

## Sabah TLAS Audit Report Principles 5 & 6

<b>Organisation</b>	Majestic Goldtree Sdn. Bhd. (1181263-K)	<b>Reference #</b>	GFSSBH 004-538
<b>Contact Person</b>	Awang Zaidun Awang Taip (Forest & Shipping Manager)	<b>Audit Date</b>	17/08/2023
<b>Office Address</b>	<p><b>Majestic Goldtree Sdn. Bhd.:</b> TB 14483, 1<sup>st</sup> Floor, Dataran Saujana, Batu 3.5, Jalan Hot Spring, 91000 Tawau, Sabah, Malaysia.</p> <p><b>Rakan Rimba Sdn. Bhd.:</b> Block 39, Lot 1&amp;2 Floor, Indah Commercial Complex, Mile 4, North Road, PPM 346, Elopura, 90009 Sandakan, Sabah, Malaysia.</p>	<b>Date close out</b>	-
<b>Mill Address</b>	Compartment B1, First Greenworld Sdn. Bhd., Hutan Simpan Sapulut Kelas II, Sabah, Malaysia.	<b>Telephone</b>	+6089 202 666
<b>Email</b>	awang@rakanrimba.com	<b>Fax</b>	+6089 203 666
		<b>Approved By</b>	Dr. Kevin Grace

### Statements

<b>Audit Statement #</b>	GFS 245 WTP		
<b>Issuance Date</b>	21 August 2023	<b>Expiration Date</b>	20 August 2024

### Assessment Details

<b>Company Type</b>	Sawmill, Exporter
<b>Scope of Assessment</b>	Sabah TLAS P5-6: JP(T)SR004/18/(B01)
<b>Product Group</b>	Sawn timber
<b>Source of Material</b>	Sabah, Malaysia.
<b>Species</b>	<i>Shorea spp.</i> (Red seraya, Yellow seraya), <i>Shorea inappendiculata</i> (Selangan batu), <i>Dialium indum</i> (KerANJI), <i>Parashorea spp.</i> (White Seraya), <i>Shorea pauciflora</i> (Obah suluk) and <i>Annonaceae spp.</i> (Karai), OT (Other timber)
<b>Lead Assessor</b>	Brandon James
<b>Assessor(s)</b>	Sandra George
<b>FDS Staff</b>	Jumadil Piddin (PPD Serudong), David Totu @ Sikadil (PPD Serudong)

### Terms of Assessment

The scope of the evaluation is to verify compliance of 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 are 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 of knowledge of GFS.

**Background Information:**

Majestic Goldtree Sdn. Bhd (Majestic Goldtree) is registered in Kuala Lumpur, Malaysia, with registration # 1181263-K. Majestic Goldtree produces sawn timber for the local market. Majestic Goldtree has an export license; however, the company has not exported sawn timber since August 2022.

The previous assessment was conducted in August 2022 that resulted in 0 gap(s) and 2 observation(s) (Report #: GFSSBH 004-391).

**Associated Organizations & Subcontractors:**

Rakan Rimba provides manpower to Majestic Goldtree and associated companies; First Greenworld Sdn. Bhd., Top Quantum Sdn. Bhd., Zillion Fortune Sdn. Bhd., Empayar Kejora Sdn. Bhd. and Pesona Majukaya Sdn. Bhd.

Top Greentimber Contractor provides piece rate workers when deemed necessary and Rimba Kekal provides workers on a rotational basis.

**Description of the Supply Chain:**

From August 2022 to July 2023, 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 logs	Serudong	GFS 074 LVS (18/06/2024)	Low
Top Quantum Sdn. Bhd.	SFMLA 01/2009	Round logs	Serudong	GFS 071 LVS (18/06/2024)	Low
Pesona Majukaya Sdn. Bhd.	SFMLA 01/2018	Round logs	Serudong	GFS 163 LVS (02/07/2024)	Low

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

**Summary Results:**

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

**GAPs: Year 2023**

GAP #	Type	Checklist	Status	Description
-	-	-	-	-

\*Major = Non-Compliance

**Observations: Year 2023**

Obs #	Checklist	Description
001-2022 Addressed	5.2.4	<b>August 2022:</b> Lack of appointed personnel for administration functions. <b>August 2023:</b> Majestic Goldtree has included the key personnel in the COC in charge of administrative functions.
002-2022 Addressed	5.3.7	<b>August 2022:</b> Fire and safety training records are incomplete. <b>August 2023:</b> Majestic Goldtree has included date, attendance sheet and agenda as part of training records.
001-2023	5.1.2 5.2.6	<b>August 2023:</b> Appendix 1 manual was not submitted to SFD.

**Highlights of Close-Out Visit (if applicable)**

Date: -

Not applicable

**Recommendations**

**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.

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:

**Observation 001-2023 – Checklist 5.1.2, 5.2.6:** Majestic Goldtree shall submit Appendix 1 manual versions as required.

The next surveillance visit is scheduled for August 2024.

**End of Summary Report**