PUBLIC SUMMARY
OF
FOREST PLANTATION
MANAGEMENT PLAN (FPMP)

For

LPF/0018 - PENYUAN FPMU

Company: Shin Yang Forestry Sdn. Bhd.
Licence: LPF/0018

Management Period:
1 January 2027 – 31 December 2036

(Update: November 2026)

1. Introduction and Management Objectives

Penyuan Forest Plantation Management Unit (FPMU) is managed by Shin Yang Forestry Sdn. Bhd. under Licence for Planted Forests No. LPF/0018. Located within the Belaga Protected Forest, Belaga District, Kapit Division, Sarawak, the FPMU covers a total area of 15,261 hectares, comprising five management coupes: AT1, AT2, AT3, AT4(I) and AT4(II). The Forest Plantation Management Plan (FPMP), covering 1 January 2027 to 31 December 2036, provides a framework for second-rotation plantation development and sustainable forest management.

The primary management objectives are to:

a) Establish productive forest plantations to ensure a sustainable timber supply.
b) Maintain long-term forest productivity through appropriate silvicultural practices.
c) Protect biodiversity, High Conservation Values (HCVs) and environmentally sensitive areas.
d) Respect applicable legal and customary rights and maintain positive relationships with local communities.
e) Ensure compliance with applicable forestry legislation, licence conditions and the Malaysian Criteria and Indicators for Sustainable Forest Management (MC&I SFM).

