

**KUMPULAN PENGURUSAN KAYU KAYAN
TERENGGANU SDN BHD (KPKKT)**

Executive Summary

**FOREST MANAGEMENT PLAN
FOR DUNGUN TIMBER COMPLEX (DTC) & CHERUL FOREST
CONCESSION (CFC), TERENGGANU, MALAYSIA, 2008 – 2038
(Revised and Updated as of 1st May 2024)**

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FOREST MANAGEMENT PLAN (FMP)
For Dungun Timber Complex (DTC) & Cherul Forest Concession (CFC),
Terengganu, Malaysia, 2008 – 2038
(Revised and Updated May 2024)

Executive Summary

This Forest Management Plan (FMP) has been prepared for the two forest concessions namely Dungun Timber Complex (DTC) and Cherul Forest Concession (CFC) that are now effectively under the management of KPKKT since 2020. This was following a landmark decision by Golden Pharos Berhad (GPB) the parent company for both KPKKT and Pesama Timber Corporation Sdn Bhd (Pesama) for the management of the said two forest concessions be combined, streamlined and coordinated, in an effort to optimise costs, avoid duplication of activities and achieve efficiency. While DTC has been all along under the management of KPKKT, CFC was hitherto under the management of Pesama. In other words, by combining the management of these two forest concessions and placing it under one entity, i.e. KPKKT, the idea was to enable the unique tropical forest resources and ecology in both areas to be professionally managed and better conserved in a sustainable manner in perpetuity, *i.e.* in accordance with the prescribed local and international standards, and face future challenges.

Under the circumstance since both concessions had had their beginning at around the same time, i.e. 1982/1983 whereas their respective current FMPs still remain valid and effective until around 2037/2038, all there remains to be done is for KPKKT to continue with all the relevant instructions and prescriptions as spelt out within both of the documents and implement them accordingly, *albeit* with some modifications as and when necessary. The latter is in keeping with the spirit and provision that any FMPs are subject to changes and modifications and updating from time to time by incorporating new applicable ideas and latest findings from reliable sources. Both FMPs cover a 30-year period: 2008 – 2037 for DTC and 2008-2038 for the case of CFC. This means that in both cases the timber stands in question are presently being managed well into the second cycle of the Malaysian Selective Management System (SMS). All of the prescriptions contained in both FMPs were drawn in

such a way as to accommodate as much as possible the current as well as anticipated future changes in global attitudes and trends in the approaches towards sustainable forest resource management, biodiversity conservation, technical innovation, social acceptance, climate amelioration and environmental protection.

Consequently, all relevant activities and on-the-ground decisions concerning CFC particularly those that concern certifications under relevant processes are being progressively taken over by KPKKT including all key responsibilities and resources. These include, among others the official businesses and dealings with relevant authorities, silvicultural treatments, protection and enforcement activities, HCVF as well as the international certification of Cherul Forest Concession under the Forest Stewardship Council (FSC) which must now be combined with that of KPKKT.

It is to be put on record that Pesama, while managing CFC had had no issue at all as regards CFC's certification under FSC as a "well-managed forest" since its accession to that status in 2012.

The total area of DTC as of 1st May 2024 stood at 106,031ha and that of CFC was 20,243ha, thereby giving a grand total of 126,274ha now under KPKKT's management. While DTC is still being actively managed under the Malaysian Selective Management System (SMS), any timber harvesting from CFC is now being put on hold whereby all selective logging activities in it have been put under a "moratorium" pending further supporting data from growth monitoring plots and advise from experts in the field.

Both concessions DTC and CFC support mostly lowland mixed dipterocarp forests which are rich in dipterocarp tree species (e.g. meranti, keruing, balau and chengal, etc) as well as non-dipterocarp tree species (e.g. nyatoh, medang, kempas, merbau, mengkulang, kelat, etc) as well as other non-tree flora such as rattans, palms and medicinal and aromatic plants (MAPs). There are also myriads of fauna species, mammals, avifauna as well as aquatic animals. For the purpose of achieving sustainability in the forest management operation by KPKKT, these forest areas are categorised into several "functions" which take care of the variety of roles, contributions and services that forests provide to our ecological and social environments. These include soil protection function, water supplies, clean air, climate amelioration, wildlife refuge, recreation and education, research, the need of local forest-dependent

communities, as well as sustainable timber production under the selective harvesting protocol of the Malaysian Selective Management System (SMS) that meet the tenets of Sustainable Forest Management (SFM), etc.

For the case of timber production from the Production Forest category, the judicious application of the SMS is done by KPKKT's trained and well-informed staff and its contractors, under a close supervision by Terengganu State Forest Department. Such field operations call for proper collection of data from well-organised inventories, followed by their appropriate interpretation and use. Once the minimum diameter cutting limits were decided upon, there was the tree marking (TM) and listing operation followed by a well-constructed network of forest roads and bridges, then the execution of the reduced impact logging (RIL) which includes among others, "Directional Felling (DF)" in the Production Forest category under the ambit of the SFM protocols would ensure a balanced existence and continued of these resources in a stable and sustainable forest environment. These are described in this FMP which focuses on the conservation of species and genetic resources and protection of the environment in line with FSC P&C.

KPKKT looks forwards to more exciting years ahead in managing these two forest concessions under the SFM principle and the precepts of the Malaysian SMS, while meeting the company's business objectives, as well as the stringent standards of FSC and expectations of the various stakeholders.

Needless to say, this FMP documents is subject to revision and updating from time to time periodically as and whenever necessary in keeping with the time and technological and social developments in this field.