

Sabah TLAS Audit Report

Sabah Legality Standard Principles 1 – 4

Licensee	Pesona Majukaya Sdn. Bhd. 201401004064 (1080138-X)	Reference #	GFSSBH 003-406
Contact Person	Mr. Awang Zaidun Awang Taip (Forest & Shipping Manager)	Date of Report	29/05/2026
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		Approved By	Dr. Kevin Grace

Statements

Statements			
Statement of Compliance	GFS 163 LVS		
Issuance Date	09 June 2026	Expiration Date	08 June 2027

Assessment Details

Assessment Dates	25-29 May 2026
Scope of Assessment	Sabah TLAS P1-4: SFMLA 01/2018 (FMU 25)
Species	ITP Salvage logging and NFM RIL harvesting: <i>Dryobalanops</i> spp. (Kapur), <i>Dipterocarpus</i> spp. (Keruing), <i>Parashorea</i> spp. (White seraya), <i>Shorea</i> spp. (Selangan Batu, Red seraya, Yellow seraya, Urat Mata, Melapi), <i>Heritiera simplicifolia</i> (Kembang), <i>Scaphium</i> spp. (Kembang semangkuk), <i>Sapotaceae</i> spp. (Nyatoh), <i>Neolamarckia cadamba</i> (Laran), <i>Duabanga moluccana</i> (Magas), <i>Octomeles sumatrana</i> (Binuang), <i>Alstonia</i> spp. (Pulai), <i>Annonaceae</i> spp. (Karai), <i>Eugenia</i> spp. (Obah), <i>Sindora beccariana</i> (Sepetir), <i>Lauraceae</i> (Medang), <i>Planchonia valida</i> (Putat), <i>Lophopetalum</i> spp. (Perupok), <i>Terminalia subspathulata</i> (Talisai), <i>Myristicaceae</i> (Darah-darah), <i>Dillenia</i> spp. (Simpur), <i>Cotylelobium</i> spp. (Resak), <i>Cratoxylum arborescens</i> (Serungan), <i>Pentace</i> spp. (Takalis), <i>Hopea</i> spp. (Gagil), <i>Pterocymbium javanicum</i> (Teletto), <i>Prerospermum</i> spp. (Bayor), <i>Dyera</i> spp. (Jelutong), <i>Dialium indum</i> (KerANJI), <i>Annonaceae</i> spp. (Pisang-pisang), <i>Camptosperma auriculatum</i> (Terentang), <i>Anisoptera</i> spp. (Pengiran), <i>Cratoxylum</i> spp. (Geronggang), <i>Endospermum diadenum</i> (Sendok – Sendok), <i>Tristanopsis merguensis</i> (Pelawan-pelawan), and other timbers (OT) ITP Planted: <i>Neolamarckia cadamba</i> (Laran), <i>Terminalia subspathulata</i> (Talisai), <i>Octomeles sumatrana</i> (Binuang)
Lead Assessor	Teddy Quintin, (Acting Lead Auditor) Eljipy Sualim
Assessor(s)	Ennald Chin, Soliano Andrew
SFD Staff	Johnny Laminggu (ADFO Serudong), David Totu (PPD Serudong)

OBJECTIVES:

- The objective of this checklist is to verify compliance to the Criteria listed in the Sabah Legality Standard as defined by Principles 1 - 4 for Sabah dated November 2020 (**SFD-TLAS-002**).
- Compliance is defined when all applicable criteria are observed to be compliant. A minor Gap to any indicator does not constitute non-compliance to a criterion. A Major Gap to any applicable indicator does reflect non-compliance to a criterion. Compliance with a criterion where multiple minor gaps are identified in indicators under the criterion may reflect non-compliance to the criterion.
- All issues identified under this standard shall be considered appropriate to the scale and degree of forestry operations undertaken by the parties under the agreement.