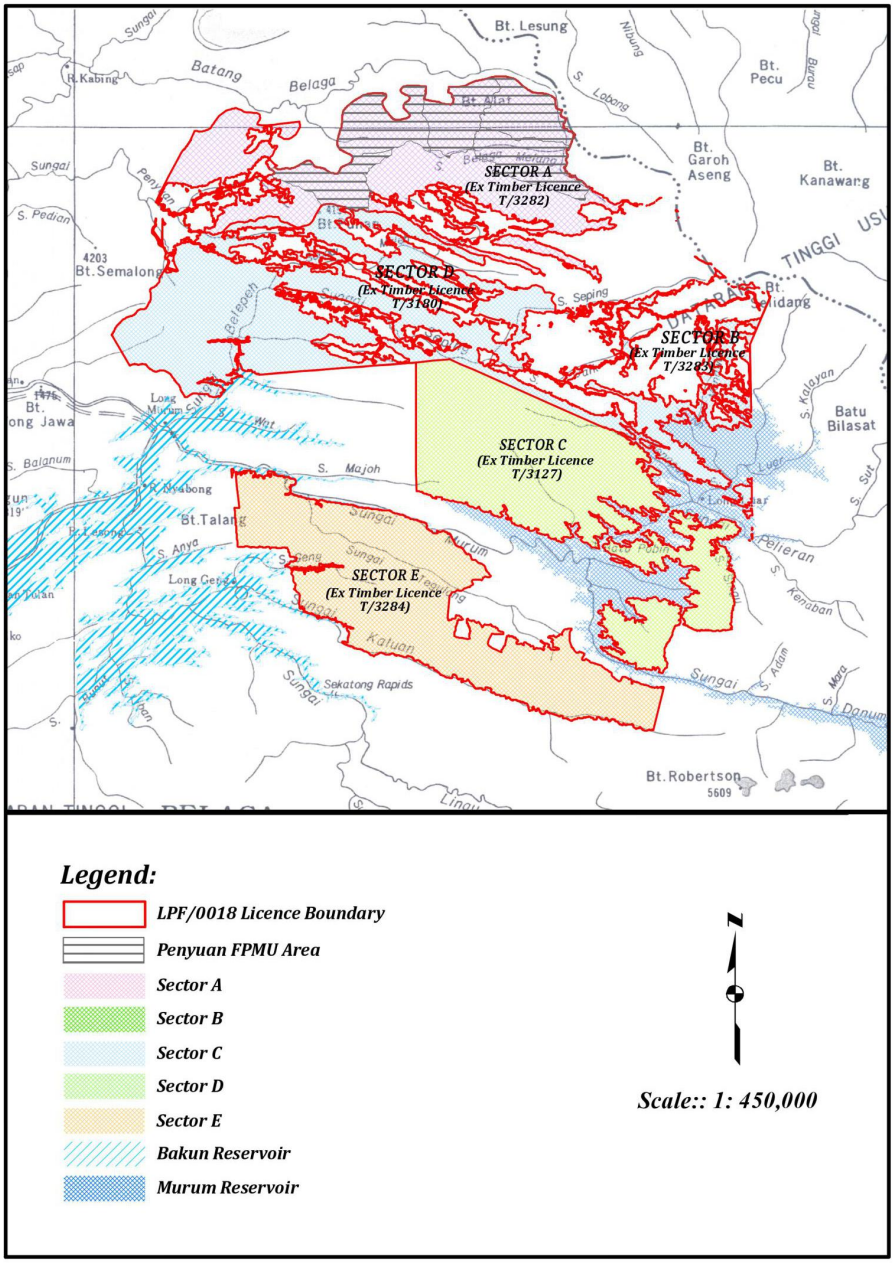

Figure 1: Forest Management Map of Penyuan FPMU

2. Policy and Commitment to Sustainable Forest Management

Shin Yang Forestry Sdn. Bhd. manages tree seedlings in nursery, tree planting activities and tree harvesting activities at LPF0017 (Kejin FPMU), LPF0018 (Penyuan FPMU) and LPF0019 (Masama FPMU) Site. This Policy of Commitment defines the company's commitment towards the Malaysia Criteria and Indicators for Forest Plantation Management Certification. This Policy will be a guideline for all levels of our employees and stakeholders in carrying out the company's business in a conscience manner.

It is our commitment to:

i. Comply with all applicable laws, regulations and requirements related to forest management.
ii. Operate according to approved Forest Plantation Management Plan and fulfil all conditions in the Environmental Impact Assessment Agreement.
iii. Continual assessment, evaluation and improvement of forest management practices through monitoring and review.
iv. Support local communities through employment opportunities and recognize local customs & Native Customary Right as defined by regional laws.
v. Enhance the skills, knowledge and competency of employee and local community through relevant training.
vi. Provide a safe working environment by adhering to occupational safety and health policy and ensure that all employees are trained in occupational safety and health.
vii. Ensure environmental degradation and pollution prevented or controlled through an effective control measures.
viii. Maintaining existing biological diversity by established the natural conservation and protection area.
ix. Ensure the timber harvesting is sustainable and adhering to low impact harvesting methods.
x. Use only approved agrochemical registered with the Pesticides Board of Malaysia under the Pesticides Act 1974.
xi. Encourage the use of environmentally friendly non-chemical materials while minimizing the use of chemicals in pest and disease management practices.

3. Forest Resources and Land Use

Penyuan Forest Plantation Management Unit (FPMU) is located within the Belaga Protected Forest under Licence for Planted Forests No. LPF/0018. The FPMU covers a total area of 15,261 hectares, comprising five management coupes: AT1, AT2, AT3, AT4(I) and AT4(II). The FPMU consists of designated plantation areas, conservation and protection zones, and areas affected by land disputes. The land-use classification is summarised in Table 1.

Table 1: Land-Use Classification of Penyuan FPMU

Land-Use Category	Area (ha)	Percentage (%)
Industrial Tree Plantation (ITP)	6,626	43.42
Conservation and Protection Areas	3,798	24.89
Disputed Areas	4,837	31.7
Total	**15,261**	**100**

The designated plantation areas will be managed for second-rotation timber production using appropriate silvicultural practices. Conservation and protection areas will be maintained to safeguard biodiversity, water resources, environmentally sensitive sites and community resource-use areas. Areas affected by unresolved land disputes will remain excluded from plantation development until the relevant issues have been appropriately addressed. Forest management activities will be planned according to land suitability, environmental constraints, accessibility and applicable legal requirements to ensure sustainable and responsible land use.

