

STATEMENT OF COMPLIANCE

for

Sapulut Forest Development Sdn. Bhd. (057757-K)

Lot 2.1, Level 2, Block B, Wisma Manikar, Lorong Manikar 1, Off Mile 2.5,
Jalan Tuaran, Likas, 88400 Kota Kinabalu, Sabah, Malaysia.
Tel: +6088 276 668 Fax: +6088 276 668 Email: mdoffice2013@gmail.com

Sapulut Forest Development 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 **July 2023** reported in document # GFSSBH 003-206. 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: *Please refer to report # GFSSBH 003-206*

Legal Status: Verified Legal

Origin of Material: Sabah, Malaysia.

The validity of this Statement will be dependent upon the ability of **Sapulut Forest Development** 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 025 LVS
Issuance Date : 10 July 2023
Expiration Date : 09 July 2024

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

Sapulut Forest Development Sdn. Bhd. (1080138-X)

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

SFMLA 04/1997 starts on 10/09/1997 – 9/09/2097, for 100 years. The first supplemental agreement was signed on 21/02/2014 to convert 7,644 ha of the licensed area into Class 1 Forest Reserve (Protection Forest). The second supplemental agreement was signed on 3/11/2015, where 11,043 ha of the licensed area was excised for social economic development of the State.

Coupe Permit # & Expiry date

#	Compartment	Coupe #	Treat	Area (ha)	Validity
1	142	TWU. 40/07	SIL/EN	262.00	12/09/2022 *
2	143	TWU. 09/09	SIL/EN	452.00	09/09/2024
3	140B	KGU. 23/11	SIL/EN	89.00	10/11/2026
4	140C	KGU. 24/12	SIL/EN	64.00	09/07/2027
5	127	KGU. 25/12	SIL/EN	448.5	09/07/2027
6	231A	KGU. 24/15	RIL	294.50	14/12/2030
7	231B	KGU. 28/15	RIL	285.20	20/12/2030
8	232A	KGU. 26/15	RIL	309.00	15/12/2030
9	232B	KGU. 25/15	RIL	373.90	14/12/2030
10	233	KGU. 02/16	RIL	252.70	03/03/2031
11	234	KGU. 03/16	RIL	373.80	07/03/2031
12	235	KGU. 27/15	RIL	155.50	15/12/2030
13	260A	KGU. 12/16	RIL	173.40	11/08/2031
14	260B	KGU. 02/17	RIL	179.60	06/04/2033
15	261A	KGU. 11/16	RIL	127.30	24/07/2031
16	261B	KGU. 04/17	RIL	109.10	11/05/2032
17	258	KGU. 03/17	RIL	168.20	11/05/2032
18	259	KGU. 01/17	RIL	197.60	06/04/2032
19	230	KGU. 18/16	RIL	353.30	03/01/2032
20	152	KGU. 07/2020	RIL/SIL	210.02	10/06/2035
21	159	KGU. 09/2020	RIL/SIL	253.42	11/06/2035
22	154	KGU. 08/2020	RIL/SIL	136.42	11/06/2035
23	229	KGU. 14/17	RIL/SIL	361.40	01/10/2032
24	267	KGU. 05/19	RIL	209.84	02/09/2034
25	157	KGU. 05/2020	RIL	491.71	06/02/2035
26	152	KGU. 07/2020	RIL/SIL	210.02	10/06/2035
27	256	KGU. 02/19	RIL	239.30	02/09/2034
28	257	KGU. 03/19	RIL	135.22	02/09/2034
29	266	KGU. 04/19	RIL	479.90	02/09/2034
30	263	KGU. 15/17	RIL/SIL	190.80	26/11/2032
31	155B	KGU.01/2021	RIL/SIL	398.33	01/02/2036
32	160	KGU.02/2021	RIL/SIL	346.86	15/04/2036
33	162A	KGU.11/2021	RIL/SIL	240.72	09/09/2036
34	162B	KGU.04/2021	RIL/SIL	304.42	15/07/2036
35	164A	KGU.02/2022	RIL/SIL	226.71	13/01/2037
36	164B	KGU.03/2022	RIL/SIL	254.99	13/01/2037
37	153	KGU.04/2022	RIL/SIL	104.59	17/03/2037
38	147	KGU.05/2022	RIL/SIL	93.30	17/03/2037
39	156	KGU.05/2021	RIL/SIL	344.46	03/08/2036

