-Pacific region and the United States, with more than AUD 3.6 billion in funds, assets under management, and committed capital. New Forests’ clients include pension funds, superannuation funds, and other institutional investors. The company is headquartered in Sydney, Australia with offices in Singapore, San Francisco, and New Zealand.

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