

1 June 2018

PRESS STATEMENT

In reference to Thomson Reuters' article titled "*Greenpeace cut ties with Indonesian paper firm linked to deforestation*" published on 17 May 2018

"Further to GEAR's CSR press statement issued on 18 May 2018, the Group had since carried out an internal analysis using Landsat imagery for the period between 2013 to 2017. From the analysis, it was found that of the alleged 5,000 hectares of deforested area, approximately 2,942 hectares are logged over areas (areas approved for forestry plantations) of which 2,316 hectares were encroached by illegal loggers and illegal miners, 227 hectares were harvested by HRB and the remaining did not have any deforestation activities. The Group has since lodged reports to the relevant law enforcement agencies, including the Police and Forestry Division pertaining to the illegal logging and mining activities as well as taken active steps to increase security patrols.

As highlighted in GEAR's annual report, the Group had also conducted harvesting activities in the production forest and sold Acacia logs to third parties."