

# HH-APRIL COLLABORATION UPDATE

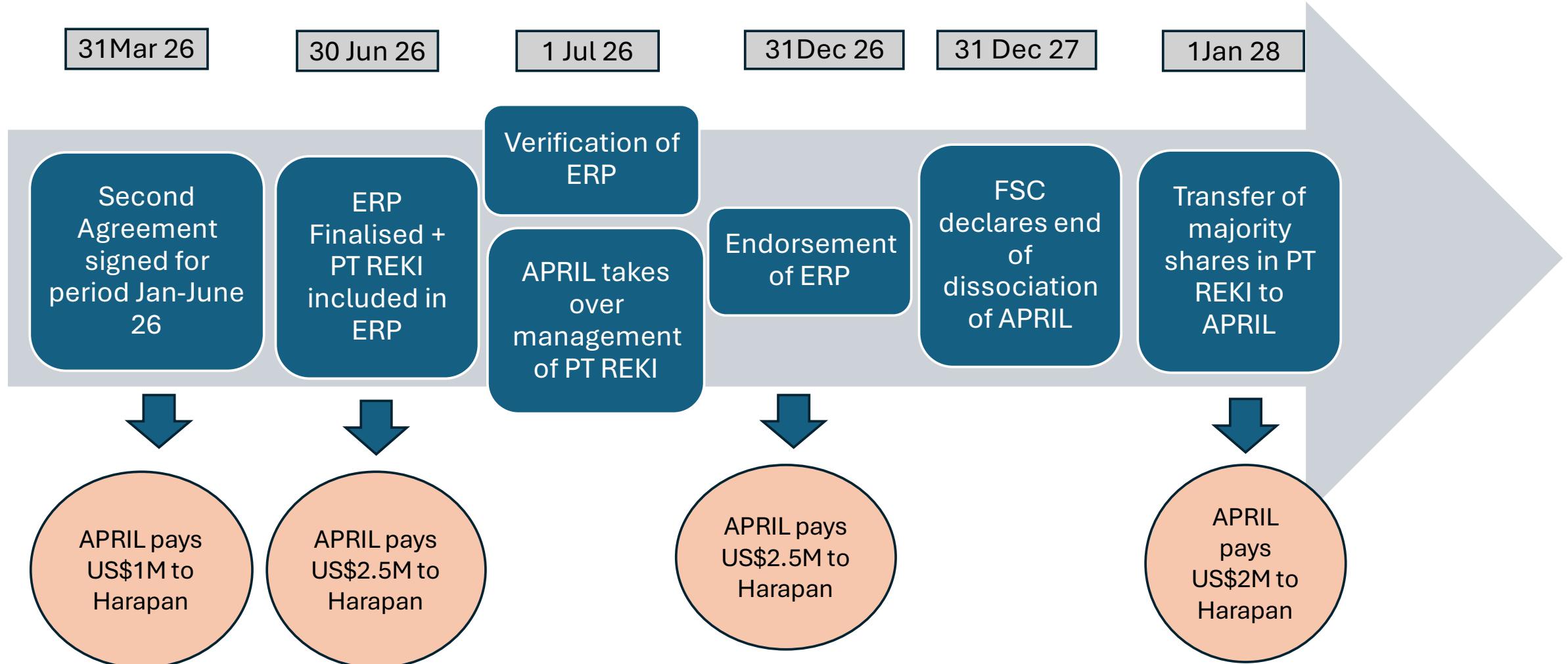
Patron's Meeting 28 Jan 2026



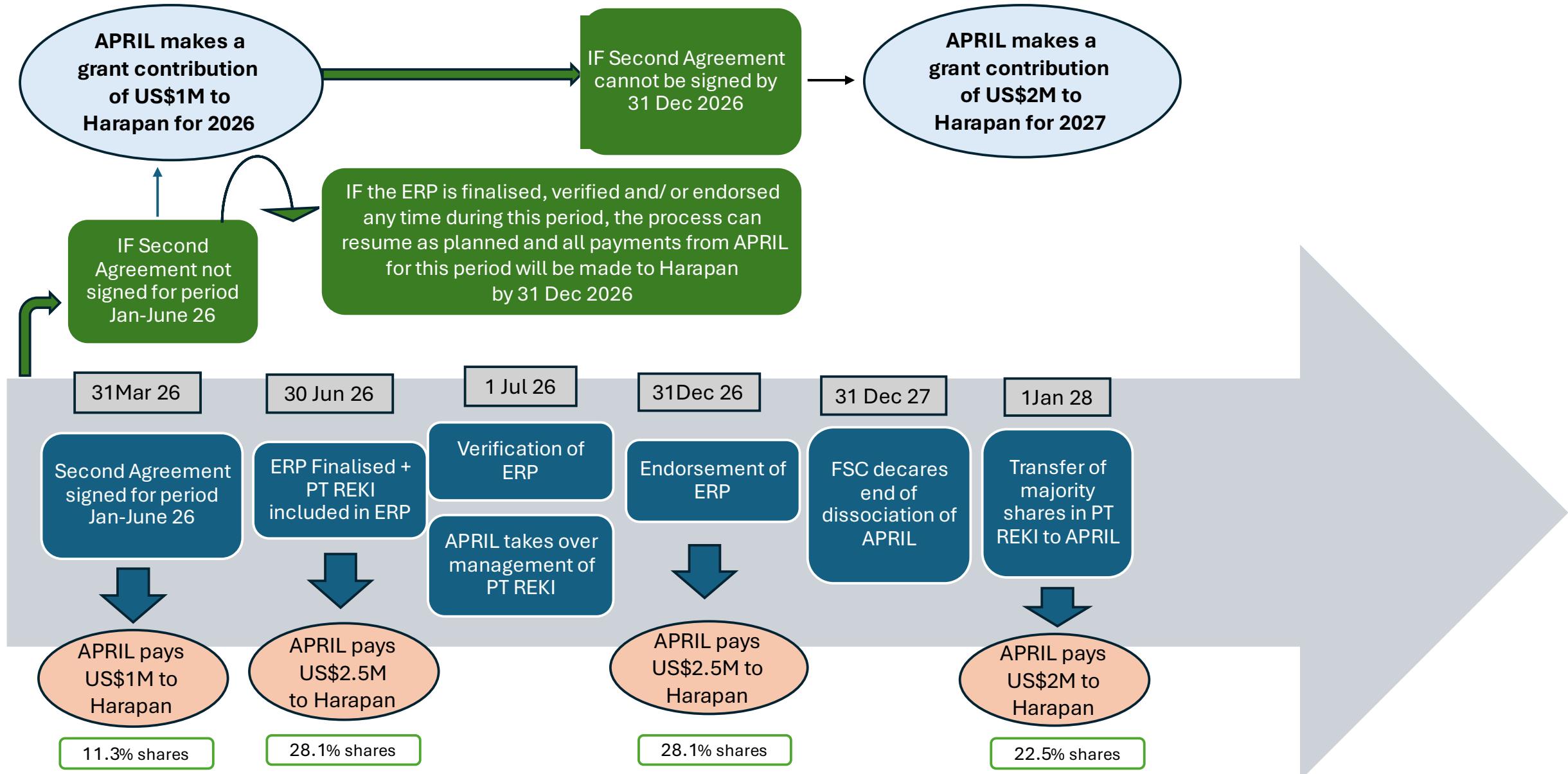
# Update – 28 Jan 2026

1. Meeting with Mr Bey & Lucita Jasmin in Singapore on 21 Nov.
2. APRIL facing challenges with FSC certification
  - MoU with FSC suspended in Sept due to incident in one of their plantation companies in North Sumatra, currently working to get this suspension lifted
  - Delays in paperwork for remedy plan
3. Propose to delay signing Second Agreement until suspension has been lifted and that payment for transfer of shares be linked to progress in development of APRIL's Environmental Remedy Plan.

# HH-APRIL Collaboration – APRIL's proposal



# HH-APRIL Collaboration – Harapan Partners’ recommendation



# Budget Implications

- PT REKI Budget for 2026: A six-month budget and workplan (Jan-June 2026) has been prepared in anticipation of APRIL taking over operations on 1 July 2026. The plan is to have all KfW funds spent by 30 June 2026 to ensure there is no overlap between KfW funding and APRIL acquiring majority shareholding.
- The arrangements for the second half of 2026 is dependent on arrangements and agreements with APRIL or we might have to use drawdowns from the trust funds of SIA and IEF.
- The delay in finalising the arrangements with APRIL will mean that we cannot yet forecast the annual expenditure beyond 2026. If the deal with APRIL is delayed but goes ahead in late 2027, we might be able to secure financing for the operations beyond 2028.
- The risk of depending entirely on the collaboration with APRIL for the sustainable financing of Harapan has increased and we might need to start looking for an alternative source of funding if this does not materialise.

# Next Steps

- ❖ Gather detailed information regarding APRIL's proposal for acquiring shares in PT REKI and understand the FSC environmental remedy plan (ERP) development process
- ❖ Immediate: HH-APRIL-WWF visit to Harapan 9-13 Feb to discuss inclusion of plantation buffer in HH in APRIL's ERP
- ❖ Negotiate a counter proposal with APRIL to get an agreement
- ❖ Propose to check progress in March 2026 to see if we are making suitable progress and whether we need to start looking for an alternative source of funding