4. Plantation Development and Silvicultural Management

Penyuan Forest Plantation Management Unit (FPMU) will implement second-rotation plantation development to ensure sustainable timber production and maintain long-term forest productivity.

The first-rotation plantations were established between 2005 and 2013, with harvesting completed by 2024. Second-rotation planting is scheduled to commence in 2027 within the designated 6,626 hectares of plantable areas, subject to land availability, site suitability and operational accessibility.

The principal plantation species selected for second-rotation development include *Albizia falcataria*, *Acacia mangium*, *Neolamarckia cadamba* and *Octomeles sumatrana*. Species selection will consider soil conditions, terrain, drainage, growth performance and environmental suitability.

Silvicultural management will include nursery operations, land preparation, planting, weeding, fertilisation where necessary, replacement of dead seedlings (beating-up), and pest and disease management. Land preparation will follow a zero-burning approach, with appropriate measures to minimise soil disturbance and environmental impacts.

Plantation survival and growth will be monitored through periodic field assessments and Permanent Sample Plots (PSPs). Forest fire prevention and control measures will also be implemented to protect plantation resources and surrounding forest areas.

All plantation activities will be conducted in accordance with approved management plans, applicable environmental requirements and sustainable forest management principles.

5. Sustainable Harvesting and Timber Production

Penyuan Forest Plantation Management Unit (FPMU) will adopt sustainable harvesting practices to ensure long-term timber production while minimising environmental impacts.

The first-rotation plantation harvesting was completed in 2024. No harvesting activities are currently being undertaken within Penyuan FPMU. Second-rotation harvesting is planned to commence approximately ten years after plantation establishment, subject to plantation growth, timber maturity and approved harvesting plans.

The Annual Cutting Area (ACA) approach will be adopted, with an indicative annual harvesting target of 1,130.60 hectares per year for the wider Compartment A plantation development area. The ACA will be determined based on plantation age, maturity, available timber resources and the planned rotation cycle to support a sustainable timber supply and systematic harvesting operations.

Harvesting operations will be guided by the Annual Harvesting Plan (AHP) and will incorporate appropriate harvesting techniques, machinery, road planning and log extraction methods to minimise soil disturbance, erosion and damage to surrounding vegetation.

Timber measurement, royalty assessment, transportation and traceability procedures will comply with applicable Forest Department Sarawak requirements.

6. Environmental Protection and Biodiversity Conservation

Shin Yang Forestry Sdn. Bhd. is committed to protecting environmental resources and conserving biodiversity within Penyuan Forest Plantation Management Unit (FPMU) through responsible forest management practices.

Environmental protection and biodiversity conservation measures will include:

a) Implement erosion control measures, maintain riparian buffers and protect water catchments to minimise soil degradation and water pollution.
b) Conserve natural forest habitats, wildlife corridors and rare, threatened and endangered (RTE) species through appropriate protection and monitoring measures.
c) Maintain designated conservation and protection areas, including steep terrain, environmentally sensitive sites and community resource-use areas.
d) Implement responsible chemical management, proper waste disposal and appropriate environmental safeguards during plantation operations.
e) Maintain fire prevention and control measures, including fire preparedness, equipment maintenance and personnel training.
f) Conduct periodic inspections and monitoring to assess environmental conditions, identify potential impacts and evaluate the effectiveness of mitigation measures.

Environmental management activities will be implemented in accordance with applicable environmental requirements, approved management plans and sustainable forest management principles to maintain the ecological integrity of Penyuan FPMU.

7. High Conservation Value (HCV) Management

A High Conservation Value Forest (HCVF) assessment was conducted by Ecosol Consultancy Sdn. Bhd. in April 2015 within selected areas of LPF/0018. The assessment identified biodiversity, environmental and community-related conservation values requiring appropriate protection and monitoring. The HCV assessment findings, management measures and monitoring requirements are summarised in Table 2.