Summary Information

Overview of Licensee:

In April 2018, Pesona Majukaya Sdn. Bhd. (Pesona Majukaya) entered into a long-term concession agreement with the Government of the State of Sabah to undertake forest management in part of the Sapulut Forest Reserve within FMU # 25 for a period of 50 years, running from 20/04/2018 to 19/04/2068 (SFMLA 01/2018). The reserve is designated by law as a Commercial Forest Reserve (Class II) intended primarily for timber production. The surveyed boundary of the licensed area encompasses about 10,018 Ha of logged over natural forests in two separate parcels. Adjacent to this area and sharing common boundaries, are concessions belonging to First Greenworld Sdn. Bhd. and Top Quantum Sdn. Bhd., two closely associated companies by virtue of mutual ownership.

The Consolidated Management Plan (CMP) has been developed to integrate and coordinate the overall planning of timber harvesting and tree plantation activities across all licensed areas. The primary aim of this consolidation is to establish activities a unified and sustainable rotation system that enhances long-term productivity and operational efficiency within FMU 25. Under the consolidated FMP, a unified Harvesting Plan and Planting Development Plan were formulated to synchronize operations across all SFMLA licensed areas.

However, based on the SFD letter dated 27/04/2026, Ref. #: JPHTN/SFM800-1/1/35(JILID.4)/21, the application to consolidate 4 FMPs under 1 FMP cannot be considered, as it is not aligned with the License Agreement. Each licensee is required to prepare their respective FMP.

The preparation of a Master FMP, which constitutes landscape planning, may be adopted as a guideline for planning the operation of the 4 licenses. This means that the planning in each individual FMP must be aligned with the planning in the Master FMP. SFD requested the licensee to provide additional documents to support the Master FMP.

Pesona Majukaya has an existing 10-year FMP (2021-2030) for 10,018 Ha within FMU 25 Sapulut Forest Reserve.

Rakan Rimba Sdn. Bhd. is the parent company of Top Quantum Sdn. Bhd, First Greenworld, Zillion Fortune Sdn. Bhd., Pesona Majukaya Sdn. Bhd., Empayar Kejora Sdn. Bhd.

List of Contractor.

#	Contractor Name	Remarks
1	Majumas Maju Sdn. Bhd.	Log extraction within Compartment and log transportation to Stumping site. Manpower under Majumas Maju's responsibility.
2	Perusahaan Maju Jaya Sdn. Bhd.	Log extraction within Compartment and log transportation to Stumping site. Manpower under Perusahaan Maju Jaya's responsibility.
3	Dat Sing Timbers Sdn. Bhd.	Log extraction within Compartment and log transportation to Stumping site. Manpower under Dat Sing Timbers's responsibility.
4	Rakaniaga Cemerlang Sdn. Bhd.	Log extraction within Compartment and log transportation to Stumping site. Manpower under Rakaniaga Cemerlang's responsibility.

The previous assessment was conducted in June 2025 that resulted in 1 gap(s) and 1 observation(s) (Report #: GFSSBH 003-351).

Land use classification: FMP, Table 4.1: Estimated net production area (Ha) for the licensed area.

Land classification	FMP Area (ha)	Current Status (ha)
Licensed Area (gross production area)	10,018	10,018
Non-production Area: Roads & Clearings = 23 Ha Streams, ponds & riparian buffer = 312 Ha Steep & inoperable areas = 31.20 Ha	366 *	366.20

Net production area	9,652 *	9,651.80 Total planted area: 409.00 ha Species planted: Laran, Kapur Paji, Binuang, Talisai, Wild Durian, Seraya, Kawang Jantung
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Note: The FMP stated Non-production area = 366 Ha, Net production area = 9,652 Ha. The correct calculation for Non-production area = 366.20 Ha, Net production = 9,651.80 Ha.

Current Operations:

The planned activities based on the AWP 2026.

Activity	Remark
Salvage logging	Backlog CF from 2025: 1,991.64 Ha (Compartments C07, C11, C12, C13).
RIL	Backlog CF from 2025: 1,537.92 Ha (Compartments C08, C09, C10).

