

Sabah TLAS Audit Report

Sabah Legality Standard Principles 1 – 4

Licensee	Licensee: M & M Plantation Sdn. Bhd. 200801007191 (808475-P) Contractor: Sama Maju Timber PLT 202304000521 (LLP0042015-LGN)	Reference #	GFSSBH 003-399
Contact Person	Muhammad Yahya Bin Sauda (Management Representative)	Date of Report	30/04/2026
Office Address	M & M Plantation Sdn. Bhd. No. C-24-1, 1st Floor, The Apollo Atrium, Jalan Bariawa Laut, 89000 Keningau, Sabah, Malaysia. Sama Maju Timber PLT Lot 1, Tingkat 1, Block C8, Future City Shophouse Jalan Masjid, 89008 Keningau, Sabah, Malaysia	Date of close out	-
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Email	hidupmajukaya@gmail.com DFO Nabawan: Edmund.William@sabah.gov.my PPW Keningau: Jaime.Gampawi@sabah.gov.my	Fax	-
		Approved By	Dr. Kevin Grace

Statements

Statement of Compliance				GFS 202 LVS			
Issuance Date		04 May 2026		Expiration Date		03 May 2027	

Assessment Details

Assessment Dates	27 April – 01 May 2026
Scope of Assessment	Sabah TLAS P1-4: Form 1 - JP(NNN)004/2023(F1)
Species	Salvaged logged: <i>Dipterocarp spp.</i> (Keruing), <i>Parashorea spp.</i> (White seraya), <i>Shorea spp.</i> (Red seraya, Yellow seraya, Melapi, Selangan batu), <i>Neolamarckia cadamba</i> (Laran), <i>Dyera spp.</i> (Jelutong), <i>Sindora beccariana</i> (Sepetir), <i>Lithocarpus & Quercus</i> (Mempening), <i>Shorea pauciflora</i> (Oba suluk), <i>Litsea spp.</i> (Magas), <i>Lauraceae</i> (Medang), <i>Anisoptera spp.</i> (Pengiran), <i>Vatica spp.</i> (Resak), <i>Palaquium spp.</i> (Nyatoh), <i>Scaphium longiflorum</i> (Kembang semangkok), <i>Alstonia marophyll</i> (Pulai), <i>Crytoxylum spp.</i> (Geronggang), <i>Myristicaceae</i> (Darah-darah), <i>Rubroshorea sp.</i> (Red Seraya), <i>Shorea inappendiculata</i> (Selangan Batu), <i>Anthoshorea sp.</i> (White Seraya, Melapi), <i>Richetia sp.</i> (Yellow Seraya), <i>Planchonia valida</i> (Putat Paya), <i>Octomeles sumatrana</i> (Binuang), <i>Hopea sangal</i> (Gagil), <i>Koompassia malaccensis</i> (Impas)
Lead Assessor	Teddy Quintin, (Acting Lead Auditor) Soliano Andrew
Assessor(s)	Eljipy Sualim
SFD Staff	Edmund William (DFO Nabawan), Rhymie Abd. Rahman (ADFO Nabawan), Leroy Gaidim (PPD Nabawan), Eddy Anthonius Johaness (PPD Nabawan), Charlene Billy (SFD SFM), Robert M. Mijol (SFD SFM)

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:

The State Government of Sabah, through the Land and Survey Department has approved the issuance of Temporary Occupation License (TOL) registered under PT.20-18150172 of 942.86 ha to M & M Plantation Sdn. Bhd. (M & M Plantation) via the letter L.S 1501.4.237/(39)(GG/aa) dated 04/07/2022, for the purpose of logging operations. This TOL area is located in Sg. Seaban Talangkai, Nabawan and under the administration of the Nabawan district, Sabah.

The TOL area is split into 3 separated blocks and identified as Block 1, Block 2 and Block 3. The distance between blocks is within 3 KM radius.

Based on the EIA, logging operations within the TOL area will be conducted in stages progressing from Block 2 to Block 3 and finally Block 1.

The Form 1 license was renewed and approved by the SFD for the period of 23/11/2025 to 23/11/2026 (Ref. #: JPHTN/FRM700-2/3/151/JILID.2/51 dated 29/10/2025).

Timber Extraction Agreement was made on 05/03/2025 between M & M Plantation (The Licensee) and Sama Maju Timber PLT (Contractor), whereby the Licensee engages the contractor to carry out timber extraction, limited to round logs and to comply with all relevant laws, regulations and industry best practices including, but not limited to, ensuring the necessary licenses, permits and approvals required under the laws are obtained.

Subsequently, Sama Maju Timber PLT assigned subsidiary company, Hidup Maju Kaya Sdn. Bhd. (Hidup Maju Kaya) to execute the operations including manpower.

The previous assessment was conducted in April 2025 that resulted in 2 gap(s) and 2 observation(s) (Report #: GFSSBH 003-345).

Land use classification:

Land classification	Form 1 Licensed Area (ha)	Current Status (ha)
Total Licensed Area	942.10	942.86*
Production Area	942.10	Total logged area = 814.19
Protected Forest & Conservation	Not stated	Steep area (> 25°) = 172.61 Riparian reserve = Not stated

*Based on the EIA.

Current Operations:

Based on the Form 1 license, the harvesting method adopts conventional logging with no diameter cutting limit and species restriction. However, all logging activities must be below 25° slopes.

The licensed area consists of Block 1 (317.97 ha), Block 2 (284.21 ha) and Block 3 (339.92 ha). The total cumulative log production as of April 2026 is 4,608 logs (9,826.16 m³).

There are no NFM area inside the licensed area. Thus, there are no planting activities conducted by M&M Plantation. As of the April 2026 assessment, all logs were transported out of the licensed area.