Table 2: HCV Identification, Management and Monitoring Measures

HCV Category	Status	Management Measures	Monitoring Measures
HCV 1.1 Protected Areas	Not Present	No specific HCV management measures required.	Reassess if new qualifying areas are identified.
HCV 1.2 Threatened and Endangered Species	Present	Protect identified species and habitats; prohibit illegal hunting, trapping and unauthorised collection.	Annual monitoring of species sightings, habitat conditions and disturbances; ongoing incident recording.
HCV 1.3 Endemic Species	Present	Conserve endemic species and retain natural vegetation within designated conservation areas.	Annual monitoring of species occurrence, habitat conditions and identified plants.
HCV 1.4 Critical Wildlife Habitats	Present	Protect four identified salt licks in AT2 and AT3; maintain protective buffers and prohibit hunting.	Annual inspection of salt lick conditions, wildlife utilisation and disturbances.
HCV 2 Landscape-Level Forest	Present	Maintain designated riparian forests, wildlife corridors and habitat connectivity; prevent unauthorised clearing.	Annual corridor inspections and at least half-yearly riparian buffer monitoring, with additional inspections as required.
HCV 3 Rare or Threatened Ecosystems	Not Present	No specific HCV management measures required.	Reassess if qualifying ecosystems are subsequently identified.
HCV 4.1 Watershed Protection	Present	Protect the Sungai Ketut water catchment in AT1; maintain natural forest cover and prevent pollution and harvesting.	Annual catchment inspections and quarterly water quality monitoring at applicable EIA monitoring points.
HCV 4.2 Erosion Control	Present	Protect Terrain Class IV areas; prohibit plantation development,	At least half-yearly inspections of vegetation cover, erosion,

		harvesting and unnecessary earthworks.	landslides and slope stability.
HCV 4.3 Barriers to Destructive Fire	Present	Implement zero-burning practices, fire prevention measures and emergency preparedness.	At least half-yearly fire risk inspections, with additional checks during prolonged dry periods.
HCV 5 Basic Needs of Local Communities	Present	Protect the Jungle Palm Conservation Area in AT2 and conserve *Eugeissona utilis* (pantu); respect traditional resource use.	Annual monitoring of jungle palm conditions, encroachment and community resource-use concerns.
HCV 6 Cultural Identity of Local Communities	Present	Protect culturally significant attributes within the Jungle Palm Conservation Area and respect traditional Penan practices.	Annual inspections and stakeholder consultation to assess cultural site integrity, traditional access and community concerns.

Identified HCV areas will be incorporated into forest management planning and protected from incompatible plantation activities. Management measures will include boundary identification, habitat conservation, prevention of encroachment, protection of water resources and consultation with affected communities.
HCV monitoring will be conducted at least annually, with additional inspections according to the specific monitoring requirements of each HCV category. Monitoring will include forest patrols, field inspections, species observations, environmental monitoring and stakeholder consultation.

Monitoring findings will be documented and reviewed to evaluate HCV conditions, identify potential threats and determine necessary corrective actions. Any significant disturbance or degradation will be investigated, and appropriate restoration measures will be implemented where necessary.