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**

40	161	KGU.10/2021	RIL/SIL	302.61	09/09/2036
41	163	KGU.01/2022	RIL/SIL	256.08	13/01/2037
42	146	KGU.06/2022	RIL/SIL	277.97	17/03/2037
43	148A	KGU.14/2021	RIL/SIL	307.02	07/11/2036
44	148B	KGU.15/2021	RIL/SIL	253.12	05/12/2036
45	149A	KGU.12/2021	RIL/SIL	316.02	14/10/2036
46	149B	KGU.13/2021	RIL/SIL	130.94	14/10/2036
47	150	KGU.12/2022	RIL/SIL	256.18	01/11/2037
48	151A	KGU.10/2022	RIL/SIL	212.99	25/09/2037
49	151B	KGU.11/2022	RIL/SIL	373.85	25/09/2037
Totals (49 Cmpt)				12,587.81	

Note: * Due to the claim made by Rakyat Berjaya Sdn. Bhd. (Mega Wakid Sdn. Bhd.) regarding the boundary issue in Compartment 142, a meeting was held between Sapulut Forest Development, Rakyat Berjaya Sdn. Bhd., and the Forest Resource Management (FRM) department of the Sabah Forestry Department to discuss the claim. After conducting a boundary inspection together with Sapulut Forest Development and Rakyat Berjaya Sdn. Bhd., the SFD responded by issuing a statement to utilize the existing forest reserve boundary (Ref. #: JPHTN/FRM 700-2/1/04/JILID.6/17, dated 01/02/2023). Sapulut Forest Development is still in the process of renewing the coupe permit.

ITP Coupe permits.

#	Compartment	Coupe #	Treat	Area (ha)	Validity
1	165, 167-171	KGU.13/2020	ITP1	2,811.00	20/12/2035
2	174-177, 179-182,186	TWU. 04/06	ITP2	3,112.00	04/05/2036
3	179,186-189 191-194,198	TWU. 13/07	ITP3	4,208.00	24/04/2037
4	172,173, 183-185	TWU. 48/07	ITP4	1,653.00	26/09/2037
5	178,189,190, 198-200, 202-208	TWU. 08/08	ITP5	4,777.00	25/05/2023
6	218 A	TWU. 04/10	ITP6	206	12/05/2025
7	197 A	TWU. 05/10	ITP6	212	22/06/2025
8	218B	TWU. 08/10	RIL	588.00	11/10/2025
9	196	TWU. 17/10	RIL	254.00	16/12/2025
10	218C	TWU. 06/11	RIL	262.00	11/12/2026
11	195A	TWU. 08/11	RIL	141.00	09/03/2026
12	217B	TWU. 09/11	RIL	266.00	28/03/2026
13	210B	TWU. 16/11	RIL	160.70	18/07/2026
14	212	KGU. 20/12	RIL	167.70	04/07/2027
15	213A	TWU. 22/11	RIL	204.00	01/12/2026
16	214A	KGU. 01/12	RIL	147.10	10/20/2027
17	214B	KGU. 03/12	RIL	161.00	19/02/2027
18	211	KGU. 19/12	RIL	103.00	28/06/2027
19	214C	KGU. 21/12	RIL	144.00	04/07/2027
20	209A	KGU. 31/12	RIL	350.00	16/09/2027
21	220A	KGU. 01/13	RIL	272.00	30/01/2028
22	220B	KGU. 02/13	RIL	253.00	12/03/2028
23	209B	KGU. 12/13	RIL	182.00	31/07/2028
Totals (61 cmpts)				20,634.5	

Note: Sapulut Forest Development had sought clarification with SFD and received approval to harvest and plant up to 25° slope (Ref. #: JPHTN/PP100-14/68/KLT.5 (36) dated 11/02/2010).

**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			