

STATEMENT OF COMPLIANCE

for

Asian Forestry Company (Sabah) Sdn. Bhd. (371259-W)

B2-10-01, Level 10, Riverson Suite Off Jalan Coastal Highway, 88100 Kota Kinabalu, Sabah, Malaysia.

Tel: +6088 486 240 Fax: +6088 486 241 Email: t.venantius@forestsolutions.asia

Asian Forestry Company (Sabah) has demonstrated compliance with the Sabah Timber Legality Standard (Sabah TLAS P1-4 Nov 2013) for the forest area based on the assessment conducted by Global Forestry Services (GFS) in **October 2022** reported in document # GFSSBH 003-092. This statement defines compliance with the due diligence requirements for legal compliance to the local Sabah Standard established as part of the current FLEGT VPA negotiations. The material harvested from this FMU is classified as Verified Legal (VL).

Product Schedule: Plantation species

Legal Status: Verified Legal

Origin of Material: Sabah, Malaysia.

The validity of this Statement will be dependent upon the ability of **Asian Forestry Company (Sabah)** to demonstrate continual compliance with the Sabah Timber Legality Standard as monitored by GFS. GFS shall post a summary legal verification report and compliance statement on the GFS client database (www.gfsinc.biz).

GLOBAL FORESTRY SERVICES LEGAL VERIFICATION SERVICES

Audit Statement # : GFS 015 LVS
Issuance Date : 25 October 2022
Expiration Date : 24 October 2023

Global Forestry Services



Kevin T. Grace PhD
Director

The assessment, on which this statement is based, was made in good faith by evaluating representative samples of the organization's operations and activities in relation to the standards for Legality as defined by the Sabah TLAS Standard P1-4. This document does not constitute any representation to the quality of any products sold by the named organisations and Global Forestry Services accepts no liability in respect thereof. This statement remains the property of Global Forestry Services and must be returned upon request.

Document Control

GFS-FORM-006-SABAH TLAS-2.3	Title: Audit Statement Sabah TLAS P1-4	Issue: 04	Date: 18 Jul 2022
-----------------------------	--	-----------	-------------------

Intellectual property of **Global Forestry Services (USA) Inc. - GFS**

LICENSED AREAS

for

Asian Forestry Company (Sabah) Sdn. Bhd. (371259-W)

Signed License Agreement / Form IIB: Land Title (Title Registration # and Date):

A Tree Plantation and Forest Management Agreement (TPFMA) was signed on 6th February 1997 with the state government of Sabah for approximately 60,000 ha of Industrial Tree Planting (ITP) for a 60-year period, expiring in 2057.

Coupe Permit # & Expiry date

Renewed coupe:

License Number	Area (ha)	Issue Date	Expire Date	Remark(s)
JP(DKM)008/2010(F1)	1,028.40	13/03/2018	21/09/2022*	Coupe 4
JP(DKM)004/2014(F1)	6,527.00	18/08/2014	17/08/2021**	Coupe 10

Notes:

*Asian Forestry Company (Sabah) has applied for renewal from SFD (Ref. #: AFCS/KM/TP/2206/034 dated 16/06/2022) and is pending feedback.

**The licensee has submitted the renewal and follow-up letter for JP(DKM)004/2014 associated with Coupe 10 (Ref. #: AFCS/KM/TP/2111/096 dated 02/11/2021) and is pending feedback from SFD.

Closed coupe:

License Number	Area (ha)	Issue Date	Expire Date	Remark(s)
JP(DKM)008/2010(F1)	5,261.00	14/03/2016	21/09/2022	Coupes 1, 2, 3
JP(DKM)004/2014(F1)	6,527.00	18/08/2014	17/08/2024	Coupes 5, 7, 8
JP(DKM)008/2016(F1)	15,237.00	10/10/2016	09/10/2021	Coupes 6, 9
				Coupes 11, 14, 15
JP(DKM)008/2016(F1)	563.80	10/10/2021	09/10/2022	Coupes 12, 13

Notes:

The licensee has applied for the closing coupe for JP(DKM)008/2010 associated with Coupe 1, 2 and 3 & JP(DKM)004/2014 associated with Coupe 5, 7 and 8 (Ref. #: AFCS/KM/18/04/067 dated 17/04/2018).

The licensee has applied for the closing coupe JP(DKM)008/2016(F1) associated with Coupe 6 and 9 (Ref. #: AFCS/KM/TP/2201/007 dated 19/01/2022).

The licensee has applied for the closing coupe 11, 14, 15 but it is pending feedback from SFD. (Ref. #: AFCS/KM/TP/2102/005 dated 18/01/2022).

The licensee is pending to apply for closing coupe no. JP(DKM)008/2016 for Coupe 12 and 13 until the issue with Land and Survey Department is resolved and the 2nd FMP is approved.

According to the company representative, the existing coupes will be closed to allow the re-application of the new coupe under the licensed area for a total of 14,940 ha. The entire licensed area will be comprised of one (1) coupe with internal compartment boundaries and further divided into blocks.

Form IIB Permit - Not applicable

Document Control			
GFS-FORM-006-SABAH TLAS-2.3	Title: Audit Statement Sabah TLAS P1-4	Issue: 04	Date: 18 Jul 2022

Intellectual property of **Global Forestry Services (USA) Inc. - GFS**