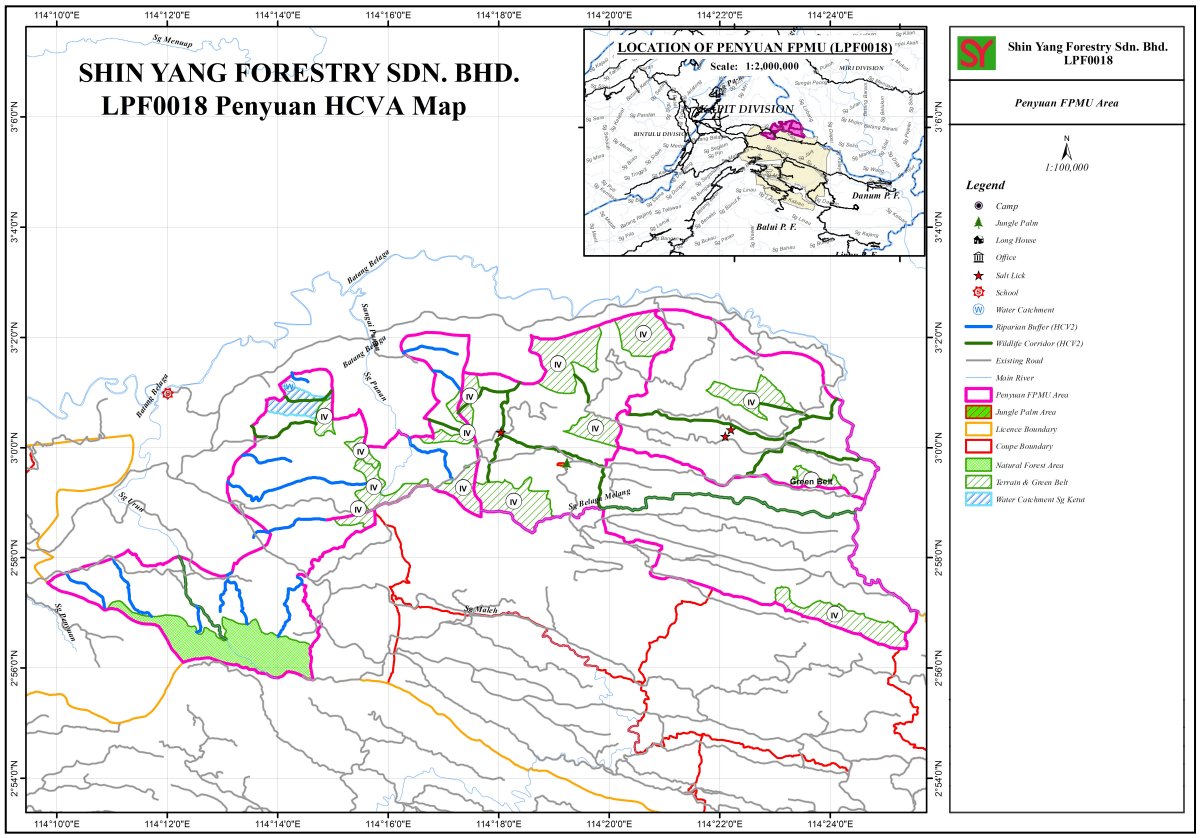

Figure 2: High Conservation Value Forest (HCVF) Map of Penyuan FPMU

8. Socio-Economic Conditions

Penyuan Forest Plantation Management Unit (FPMU) is surrounded by indigenous communities, predominantly Penan and Kenyah, whose livelihoods and socio-economic activities are closely associated with the surrounding forest resources.

A total of 10 settlements, comprising 183 households (doors), have been identified within and around Penyuan FPMU. These consist of seven Penan and three Kenyah settlements, namely Long Telepei, Long Balau, Long Ketuet, Long Pera, Long Tengah (1), Long Tengah (2), Data Sengalang, Uma Dikan (Long Dulit), Uma Badeng Jambatan Urun and Uma Pawa Long Ai.

The local communities undertake various livelihood activities, including subsistence farming, hunting, fishing, collection of non-timber forest products and wage employment. Traditional forest resources, particularly jungle palm (Eugeissona utilis), remain important for the subsistence needs and cultural practices of certain Penan communities.

Shin Yang Forestry Sdn. Bhd. recognises the importance of maintaining positive relationships with surrounding communities and respecting their legal and customary rights. Community-use areas, water catchments and culturally significant sites will be protected through appropriate forest management measures.

The Company will continue to support local employment opportunities, stakeholder consultation and community development initiatives. Community concerns relating to land use, access to forest resources and plantation operations will be addressed through established consultation and grievance resolution procedures.

9. Community Issue Resolution Procedure

Shin Yang Forestry Sdn. Bhd. has established a formal mechanism to address complaints, grievances and disputes raised by local communities and other stakeholders concerning forest plantation management activities within Penyuan Forest Plantation Management Unit (FPMU).

