



SIN HENG CHAN (MALAYA) BERHAD (“SHC”)

**UPDATES ON COMMUNITY ENGAGEMENTS WITH SADIA AND
PROGRESS OF RECOVERY PLAN**

(GRIEVANCE UPDATE NO: UPSB/01/04)

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Community Engagement Updates

Following several rounds of field visits and engagement with community members and complainants, SADIA has completed the mapping of community *temuda* land claims located within Urun Plantations Sdn Bhd (“UPSB”) lands. The resulting map, as shown in Appendix 1, provides an important basis for the next phase of verification, engagement and resolution.

The mapping exercise identified preliminary figures of approximately 51 *temuda* claims involving 28 claimants, covering approximately 181.49 hectares, subject to ongoing verification. A substantial proportion of the mapped claims are located within or adjacent to the riparian buffer zone along Sungai Belaga. Preliminarily, approximately 67.37 hectares of the mapped claims appear to overlap with areas that have been planted by UPSB.

UPSB is currently undertaking a verification process in respect of the mapped claims which will include, among others:

- consultations with JKKK Long Urun, senior community representatives and, where appropriate, relevant government authorities including the Sarawak Administrative Officer (“SAO”) and District Office; and
- reconciliation of the mapped claims against historical maps, company records and records of previous compensation or settlements.

As an immediate priority, UPSB is focusing on resolving outstanding claims that overlap with existing planted areas. These include claims associated with affected claimants in the area, including complainants engaged through the grievance process.

Subject to satisfactory resolution of the outstanding claims and further stakeholder engagement, UPSB intends to progress discussions towards a Co-Management Agreement for the conservation and protection of area within the Upper Hulu Belaga region. This will be detailed in our upcoming Recovery Plan Document.

The proposed co-management arrangement is intended to establish a collaborative framework between UPSB, the JKKK Long Urun, and other relevant local stakeholders for the long-term protection, management and monitoring of these areas.

Recovery Plan

UPSB's Recovery Plan, developed with input from independent and external stakeholders including Inovasi Digital, is in the final stages of review and is targeted for publication before end of August 2026.

The Recovery Plan will include measures aimed at supporting the conservation, rehabilitation and long-term protection of approximately 1,351.10 hectares (preliminary, subject to finalisation) of affected natural areas while seeking, if possible, to generate appropriate social and livelihood co-benefits for communities within and surrounding the concession. Based on SADIA's feedback, the proposed co-management arrangement has also received positive feedback from the majority of stakeholders, representing significant progress towards implementation.

Implementation of the Recovery Plan will be subject to ongoing stakeholder engagement, monitoring and periodic review.

Revised NDPE Policy

UPSB has also considered stakeholder feedback regarding its current No Deforestation, No Peat, No Exploitation (NDPE) policy. As part of its continuous improvement process, UPSB has completed a review and revision of the policy to further strengthen its sustainability governance and operational requirements.

The revised NDPE policy has also been issued on 11 August 2026 and is available for viewing at <https://shcm.com.my/sustainability>

The Group remains committed to transparency and will provide periodic updates on the implementation of its NDPE commitments. Progress updates will be published at least every six months, or earlier where there are significant developments or key milestones. The Group welcomes feedback and enquiries, which may be directed to sr@shcm.com.my.

Appendix 1: Temuda Claims Map

