

MANAGEMENT PLAN

JAN 2020- DEC 2029

PUBLIC SUMMARY



This second FMP for the TPFMA area allocated to Asian Forest Company (Sabah) Sdn. Bhd. (previously Begaraya Sdn. Bhd.) covers the 10-year period from 2020 to 2029.

The first FMP expired in 2019. Since then, it has not been feasible to finalise an effective FMP without confirmation of the area it would encompass. At present, due to community claims and the allocation of community titles, the remaining gross area available for Industrial Tree Plantations (ITP) is 14,940.3 ha and is known as the Nibang ITP. The current estimated net plantable area amounts to 6,215 ha of which 4,565 ha is current growing stock. The remaining developable area will be established during the period of this FMP.

During the first FMP period, the Company undertook to fulfil its TPFMA planting obligation. Since 2009, The Company has built 499.9 Km of road infrastructure, established nursery facilities with an annual production capacity of 3.5 million seedlings, surveyed 863 km of the project's external and internal boundaries, maintained & and pruned the planted hectares, established fire protection facilities, staff and workers camp facilities, conducted 1,108 staff training courses, established & successfully completed 82 conservation & community development projects. To date, the Company has planted 4,507 ha which amounts to 73% of the remaining available production area.

The first plantation harvesting is planned to commence in 2023 – 2025. These areas will be replanted with higher-performing tree plantation species. This will be conducted in a systematic manner to maximise available resources and minimise costs.

During this process, any additional economically viable plantable land will be salvage-logged and developed into tree plantations. All activities will be conducted in compliance with the principles of forest certification. It is expected at the end of the new FMP period that a minimum of 6,158.4 ha will be utilised for sustainable ITP production based on best plantation forestry practices.

Of the gross area mentioned above, an area of 8,550.4 ha is currently allocated under protected areas. It is likely that a small portion of this area has the potential to be developed into ITP. This will be assessed as part of the systematic ITP harvesting and replanting process. The remaining areas will continue to be protected and managed as conservation areas. The balance of the gross area comprises 231.5 ha of infrastructure including roads and buildings.

Again, this may increase as more areas are developed and improved harvesting and silviculture practices are implemented.

As part of the strategic planning effort, this second FMP (covering the period from 2020 to 2029) provides a comprehensive source of information and guidance for AFCS on the management issues of the remaining License Area. This plan is organized into 10 core Chapters or Parts. Part 1 is the introduction, which highlights the background of the project, policy statements and objectives.

Part 2 describes the general information of the License Area, which contains amongst others the physical features of the license area, vegetation types, wildlife resources, social and cultural aspects of the local communities living in the vicinity and within the License Area and high conservation value forests.

Part 3, in general, highlights the current scenarios of the forest resource base whereas, Part 4 provides the medium-term directions/actions for forest conservation and protection, timber management, wildlife management and managing high conservation value forests.

Part 5 highlights forest plantation management, which is the core activity of AFCS during the plan period.