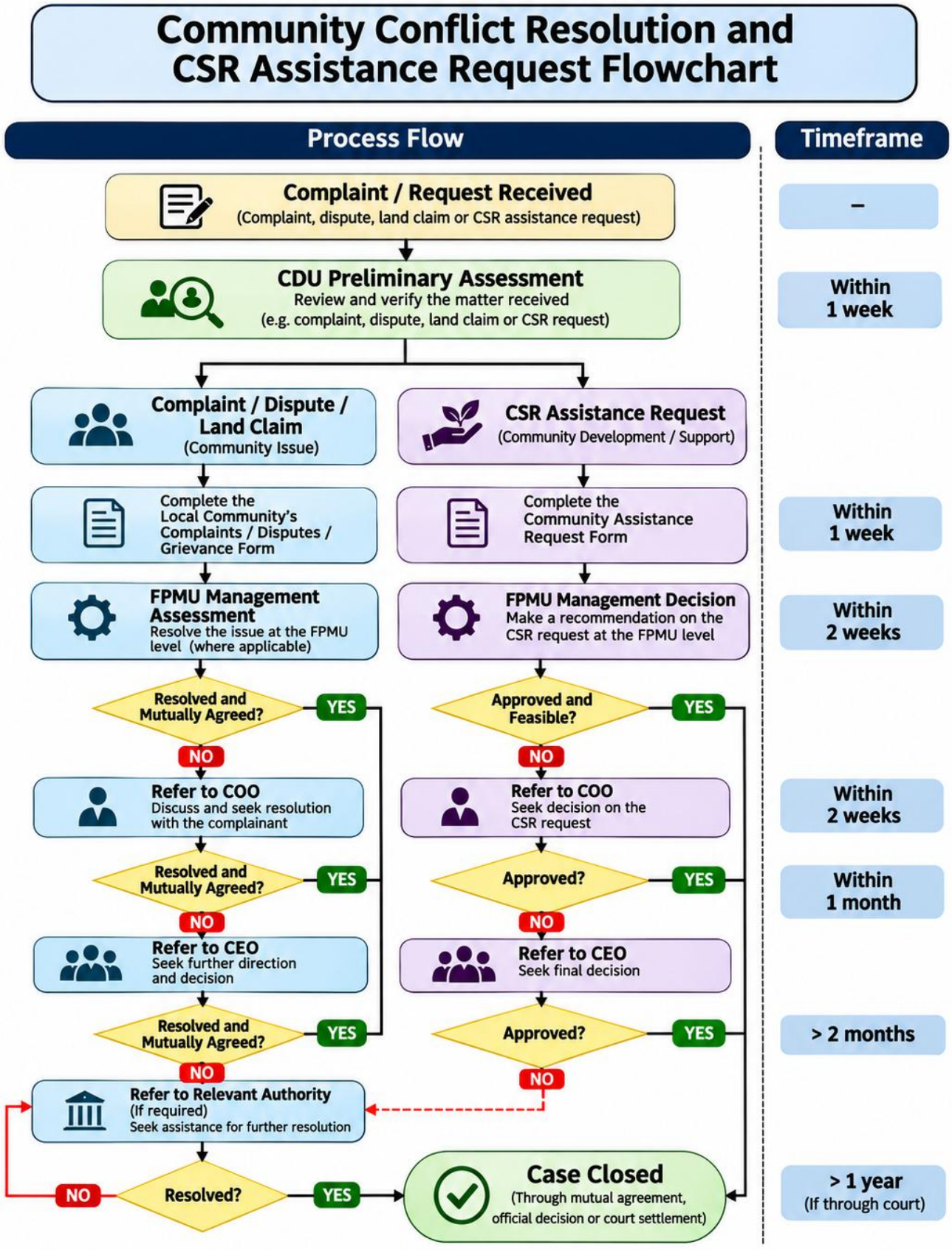

Figure 3: Community Conflict Resolution and CSR Assistance Request Flowchart

The Company will ensure that community grievances are addressed fairly, transparently and through appropriate consultation, with due respect for the legal and customary rights of affected communities.

