

Sabah TLAS + Audit Report

Sabah Legality Standard Principles 1 – 4 & 7

Licensee	Licensee: Rakyat Berjaya Sdn. Bhd. 197001000639 (009867-W) Contractor: Empayar Kejora Sdn. Bhd. 200901025902 (869004-M)	Reference #	GFSSBH 003-421
Contact Person	Richard Ondoh (Officer in Charge Rakyat Berjaya Tawau) Awang Zaidun Ag Taip (Forest Manager)	Date of Report Date of close out	28/08/2026 -
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		Approved By	Dr. Kevin Grace

Statements

Statement of Compliance	GFS 060 LVS		
Issuance Date	31 August 2026	Expiration Date	30 August 2027

Assessment Details

Assessment Dates	24-28 August 2026
Scope of Assessment	Sabah TLAS+ P1-4: SFMLA 09/97 FMU 23 (Partly)
Species	NFM: <i>Neolamarckia cadamba</i> (Laran), <i>Octomeles sumatrana</i> (Binuang), <i>Terminalia subspatulata</i> (Talisai), <i>Lophopetalum javanicum</i> (Perupok) Mosaic Forest Restoration & Enrichment Planting: <i>Albizia falcataria</i> (Batai), <i>Neolamarckia cadamba</i> (Laran), <i>Octomeles sumatrana</i> (Binuang), <i>Terminalia subspatulata</i> (Talisai), <i>Lophopetalum javanicum</i> (Perupok)
Lead Assessor	Sheanna Kehong, (Acting Lead Auditor) Ennald Chin
Assessor(s)	UMS Internship: Stacy Robert
SFD Staff	PPD Kalabakan: Rosdin Abd Rahman, Suhezron Salim, Mohd Firdaus Bin Syamsul

Objectives

- The objective of this checklist is to verify compliance with the Criteria listed in the Sabah Legality Standard as defined by Principles 1 - 4 including Principle 7 for Deforestation Free (DF) where applicable and Optional Principle 8 for CS3D dated 1 July 2026.
- 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 reflects non-compliance to the criterion which shall be addressed within 2 months.
- All issues identified under this standard shall be considered appropriate to the scale and degree of forestry operations undertaken by the parties under the license agreement.

Scope of Assessment

- The scope of the evaluation is to verify compliance of Rakyat Berjaya Sdn. Bhd. (Empayar Kejora Sdn. Bhd.) with the Sustainable Forest Management License Agreement (SFMLA 09/97) for FMU 23 (Partly).
- The assessment is in accordance with the terms of the agreement for the “Sabah Legality Standard Principles 1 - 4 & 7 dated 1 July 2026.
- Principle 7 Deforestation Free: ☐ Applicable ☒ Not Applicable
- Principle 8: CS3D: ☐ Included ☒ Not Included
- Site evaluation to verify and report the level of compliance by Rakyat Berjaya Sdn. Bhd. and contractors to the standard in respect to each of the criteria within this report.

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.

Summary Information**Overview of Licensee:**

The Sabah Foundation (Yayasan Sabah) is a statutory body set up by the State Government in 1966, with the objectives of providing financial support for education, social welfare and equitable economic opportunities for the people of Sabah. The State Government allocated some one million hectares of forest concession area as its main source of income to fulfil the objectives, under a 100-year Concession Agreement. Among the main terms and conditions of the Concession Agreement require the forest area to be managed on a sustain yield based on area control and operate under a coupe system.

Sabah Foundation formed Rakyat Berjaya Sdn. Bhd. (Rakyat Berjaya) to carry out planning and implementation of forest management activities particularly timber harvesting in accordance with the concept of sustained yield. However, conventional methods of timber harvesting resulted in severe damage to the residual stand is so that it required aggressive managerial intervention to restore back into productive state.

The conventional forest harvesting practices continued until the adoption of Sustainable Forest Management by the State Government in 1997. Coincidentally to the move, about 200,000 Ha of the Yayasan Sabah concession area was set aside for agroforestry management under its subsidiary company, Benta Wawasan Sdn. Bhd. (Benta Wawasan), while the remaining 800,000 Ha for sustainable forest management.

Following the move, the concession area was divided into 8 geographic planning areas of about 100,000 hectares each known as FMU.

In FMU 23, an area of 29,105.60 Ha has been contracted to Empayar Kejora in 2011. A 2nd 10-year FMP was established from 2022 to 2023.*

*Note: * Typo in the 2nd FMP.*

The previous assessment was conducted in August 2025 that resulted in 0 gap(s) and 3 observation(s) (Report #: GFSSBH 003-365).

List of contractors.

Contractor	Validity	Remarks
Empayar Kejora Sdn. Bhd.	Dated 16/07/2012	The Contractor is desirous of managing and securing wood resources on a long-term basis in a certain Forest Reserve area in the State of Sabah for the

		purpose of sustainable production of timber and natural forest produce for harvesting, distributing, processing and export of such timber, forest industrial products and other relevant materials or products.
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Land use classification: Based on the 2nd FMP, Table 4-1: Forest land-use area.