List **current compartments** under harvesting or planting.

Comp #	NFM / ITP	Status	Area (ha)	Geo-location data
C08	NFM	Sabah TLAS EUDR	465.23	NW:116°47'0" E 4°26'0"N NE:116°48'0" E 4°26'0"N SW:116°47'10" E 4°24'0"N SE:116°48'0" E 4°25'0"N
C11	ITP	Sabah TLAS	722.96	NW:116°46'0" E 4°24'0"N NE:116°47'0" E 4°24'0"N SW:116°46'10" E 4°23'0"N SE:116°47'0" E 4°23'0"N
C05	ITP	Sabah TLAS	715.44	NW:116°45'0" E 4°30'0"N NE:116°47'0" E 4°29'0"N SW:116°45'10" E 4°28'0"N SE:116°47'0" E 4°27'0"N

List **AWP planned** harvesting or planting.

Comp #	NFM / ITP	Status	Area (ha)	Geo-location data
C07	ITP	Sabah TLAS	429.78	NW:116°45'0" E 4°27'0"N NE:116°46'0" E 4°26'0"N SW:116°45'10" E 4°26'0"N SE:116°46'0" E 4°25'0"N
C12	ITP	Sabah TLAS	795.27	NW:116°45'0" E 4°23'0"N NE:116°47'0" E 4°23'0"N SW:116°47'10" E 4°22'0"N SE:116°48'0" E 4°22'0"N
C13	ITP	Sabah TLAS	576.40	NW:116°47'0" E 4°21'0"N NE:116°48'0" E 4°21'0"N SW:116°47'10" E 4°20'0"N SE:116°48'0" E 4°20'0"N
C09	NFM	Sabah TLAS EUDR	569.97	NW:116°47'0" E 4°24'0"N NE:116°49'0" E 4°24'0"N SW:116°47'10" E 4°23'0"N SE:116°49'0" E 4°23'0"N
C10	NFM	Sabah TLAS EUDR	539.47	NW:116°45'0" E 4°26'0"N NE:116°47'0" E 4°25'0"N SW:116°45'10" E 4°24'0"N SE:116°47'0" E 4°24'0"N
C03	ITP	Sabah TLAS	564.20	NW:116°47'0" E 4°30'0"N NE:116°48'0" E 4°30'0"N SW:116°47'10" E 4°29'0"N SE:116°48'0" E 4°29'0"N
C01	ITP	Sabah TLAS	791.69	NW:116°45'0" E 4°33'0"N NE:116°47'0" E 4°33'0"N SW:116°45'10" E 4°31'0"N SE:116°47'0" E 4°31'0"N

Environmental Context:

Existing EIA report & key elements for protection / mitigation:

	Ref. #	Consultant
Proposed Forestry Operation Within SFMLA 01/2018 (10,018.30 Ha) under FMU 25 of Sapulut Forest Reserve in District of Nabawan, Sabah	JPAS/PP/NBN/600-1/01/3/64	Ekohandal Sdn. Bhd

Forest type and short history of management:

The natural vegetation of the licensed area can be classified into 5 types; The Upland Mixed Dipterocarp and Kerangas Forest, occupying areas above 500 m ASL, makes up the largest portion. *Agathis sp.*, a highly valued tropical conifer is found on the upper slopes and ridges. The Lowland Mixed Dipterocarp forest, occupying the relatively lower lying area below 500 m ASL. At the higher elevations above 1000 m, particularly compartments B21, B22 and B25, lower montane heath forest is found, such forests are of lower stature, with average canopy heights usually not more than 35 m. Dipterocarp diversity is low and the non-dipterocarps become more dominant. The two most common dipterocarps found here are *Shorea venulose* and *S. coriaceae*. Other common canopy species are *Tristanopsis grandifloras*, *Gymnostoma sumatrana*, *Dacrydium beccarii*, *Ceutorstoma terminale* and *Ilex cymose*.

