

PESAMA TIMBER CORPORATION SDN BHD (PESAMA)

(A SUBSIDIARY OF GOLDEN PHAROS BERHAD (GPB))

STATEMENT OF COMPLIANCE WITH PRINCIPLES AND CRITERIA (P&C) OF THE FOREST STEWARDSHIP COUNCIL® (FSC®)

PESAMA Timber Corporation Sdn Bhd (PESAMA) is a privately-run integrated wood-based industry dealing with a range of forest products, from upstream production of tropical hardwood timbers, to their downstream processing into sawn timber and associated wood products and utilization of the sawdust. Round timbers are produced from its sustainably managed 20,243-ha. Cherul Forest Concession (CFC) located within Cherul Permanent Reserved Forest in the State of Terengganu, Malaysia, and the processing activities are conducted at its factory complex located in Jakar Industrial Area, Kemaman, Terengganu. PESAMA's operations are thus fully integrated covering a complete chain of wood processing activities, utilizing timbers coming mostly from its timber concession of CFC.

The existence and continued operation of PESAMA have benefited the local economy, people and environment since the company's establishment in 1973, and its wood-based products have marketed both locally as well as exported overseas.

Under the circumstance, it is for PESAMA's own interest as well as that of the local economy and population that CFC be **certified** as sustainably managed in perpetuity, and in accordance with the tenets of sustainable forest management (SFM)

In this context, the management of PESAMA is proud to announce its desire to be associated with such globally – renowned certification body as the **Forest Stewardship Council® (FSC®)**, and to subscribe to all of its **9 Principles and Criteria (P&C)** of Forest Stewardship, which constitute a strategic move by PESAMA to be seen as a strong advocate of sustainable management and conservation of the tropical rainforest of Malaysia. Such a move is hoped to enhance PESAMA's standing in these fields as a responsible and reputable forest manager, enabling it to gain the goodwill and trust of the various stakeholders, including the forest-dependent communities and customers, and to continue to remain viable in the business.

PESAMA acknowledge FSC® as an independent, non-governmental, not-for-profit organization established to promote the responsible management of the world's forest, through its set of Principles and Criteria of Forest Stewardship . PESAMA hereby intends to comply with all of the stated P & C's and for **Cherul Forest Concession (CFC) be certified by the Forest Stewardship Council® as a well-managed forest.**