

## Sabah TLAS Audit Report Principles 5 & 6

|                       |  |                       |                 |
|-----------------------|--|-----------------------|-----------------|
| <b>Organisation</b>   | Landlord: Sungai Silinponpon (Blockboard) Sdn. Bhd. 198901005802 (183107-P)<br>Tenant: Majestic Goldtree Sdn. Bhd. 201601010333 (1181263-K)  | <b>Reference #</b>    | GFSSBH 004-814  |
| <b>Contact Person</b> | Mr. John Chu (Sungai Silinponpon)<br>Mr. Awang Zaidun (Majestic Goldtree)  | <b>Audit Date</b>     | 09/04/2025      |
| <b>Office Address</b> | Sungai Silinponpon: KM10, Jalan Utara, Sungai Imam, Pasir Putih, Tawau, Sabah, Malaysia.<br>Majestic Goldtree: TB 14483, bandar Baru Hot Spring, Batu 3.5, Jalan Hot Spring, 91000 Tawau, Sabah, Malaysia. | <b>Date close out</b> | -               |
| <b>Mill Address</b>   | KM10, Jalan Utara, Sungai Imam, Pasir Putih, Tawau, Sabah, Malaysia.   | <b>Telephone</b>      | +6014 966 3229  |
| <b>Email</b>          | awangzd@yahoo.com<br>DFO TWU: Nooridayu.MohdAyub@sabah.gov.my<br>PPW TWU: MohdArapa.Lamuda@sabah.gov.my  | <b>Fax</b>            | +6089 761 796   |
|                       |  | <b>Approved By</b>    | Dr. Kevin Grace |

### Statements

|                         |               |                 |               |
|-------------------------|---------------|-----------------|---------------|
| Statement of Compliance | GFS 134 WTP   |                 |               |
| Issuance Date           | 14 April 2025 | Expiration Date | 13 April 2026 |

### Assessment Details

|                     |   |
|---------------------|---|
| Company Type        | Sawmill, Moulding, Veneer, Kiln Dry, Exporter   |
| Scope of Assessment | Sabah TLAS P5-6: JP(T)TW001/2022(X70), JP(T)TW043/00(X22)R, FDS(TW)(E)024/2019(M), FDS(TW)(S)025/2019(M), FDS(SR)(E)004/2021(M), FDS(SR)(S)006/2021(M)  |
| Product Group       | Sawn timber   |
| Source of Material  | Sabah, Malaysia.  |
| Species             | Shorea spp. (Red seraya, Yellow seraya), Shorea inappendiculata (Selangan batu), Parashorea spp. (White Seraya), Lithocarpus & Quercus (Mempening), Eusideroxylon zwageri (Belian), Other Timber (OT) |
| Lead Assessor       | Sheanna Kehong  |
| Assessor(s)         | Auther Itin, Jick Miki, Anne G. Grace   |
| SFD Staff           | Ahmad Sappa (PPD TWU)   |

### Terms of Assessment

The scope of the evaluation is to verify compliance with Sungai Silinponpon (Blockboard) Sdn. Bhd. (Majestic Goldtree Sdn. Bhd.) to the criteria within the Sabah Timber Legality Assurance System (TLAS) Principle 5 - Mill Operations and Principle 6 - Trade and Customs standards. Compliance is defined when the organization demonstrates that there is no non-compliance to any applicable criteria. Non-compliance to the Sabah Legality Standard occurs when the organization does not comply with 1 or more criteria. Non-compliance must be formally addressed prior to certification or within 2 months following a surveillance assessment.

### Limitations of Assessment

The information presented in this report is based on documentation and other information presented by the client and observations made during the field verification under the assessment. Auditor's reporting of information presented by the client is taken as accurate unless evaluated differently through the observations made during the assessment. All information presented in the report is accurate and complete to the best knowledge of GFS.

**Background Information:**

Sungai Silinponpon (Blockboard) is, on and from 14/06/1989, incorporated under Companies Act 2016, and is registered in Kota Kinabalu, Sabah, Malaysia, with registration #: 198901005802 (183107-P). Sungai Silinponpon (Blockboard) leased the sawmill to Majestic and has no operations.

Majestic Goldtree was registered in Sandakan, Sabah, Malaysia, with registration #: 201601010333 (1181263-K). Majestic Goldtree produces and trades sawn timber for the local market and exports to South Korea, China and Japan.

The Tenancy Agreement was made on 29/10/2021 between Sungai Silinponpon (Blockboard) (the Landlord) and Majestic Goldtree (the Tenant), letting the Demised premises to Majestic Goldtree and renewed every two years.

**Associated Organizations & Subcontractors:**

Management agreement was made on 15/11/2022 between Majestic Goldtree (the Company) and Rakan Rimba (the Provider) in providing the necessary Financial and Administrative including providing manpower. Dreamtim Sdn. Bhd. as its agent handles export consignments for Majestic Goldtree.

**Description of the Supply Chain:**

From December 2023 to February 2025, Majestic Goldtree purchased raw materials from the suppliers as below:

| Supplier  | License                  | Raw Material | Location  | GFS WTP # STCC #         | Overall Risk * |
|---|--------------------------|--------------|-----------|--------------------------|----------------|
| First Greenworld Sdn. Bhd.                      | SFMLA 02/2009            | Round log    | Serudong  | GFS 074 LVS (18/06/2025) | Low            |
| Top Quantum Sdn. Bhd.                           | SFMLA 01/2009            | Round log    | Serudong  | GFS 071 LVS (18/06/2025) | Low            |
| Pesona Majukaya Sdn. Bhd.                       | SFMLA 01/2018            | Round log    | Serudong  | GFS 163 LVS (18/06/2025) | Low            |
| Sabah Softwoods Berhad (Midas Esteem Sdn. Bhd.) | Form IIB: (CL 105467687) | Round log    | Kalabakan | GFS 149 LVS 10/11/2025   | Low            |
| Integrated Wood Processing sdn. Bhd.            | FDS(TW)(S)069/2019(MT)   | Round log    | Tawau     | GFS 238 WTP (25/06/2025) | Low            |

\*GFS risk evaluation is based on the risk matrix for Sabah TLAS (VL) materials & products.

**Summary Results:**

(Major gap = 0, Minor gap = 0, Observation = 0)

| GAPs: Year 2025 |      |           |        |             |
|-----------------|------|-----------|--------|-------------|
| GAP #           | Type | Checklist | Status | Description |
| -               | -    | -         | -      | -           |

\*Major = Non-Compliance

| Observations: Year 2025 |           |             |
|-------------------------|-----------|-------------|
| Obs #                   | Checklist | Description |
| -                       | -         | -           |

| Highlights of Close-Out Visit (if applicable) | Date: = |
|---|---------|
| Not applicable                                |         |

**Recommendations**

**Sungai Silinponpon (Blockboard) Sdn. Bhd. (Majestic Goldtree Sdn. Bhd.)** has demonstrated compliance with the Sabah Standard Principles 5-6 for Chain of Custody and is recommended to receive a GFS Statement of Compliance and Sabah Timber Legality Assurance System Compliance Certificate (TLAS-CC) from SFD.

The next surveillance visit is scheduled for April 2026.

**End of Summary Report**