

**KUMPULAN PENGURUSAN KAYU KAYAN
TRENGGANU SDN. BHD. (KPKKT)**

**FOREST MANAGEMENT PLAN
FOR DUNGUN TIMBER COMPLEX (DTC) AND CHERUL
FOREST CONCESSION (CFC), TERENGGANU, MALAYSIA,
2008 – 2038
(Revised and Updated as of 1st January 2025)**

By

**AHMAD BAZLI Razali, W. NORAKMA W. Yusoff
& BORHAN Mohd**

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FOREST MANAGEMENT PLAN (FMP)
For Dungun Timber Complex (DTC) and Cherul Forest Concession
(CFC), Terengganu, Malaysia, for the Period 2008 – 2038
(Revised and Updated 1st January 2025)

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 followed a landmark decision by the Board of Directors of 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 amalgamated, streamlined and coordinated, in an effort to optimise costs, avoid duplication of activities and achieve greater 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, it was hoped that the unique tropical forest resources and ecology in both areas could 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, such as the inventory, management and handling of carbon stock in the context of global warming, climate change and carbon credit trading, and the use of AI (Artificial Intelligence) in forest resource management and administration. This is in keeping with the spirit and tradition 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 period of 30 years, i.e. from 2008 to 2037 for DTC and from 2008 to 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 half of the second cycle of the Malaysian Selective Management System (SMS). Under the circumstance the management of KPKKT is left with few options but remain vigilant and rise up to future possibilities, and be prepared to face the challenges that would be brought up by the upcoming third cycle of SMS of the managed timber stands.

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 affecting both forest concessions particularly those that concern certifications are being professionally handled by KPKKT including all official businesses and dealings with relevant authorities, silvicultural treatments, protection and enforcement activities, HCVFs (High Conservation Value Forests) as well as international certification under the Forest Stewardship Council (FSC).

The total area of DTC as of 1st October 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 activities in 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 (*Shorea spp.*), Keruing (*Dipterocarpus spp.*), Balau (*Shorea spp.*) and Chengal (*Neobalanocarpus heimii*) etc) as well as non-dipterocarp tree species (e.g. Nyatoh (*Sapotaceae*), Medang (*Litsea spp.*), Kempas (*Koompassia malaccensis*), Merbau (*Intsia palembanica*), Mengkulang (*Heritiera spp.*), Kelat (*Syzygium spp.*), etc) as well as other non-tree flora and herbs

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” all of which have their own specified roles to play, products and goods to deliver and services to provide to the business operations in particular and the forest ecosystem and society in general, in a balanced and sustainable manner. These include soil protection function, clean water, clean air, climate amelioration, wildlife refuge, recreation and education, research, the need and livelihood of local forest-dependent communities, as well as a sustainable production of quality timber 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 carried out by KPKKT’s trained and well-informed staff and contractors, under a close supervision by Terengganu State Forest Department (TSFD). Such field operations call for a proper and consistent collection of data from well-organised inventories and permanent growth sample plots, followed by their appropriate analysis, interpretation and use. Once the minimum diameter cutting limits were decided upon, there was the tree marking (TM) and listing operation followed by the establishment of 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. The latter is accomplished under the ambit of the SFM protocols which would ensure a balanced and continued existence of these resources in a stable, sustainable and well-managed natural 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 high standards of FSC and expectations of the various stakeholders.

Needless to say, this FMP document is subject to revision and updating from time to time as and whenever necessary in keeping with the time and fast-changing technological and social advancement in this field.