The Sapulut FR was constituted as a Commercial FR in Jan 1979 (GN No. 34/79). Prior to 1998, the reserve was under the jurisdiction of Keningau Regional Forestry Office. From 1998 onwards, due to logistical convenience, it was placed under the jurisdiction of the Tawau regional Forestry Office. Although detailed Forestry Department records from the past are difficult to obtain, general records show that the area was mainly logged between 1985 to 1997, through the issuance of short-term licenses in the form of Special Licenses (5-10 year licence) and Form 1 Licences (annual licence). The conventional logging method then was tractor-based, with a minimum permitted felling diameter of 60 CM DBH. Typical extraction rates from the mixed dipterocarp forests in the area would range 100-150 m³ ha⁻¹. Upon the completion of timber extraction, the coupe area was closed after inspection by the DFO. The 3 main logging companies operating in the Sapulut FR then were Syarikat Saliha, Syarikat Chung Chao Lung and SK Timber.

Principal commercial species currently existing:

ITP Salvage logging and NFM RIL harvesting: *Dryobalanops spp.* (Kapur), *Dipterocarpus spp.* (Keruing), *Parashorea spp.* (White seraya), *Shorea spp.* (Selangan Batu, Red seraya, Yellow seraya, Urat Mata, Melapi), *Heritiera simplicifolia* (Kembang), *Scaphium spp.* (Kembang semangkuk), *Sapotaceae spp.* (Nyatoh), *Neolamarckia cadamba* (Laran), *Duabanga moluccana* (Magas), *Octomeles sumatrana* (Binuang), *Alstonia spp.* (Pulai), *Annonaceae spp.* (Karai), *Eugenia spp.* (Obah), *Sindora beccariana* (Sepetir), *Lauraceae* (Medang), *Planchonia valida* (Putat), *Lophopetalum spp.* (Perupok), *Terminalia subspathulata* (Talisai), *Myristicaceae* (Darah-darah), *Dillenia spp.* (Simpur), *Cotylelobium spp.* (Resak), *Cratogeomys arborescens* (Serungan), *Pentace spp.* (Takalis), *Hopea spp.* (Gagil), *Pterocymbium javanicum* (Teletu), *Prerosperrum spp.* (Bayor), *Dyera spp.* (Jelutong), *Dialium indum* (Keranjil), *Annonaceae spp.* (Pisang-pisang), *Campnosperma auriculatum* (Terentang), *Anisoptera spp.* (Pengiran), *Cratogeomys spp.* (Geronggang), *Endospermum diadenum* (Sendok – Sendok), *Tristanopsis merguensis* (Pelawan-pelawan), and other timbers (OT)

ITP Planted: *Neolamarckia cadamba* (Laran), *Terminalia subspathulata* (Talisai), *Octomeles sumatrana* (Binuang)

Specific biological values (e.g., rare or endangered species):

An aerial orang utan nest count conducted by WWF in 2015 found no nests in the area, suggesting that orang utans are absent or occur at very low numbers. Elephants and tembadau are known to be present in the general area, but not specifically recorded for the licensed area. The area is generally a poor habitat for elephants and orang utans due likely to elevation and forest type. Apart from surveys, a general wildlife assessment has not been carried out for the area. However, common small mammals such as deer, rodents, wild cats and squirrels are likely to be found.

Environmental services (e.g., critical watersheds, wildlife habitat, peat swamp, etc.):

There is an extensive network of streams within the licensed area, mostly streams within the FMU are generally too shallow to be navigable by boat or used as a means of transportation. The three major

rivers flowing through the area area Sg. Palangan, Sg. Biruas and Sg. Sebuda, all flowing eastward towards Serudong.

Social Context:

There are no villages or human settlements within the FMU, or even within 15 KM of the licensed area boundary, apart from those established for workers associated with oil palm plantations, sawmills and Maliau basin field Centre. The largest rural town of any significance is Sapulut, located 85 KM by the existing road network. The closest village to the Licensed Area is Kg. Tataluan, a rural settlement of about 20 households inhabited by the Murut ethnic group.