10. Stakeholder Consultation and Community Engagement

The FPMU is committed to maintaining open communication and positive relationships with local communities and relevant stakeholders through regular consultation and engagement activities. Stakeholder consultations will be conducted at least annually, with additional meetings arranged when necessary to address emerging issues, operational concerns or community requests.

Consultation and engagement activities will involve:

a) Engage Penan and Kenyah communities on matters relating to plantation operations, customary rights, forest resource utilisation and community welfare.
b) Consult relevant government agencies, local authorities, and other interested parties on forest management and conservation matters.
c) Communicate relevant forest management plans, proposed operational activities, environmental protection measures and community-related initiatives.
d) Provide opportunities for stakeholders to raise concerns, submit complaints and participate in discussions to identify appropriate solutions.
e) Promote local employment opportunities, training, community assistance and corporate social responsibility (CSR) initiatives, subject to operational requirements and available resources.
f) Document consultation outcomes, maintain stakeholder engagement records and monitor the implementation of agreed actions.

11. Forest Monitoring and Management Review

Shin Yang Forestry Sdn. Bhd. will implement a systematic monitoring and management review programme to evaluate forest management performance, ensure compliance with applicable requirements and support continuous improvement within Penyuan Forest Plantation Management Unit (FPMU).

Forest monitoring activities will cover the following key areas:

a) Monitor planting progress, seedling survival, tree growth, plantation health and silvicultural maintenance activities.
b) Assess soil and water conditions, erosion control, waste management and compliance with environmental protection requirements.
c) Monitor wildlife habitats, protected species, conservation areas and the effectiveness of HCV management measures.
d) Conduct regular patrols to identify encroachment, illegal activities, fire risks and other potential threats to forest resources.
e) Monitor stakeholder concerns, community grievances, consultation outcomes and implementation of agreed corrective actions.
f) Monitor workplace safety, operational risks, accident prevention measures and compliance with safety requirements.
g) Evaluate compliance with applicable legislation, the Malaysian Criteria and Indicators for Sustainable Forest Management (MC&I SFM), and approved management plans through internal and external audits.

Management reviews will be conducted at least annually to evaluate monitoring results, audit findings, operational performance and the effectiveness of corrective actions. The findings will be used to identify areas for improvement, update management strategies and ensure the continued implementation of sustainable forest management practices within Penyuan FPMU.

12. Result of Forest Monitoring and assessment

Forest monitoring and assessment within Penyuan Forest Plantation Management Unit (FPMU) will be undertaken to evaluate forest conditions, environmental performance, biodiversity conservation and social impacts. Monitoring results will be reviewed periodically and updated as new information becomes available.

12.1. Yield of All Forest Products Harvested

No harvesting activities are currently being undertaken within Penyuan FPMU. Therefore, no timber production or harvesting yield data are available for the current management period. This section will be updated once harvesting operations commence and actual production records become available.

12.2. Composition and Observed Changes in Flora and Fauna

i. Flora

The remaining natural forest within Penyuan FPMU, particularly in Terrain Class IV areas, riparian buffer zones and designated water catchment areas, remains generally intact. These areas continue to provide important habitats and contribute to biodiversity conservation. Forest protection patrols and periodic field inspections will continue to monitor vegetation conditions and identify potential disturbances or changes in forest cover.

ii. Fauna

Wildlife observations have been recorded by FPMU surveyors during routine forest patrols through direct sightings, animal vocalisation, and indirect evidence, including footprints. Species recorded include *Trogonoptera brookiana*, *Rusa unicolor*, *Anthus* spp., *Argusianus argus* and *Macaca fascicularis*. Other wildlife species, particularly birds, have also been observed or heard but could not be identified due to limited species identification expertise among field personnel. Wildlife observations will continue to be documented to support biodiversity monitoring and assess potential changes in fauna composition within Penyuan FPMU.