Land Classification	FMP Area (Ha)	Current Status (Ha)
Total Project Area	29,105.60	29,105.60
Integrated Mosaic Planting (IMP)	18,561.10	Total Area planted: 4,400.54 Area planted by species: Batai = 2,847.05 Ha Laran = 1,293.75 Ha Binuang = 113.09 Ha Talisai = 145.34 Ha Perupok = 1.31 Ha
NFM - CHP/RIL	4,354.70	Total CHP developed = 4,354.70 Ha Total log production (2014-2017) = 77,281.33 m ³
Mosaic Planting - Non-CHP/RIL	5,202.50	Total area planted: 1,038.19 Area planted by species: Laran = 333.30 Ha Binuang = 426.34 Ha Talisai = 82.02 Ha Perupok = 23.81 Ha Dipterocarp = 172.72 Ha
Steep areas	187.50	187.50
Riparian Buffer areas	280.60	280.60
Conservation area	475.00	475.00
Approved OP for camp base	44.20	44.20

Current Operations:

Based on the AWP 2026, there are no harvesting operations. Harvesting is postponed to 2027. Empayar Kejora focuses on silviculture treatment and maintenance of infrastructures as of Aug 2026 assessment.

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

Comp # or Coupe #	NFM / ITP	Status	Area (ha)	Geo-location data
-	-	-	-	-

List **AWP areas** planned for harvesting and planting.

Comp # or Coupe #	NFM / ITP	Status	Area (ha)	Geo-location data
-	-	-	-	-

Environmental context:

Forest type:

The Project Area was previously a lowland mixed dipterocarp forest. Now the major vegetation cover is natural forest and plantation forest of mixed indigenous and exotic species.

Commercial species currently existing:

Albizia falcataria (Batai), *Neolamarckia cadamba* (Laran), *Octomeles sumatrana* (Binuang), *Terminalia subspatulata* (Talisai), *Lophopetalum javanicum* (Perupok).

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

Mammals detected including Bornean Elephants, Tembadau, Sun bear, Proboscis monkey and Clouded Leopard. Other mammals like the rare and endemic species of Borneo (Yellow) Muntjac and wild cat species are found all over the Project Area, relatively abundance within the integrated mosaic planted area.

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

The two major rivers flowing through the Project Area are Sg. Kasuyan and Sg. Nambunawan, all flowing southward and eastward towards the Kuamut River outside the Project Area.

EIA Report #:

EIA	Ref. #	Consultant
Proposed Integrated Mosaic Planting in Block YT1/12 of Yayasan Sabah Concession area in Tawau, Sabah.	JPAS/PP/21/600-1/01/3/47	Ekohandal Sdn. Bhd.

Social Context:

Social assessment SBS / SIA / EIA summary:

There are no communities within or around the project site that could be affected.

Identified communities that are dependent on the FMU:

None

Land claims, disputes & communication system:

None

Community Forestry Projects:

None

Itinerary & Mandays: 24-28 August 2026 / FMU 23 (Partly): Rakyat Berjaya Sdn. Bhd. (Empayar Kejora Sdn. Bhd.) / Kalabakan District

Date	Activity	GFS Staff	Mandays
24 August 2026 Monday	Travel to Empayar Kejora campsite office & opening meeting. Field assessment to plantation area Compartment 28, TSP at Compartment 28 (ITP) & Compartment 1 (NFM), licensed boundary, protected areas (riparian reserves), base camp, workers' quarters, diesel depot, workshop and dumping pit. Document review. Overnight stay in Tawau.	Sheanna Kehong, Ennald Chin, Stacy Robert	3
25 August 2026 Tuesday	Public Holiday – Maulidur Rasul. Overnight stay in Tawau.	Sheanna Kehong, Ennald Chin, Stacy Robert	3
26 August 2026 Wednesday	Document review at Empayar Kejora Tawau office. Overnight stay in Tawau.	Sheanna Kehong, Ennald Chin, Stacy Robert	3
27 August 2026 Thursday	Closing meeting at PPD Kalabakan. Travel back to home base.	Sheanna Kehong, Ennald Chin, Stacy Robert	3
28 August 2026 Friday	Finalizing report.	Sheanna Kehong, Ennald Chin, Stacy Robert	3
29 – 30 August 2026	Reporting/Administration: GFSSBH 003-421	Dr. Kevin Grace Sheanna Kehong	2
Total			17

Highlights of Assessment

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

Rakyat Berjaya Sdn. Bhd. (Empayar Kejora Sdn. Bhd.) has complied with the Sabah TLAS+ requirements (FDS TLAS-006) as no non-compliance was identified during the assessment on 24-28 August 2026.

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

Principle 1. Right to Harvest

Empayar Kejora 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.

Highlights of Assessment

August 2026: Observation 001-2026 – Checklist 1.4.5

Discrepancy in the total compartment area under the replanting schedule.

Principle 2. Forest Operations

Empayar Kejora demonstrated compliance with the licensed area security, maintenance of the licensed boundary, and protection of the riparian reserve. Empayar Kejora has also implemented their system to monitor planted trees and ensure compliance with the regulatory requirements for workers.

Principle 3. Statutory Charges

Empayar Kejora has paid licensing fees and other charges to the SFD.

Principle 4. Other User Rights

Not applicable - There are no communities within or around the project site that could be affected. The nearest community is in Luasong, which is more than 35 KM away.

Principle 7. Deforestation Free

Not applicable

Principle 8. In Accordance with the EU Corporate Sustainability Due Diligence Directive (CS3D) (Optional)

Not applicable

Summary Results:

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

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

GAP	Type	Checklist	Status	Description
-	-	-	-	-

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

Obs #	Checklist	Description
001-2026	1.4.5	August 2026: Discrepancy in the total compartment area under replanting schedule.

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

Recommendations

Rakyat Berjaya Sdn. Bhd. (Empayar Kejora Sdn. Bhd.) has demonstrated compliance with the Sabah TLAS+ Principle 1-4 & 7 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 (Sabah 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 001-2026 - Checklist 1.4.5: Empayar Kejora shall ensure the total compartment area under replanting schedule is calculated correctly.

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

End of Summary Report