Identified communities that are dependent on the FMU:
None

Land claims, disputes & communication system:
None

Community Forestry Projects:
None

Scope of Assessment	
- The scope of the evaluation is to verify compliance of Pesona Majukaya Sdn. Bhd. with the Sustainable Forest Management License Agreement (SFMLA 01/2018) - FMU 25. - The assessment is in accordance with the terms of the agreement for the “Sabah Legality Standard Principles 1 - 4 dated 1 January 2024 (SFD-TLAS-006). - Site evaluation to verify and report the level of compliance by Pesona Majukaya Sdn. Bhd. and contractors to the standard in respect to each of the criteria within this report. - Compliance is defined when the auditee demonstrates that the indicators consist of none or only minor gaps against any applicable criteria of the standard. Non-compliance to the Sabah Legality Standard occurs when the auditee does not comply adequately with a criterion.	

Itinerary & Mandays: 25-29 May 2026 / FMU 25: Top Quantum Sdn. Bhd., First Greenworld Sdn. Bhd., Pesona Majukaya Sdn. Bhd./Majestic Goldtree Sdn. Bhd. / Serudong District / Close-out: Lagenda Aktif Sdn. Bhd. / Sook District

Date	Activity	GFS Staff	Mandays
25 May 2026 Monday	Travel to First Greenworld basecamp. Opening meeting for Top Quantum, First Greenworld, Pesona Majukaya and Majestic Goldtree at First Greenworld basecamp office. Overnight at campsite.	Teddy Quintin, Eljipy Sualim, Ennald Chin, Soliano Andrew	4
26 May 2026 Tuesday	Field assessment to operation areas First Greenworld Compartment B11 (planted tree maintenance), Top Quantum Compartment A14 (salvage logging) and Pesona Majukaya Compartment C08 (RIL harvesting), C05 (planting), C07 (Site preparation), C11 (salvage logging), licensed boundary, protected area (buffer zone, riparian reserves, steep area), and log yard. Visit to Majestic Goldtree, document review. Overnight at campsite.	Teddy Quintin, Eljipy Sualim, Ennald Chin, Soliano Andrew	4
27 May 2026 Wednesday	Public Holiday – Hari Raya Haji	Teddy Quintin, Eljipy Sualim, Ennald Chin, Soliano Andrew	4
28 May 2026 Thursday	Field assessment to licensed area, PSP plot Compartment A1, B9, basecamp, workers' quarters, workshop and nursery. Document review. Overnight at Tawau.	Teddy Quintin, Eljipy Sualim, Ennald Chin, Soliano Andrew	4
29 May 2026	Close-out Lagenda Aktif (Document review).	Teddy Quintin,	4

Friday	Closing meeting at Rakan Rimba office. Travel back to home base.	Eljipy Sualim, Ennald Chin, Soliano Andrew	
30-31 May 2026	Reporting/Administration: GFSSBH003-404 Reporting/Administration: GFSSBH003-405 Reporting/Administration: GFSSBH003-406 Reporting/Administration: GFSSBH004-969 Reporting/Administration: GFSSBH003-394a	Dr. Kevin Grace Teddy Quintin Ennald Chin	9
Total			29

Highlights of Assessment

(Major Gaps = 0; Minor Gaps = 1, Observations = 3)

Pesona Majukaya Sdn. Bhd. has complied with the Sabah TLAS requirements (FDS TLAS-006) as no non-compliance was identified during the assessment on 25-29 May 2026.

Summary of status of operations by **Principle**:

Principle 1. Right to Harvest

Pesona Majukaya demonstrated compliance with the license requirements, required management planning, and submission of documents or reports such as the EIA monitoring report to the relevant authorities.

May 2026: Observation 001-2026 – Checklist 1.3.2.13

The Consolidated Forest Fire Management Plan has not been approved by the SFD.