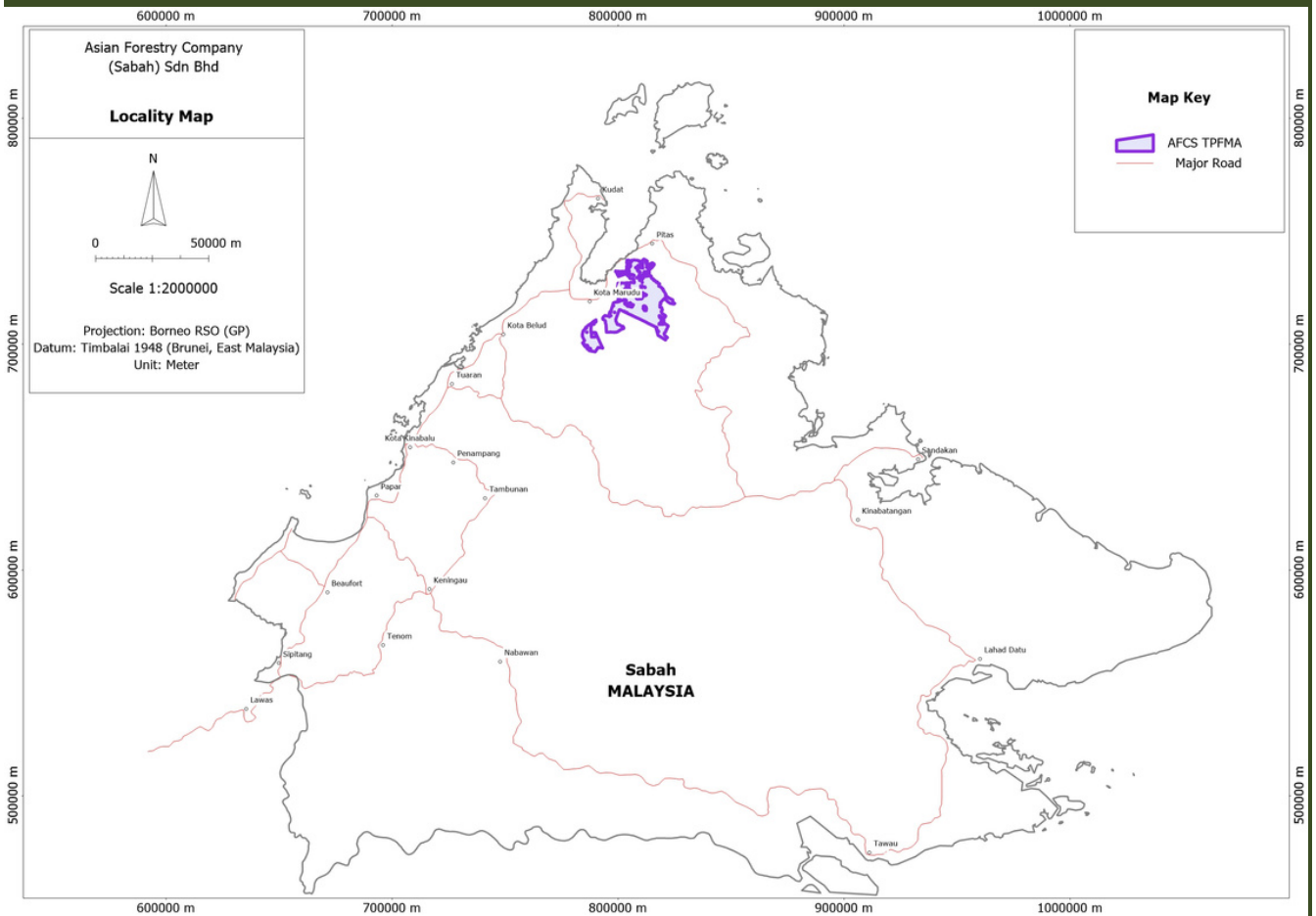
Parts 6 – 10 prescribe the issues of fire management, manpower requirement, financial analysis, environmental impact assessment and monitoring.

The Company acknowledges that the technical aspects of plantation forestry are not a simple business. On the contrary, it requires good planning, important costs, and significant amounts of specific know-how, and involves several factors of risk of failure. The costs incurred include procurement of healthy seedlings, site preparation, initial fertilization, and weeding. Other critical elements at planting time that will affect future plantation performance are the quality of seedlings, the timing of planting and proper spacing. Once the early survival of a plantation stand is assured, treatment operations involving new costs continue in the form of thinning, and perhaps pruning and some additional fertilization. Also, throughout the life of a plantation, the Company must provide for protection against hazards and arsonists (e.g., fire, diseases, pests and community conflicts), and for the maintenance of machinery, equipment and infrastructure permitting the continuing management of the plantation operation.

It is for these reasons that this FMP is carefully prepared. The Company has adopted a management planning approach that includes consultation with stakeholders particularly the local communities who are residing within and adjacent to the license area.

AFCS NIBANG ITP

LOCATION OF PROJECT AREA



AFCS Nibang Tree Plantation area is divided into two areas, i.e Pitas Division and Kota Marudu Division