



HEALTH AND PLANT PROTEIN GROUP LTD

A.C.N. 010 978 800 A.B.N. 68 010 978 800

Level 5, 303 Coronation Drive,  
Milton QLD 4064

## ASX ANNOUNCEMENT

### UPDATE ON KAPUA ORCHARD STRATEGIC REVIEW

- Committed to Royal Hawaiian Orchards® as Hawaiian grown and identifiably Hawaiian brand
- Kapua Orchards increase in value to US\$33.6m (vs \$32.1 million pc)
- Considering strategic orchard operating partnership options by Q3 2022 to focus on FMCG marketing strengths
- Partnership to be structured to maintain access, quality and supply chain integrity
- Royal Hawaiian Orchards® revenues continue to grow apace

**Milton, QLD 28 July 2021:** As announced at its Annual General Meeting in December 2020 and in the half-year results, Health and Plant Protein Group Limited (ASX:HPP) (**Company**) has been undertaking a strategic review of the ownership role of its Kapua Orchard in Hawaii with regard to realisation of the Company's vision of becoming a dominant player in its chosen health and plant protein categories, anchored by the macadamia business.

HPP Executive Director Dennis Lin said "The HPP platform is ready to execute its vision and that encompasses continued development of our market leading Royal Hawaiian Orchards® brand as both Hawaiian grown and identifiably Hawaiian.

"Following the strategic review of the Kapua Orchards and in light of the unsolicited interest in the orchards by third parties, it has become apparent that the macadamia industry in Hawaii can justify further investment to improve processing as well as more precision and 'smart' agricultural practices.

"As a business whose strength lies in FMCG marketing, rather than agricultural production, in line with our commitment to grow the industry, the Board has resolved to seek a strategic partner for the orchards that will enable HPP to secure appropriate back-to-back long-term volume-based offtake agreements from the orchards along with other Hawaiian growers including for supply of organic macadamia nut.

Long-term, HPP is committed to ensuring its assets are delivering returns commensurate with a high growth FMCG business, however there is no absolute prerequisite for HPP to own the orchards outright to secure quality base product and ensure processing supply chain integrity. That being said, exiting orchard ownership would only be undertaken with the approval of relevant stakeholders including key customers who appreciate the provenance of our product and our demonstrable supply chain integrity. In considering our options we may consider investing in harvesting and processing capabilities making production more cost efficient.

“Meanwhile, the Kapua Orchards continue to appreciate in value and as they are not irrigated, they represent one of the most desirable types of Environmental Social Governance assets in which to have an interest. They are currently valued at US\$33.6 million, up US\$1.5 million since last valued in July 2020.<sup>1</sup>

“Looking ahead, as the owner of the fastest growing macadamia brands in the category, contributing to category growth of snack nuts<sup>1</sup>, the Company will continue to drive highest and best use of inventory through product innovation and collaborate with supply chain partners in doing so,” said Mr. Lin.

The Company will be appointing a corporate advisor to assist with the transaction with a view to finalising a partnership by 3<sup>rd</sup> quarter of the 2022 Financial Year. In the meantime, any other interested parties should contact the Company directly.

This announcement has been authorised for release to ASX by the Board.

ENDS

**Media Enquiries:**

Mark Rudder  
GRACosway  
Ph: 0411 362 362

**Investor enquiries:**

Dennis Lin, Executive Director  
Health and Plant Protein Group  
Limited Ph: 0466 137 035

---

**About HPP**

HPP, through its Royal Hawaiian Orchards® (RHO) and MacFarms® brands, is the largest vertically integrated orchard to retail macadamia nut processor and marketer in the USA. Macadamia nut contains rich nutrients and beneficial plant compounds, and HPP makes its products from wholesome and unmodified ingredients. The macadamia business forms the basis of HPP’s strategic ambitions in becoming a leading independent participant in health and plant-based protein food categories.

---

<sup>1</sup> The Kapua Orchards were valued at 1 June 2021, by CBRE Valuation and Advisory Services (USA).