Principle 2. Forest Operations

Pesona Majukaya demonstrated compliance with the licensed area security, maintenance of the licensed boundary, and protection of the buffer zones. Pesona Majukaya has ensure compliance with the regulatory requirements for workers.

June 2024: Observation 004-2024 – Checklist 2.3.3

No PSP established inside compartment C15 in the NFM.

June 2024: Observation 004-2024 - Outstanding

PSP was not set up to evaluate logging damage and significant inconsistency in the DBH measurement of trees result in the PSP data not credible to monitor operations and growth.

May 2026: Observation 004-2024 – Outstanding

Pesona Majukaya has yet to establish PSP to evaluate logging damage in the NFM compartments.

May 2026: Observation 002-2026 – Checklist 2.2.3

Inconsistent in identification of Geo-location in the e-Removal Pass by the SFD.

Principle 3. Statutory Charges

Pesona Majukaya has paid licensing fees and other charges to the SFD.

June 2024: Gap 005/2024 (minor) – Checklist 3.1.1

The Occupational Permits are expired.

June 2025: Gap 005/2024 (minor) - Outstanding

SFD has yet to inspect the OP for approval process.

May 2026: Gap 005/2024 (minor) – Outstanding

SFD has yet to provide feedback regarding the OPs renewal and new application for approval process.

Principle 4. Other User Rights

There are no villages or human settlements within the FMU, or even within 15 KM of the licensed area boundary, apart from those established for workers associated with oil palm plantations, sawmills and Maliau basin field Centre. The largest rural town of any significance is Sapulut, located 85 KM by the existing road network.

Summary Results:

(Major gap = 0, Minor gap = 1, Observation = 3)

Gap raised against indicators & criteria during the May 2026 assessment.

GAP	Type	Checklist	Status	Description
005/2024	minor	3.1.1	Outstanding	June 2024: The Occupational Permits are expired. June 2025: SFD has yet to inspect the OP for approval process. Annual rent 2025 has not been paid. May 2026: SFD has yet to provide feedback regarding the OPs renewal and new application for approval process.

Observation raised against indicators & criteria during the May 2026 assessment.

Obs #	Checklist	Description
004-2024 Outstanding	2.3.3	June 2024: No PSP established inside compartment C15 in the NFM. June 2025: PSP was not set up to evaluate logging damage and significant inconsistency in the DBH measurement of trees result in the PSP data not credible to monitor operations and growth. May 2026: Pesona Majukaya has yet to establish PSP to evaluate logging damage in the NFM compartments.
001-2026	1.3.2.13	May 2026: The Consolidated Forest Fire Management Plan has not been approved by the SFD.
002-2026	2.2.3	May 2026: Inconsistent in identification of Geo-location in the e-Removal Pass by the SFD.

Highlights of Close Out Visit (if applicable)	Dates	-
Not applicable		

Recommendations

Pesona Majukaya Sdn. Bhd. demonstrated compliance with the Sabah TLAS requirements (FDS TLAS-006) for its designated area and is recommended to receive a GFS Statement of Compliance and Sabah Timber Legality Assurance System Compliance Certificate (TLAS-CC) from SFD.

Gap(s)/Observation(s) identified in this assessment should be addressed before the next surveillance visit. Action required to close the gap(s)/observation(s) include:

Gap 005/2024 (minor) Outstanding – Checklist 3.1.1: SFD shall expedite the OPs approval process.

Observation 004-2024 – Outstanding – Checklist 2.3.2: The PSP should set up the PSP to evaluate logging damage in NFM zone.

Observation 001-2026 – Checklist 1.3.2.13: Rakan Rimba should seek guidance from the SFD regarding the expired FFMP since 2022 by expediting the preparation of the respective FMPs and submit to SFD for approval for the Consolidated FFMP to be approved as well.

Observation 002-2026 – Checklist 2.2.3: SFD shall identify Geo-locations in the e-Removal Pass.

The next annual surveillance audit will be scheduled for **May 2027**.

End of Summary Report