12.3. Environmental and Social Impacts of Harvesting and Other Operations

No harvesting or second-rotation plantation establishment activities are currently being undertaken within Penyuan FPMU. Current management activities are primarily limited to forest protection, patrolling and environmental monitoring. Environmental and social monitoring will continue to identify potential impacts, assess compliance with applicable requirements and support appropriate corrective actions.

12.3.1. Water Quality Monitoring

Water quality monitoring was conducted at designated monitoring locations to assess potential impacts of forest plantation activities on surrounding water resources. The monitoring results indicated that all sampled water quality parameters were within the limits of Class II under the National Water Quality Standards for Malaysia (NWQS). The results indicate that water quality at the monitored locations remained within the applicable standards

12.3.2. External Environmental Compliance Audit (EECA) Results

The External Environmental Compliance Audit (EECA) conducted on 6-9 May 2026 identified several non-compliances with the Environmental Impact Assessment (EIA) approval conditions for LPF/0018. The findings included inadequate erosion control on steep slopes, improper disposal of vegetation debris and scheduled wastes, exceedances of water quality limits, incomplete environmental monitoring, inadequate stream buffer demarcation, improper solid waste disposal, insufficient drainage protection and firebreak provisions, and the presence of wildlife traps within the plantation area. The Company will implement corrective and preventive actions to address the identified non-compliances and strengthen environmental management practices. Implementation progress will be monitored, and the effectiveness of corrective actions will be assessed through subsequent environmental compliance audits.

12.3.3. High Conservation Value Forest (HCVF) Monitoring Results

HCVF monitoring within Penyuan FPMU focuses on the condition of designated conservation areas, wildlife habitats, salt licks, riparian buffer zones, water catchment areas, Terrain Class IV and community-use areas.

Monitoring observations indicated that wildlife habitats, riparian buffer zones, water catchment areas and Terrain Class IV remained intact, with no encroachment or significant disturbances recorded.

Monitoring of salt licks revealed that the salt lick in BT2 appeared dry, with no visible animal footprints or other signs of recent wildlife activity, suggesting reduced or inactive use. In contrast, animal footprints and other signs of wildlife activity were still observed at the salt lick in BT3.

The Jungle Palm Conservation Area remained undisturbed by plantation operations, as no operational activities were undertaken within the designated area. However, evidence of palm harvesting by local communities was observed, indicating that the area continues to be used by communities for their traditional needs.

The Company will continue periodic HCVF monitoring to assess changes in conservation conditions, wildlife activity and community resource utilisation, while ensuring the continued protection of identified conservation values.

12.3.4. Social Monitoring

Social monitoring conducted during 2025–2026 indicated that the Company maintained positive relationships with local communities through regular consultations and community assistance programmes.

During annual community consultations, no complaints were reported concerning infectious diseases associated with plantation operations. Community water supply pipelines remained functional and undisturbed, providing water for daily household use.
However, land disputes involving certain community members remain unresolved, despite the absence of legally recognised or gazetted land claims for the disputed areas. All disputed land areas have remained undisturbed, with no plantation development or other operational activities undertaken within these areas. The Company will continue to engage with the affected communities and relevant authorities to seek an appropriate resolution through consultation and established dispute resolution procedures.

12.4. Costs and Productivity of Forest Management

Information on the costs and productivity of the Company's forest management operations is confidential. Further details may be obtained from the management of Shin Yang Forestry Sdn. Bhd., subject to the Company's information disclosure policy.

12.5. Growth Rates and Condition of Planted Forest

Second-rotation plantation establishment has not yet commenced within Penyuan FPMU. Therefore, no growth rate or plantation condition data are currently available for the second rotation. Following plantation establishment, monitoring will include seedling survival, tree growth, plantation health, pest and disease occurrence and overall stand condition. This section will be updated once second-rotation planting activities commence and sufficient monitoring data become available.