Block #	NFM / ITP	Status	Area (ha)	Geo-location data
Block 1	Form 1	Sabah TLAS	317.97	NE: 04°54'40.531" N, 116°17'59.116" E SE: 04°54'39.610" N, 116°19'39.298" E SW: 04°54'13.187" N, 116°19'46.000" E NW: 04°53'57.439" N, 116°19'21.538" E
Block 2	Form 1	Sabah TLAS	284.21	NE: 04°5'54.524" N, 116°18'41.113" E SE: 04°52'56.692" N, 116°19'31.081" E SW: 04°51'51.176" N, 116°19'30.552" E

				NW: 04°51'48.918" N, 116°18'49.543" E
Block 3	Form 1	Sabah TLAS	339.92	NE: 04°52'39.836" N, 116°19'55.848" E SE: 04°51'05.809" N, 116°20'44.876" E SW: 04°51'08.354" N, 116°20'16.251" E NW: 04°51'12.261" N, 116°19'55.008" E

Environmental Context:

Existing EIA report & key elements for protection / mitigation:

EIA	Ref. #	Consultant
Proposed Logging Operation in 942.86 hectares within Temporary Occupation License (TOL) Under PT 20-18150172 in Nabawan, Sabah.	JPAS/PP/NBN/600-1/01/1/335(25)	Ekohandal Sdn. Bhd.

Forest type and short history of management:

The existing land use of the project area is dominated with secondary forest of logged over area alienated under Temporary Occupation Licence (TOL). The boundaries of Pensiangan Forest Reserve (PFR) a Class I Forest Reserve and the TOL area are parallel and separated with 50 metres gap at the east part of Block 1 and north part of Block 3 of the TOL area. The gap provides buffer zone between two boundaries on the ground. Other land use features in the surrounding area are oil palm plantation operated by private companies and small holders.

The total area is dominated by secondary forest of logged over area under Mixed Dipterocarp Forest. The eastern part of Block 1 and north part of Block 3 of the licensed area is bordering with Pensiangan Forest Reserve (Class I Forest Reserve).

Principal commercial species currently existing:

Dipterocarp spp. (Keruing), *Parashorea spp.* (White seraya), *Shorea spp.* (Red seraya, Yellow seraya, Melapi, Selangan batu), *Neolamarckia cadamba* (Laran), *Dyera spp.* (Jelutong), *Sindora beccariana* (Sepetir), *Lithocarpus & Quercus* (Mempening), *Shorea pauciflora* (Oba suluk), *Litsea spp.* (Magas), *Lauraceae* (Medang), *Anisoptera spp.* (Pengiran), *Vatica spp.* (Resak), *Palaquium spp.* (Nyatoh), *Scaphium longiflorum* (Kembang semangkok), *Alstonia marophyll* (Pulai), *Cryptoxylum spp.* (Geronggang), *Myristicaceae* (Darah-darah), *Rubroshorea sp.* (Red Seraya), *Shorea inappendiculata* (Selangan Batu), *Anthoshorea sp.* (White Seraya, Melapi), *Richetia sp.* (Yellow Seraya), *Planchonia valida* (Putat Paya), *Octomeles sumatrana* (Binuang), *Hopea sangal* (Gagil), *Koompassia malaccensis* (Impas)

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

The fauna species within the licensed area is poor and its populations have declined from their original state due to adverse effect of logging in the past. There were no signs of elephants (*Elphas maximus*), and orangutan (*Pongo pygmaeus*) within the licensed area. Among the fauna species identified in the licensed area are long tailed monkey (*Macaca fascicularis*), deer (*Cervus unicolor*), monitor lizard (*Varanus salvator*), wild boar (*Sus barbatus*), and other species. There are no endangered species or protected species known to exist within the licensed area and nearby the Pensiangan Forest Reserve.

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

There are 4 contributed river flow within the TOL area known as Sg. Panarakan (Block 1), Sg. Kahimpangoh, tributary of Sg. Talankai (Block 3) and tributaries of Sg. Seaban flowing within Block 1, Block 2, and Block 3 of the TOL area. All these rivers and tributaries will flow to the main river of Sg. Talankai. Besides that, there are other rivers identified within the Zone of Impact (ZOI) which are Sg. Tatalunan, Sg. Talankai, Sg. Balatikun and Sg. Penantaman.

Social Context:

Social assessment SBS / SIA / EIA summary:

Based on the EIA, there is no gazetted village or human settlement found within the TOL area. There are 2 villages found outside the 3 KM radius zone of impact from the TOL area, named Kg. Ponontomon (4.5 KM West) and Kg. Layun (5.2 KM West).

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 M & M Plantation Sdn. Bhd. under the Form 1 License #: JP(NNN)004/2023(F1) for TOL #: 15950126.
- 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 M & M Plantation 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: 27 April-01 May 2026 / Form 1: M & M Plantation Sdn. Bhd. / Nabawan District

Date	Activity	GFS Staff	Mandays
27 April 2026 Monday	Travel to Keningau and overnight. Opening meeting at PPD Nabawan. Document review. Overnight in Keningau.	Teddy Quintin, Eljipy Sualim, Soliano Andrew, Rachal Jim	4
28 April 2026 Tuesday	Field assessment to operation areas, licensed boundary, protected area (riparian reserve, steep area), workers' quarter, workshop. Document review. Overnight in Keningau.	Teddy Quintin, Eljipy Sualim, Soliano Andrew, Rachal Jim	4
29 April 2026 Wednesday	Social assessment with representative from Kg. Ponotomon. Document review at PPD Keningau. Overnight in Keningau.	Teddy Quintin, Eljipy Sualim, Soliano Andrew, Rachal Jim	4
30 April 2026 Thursday	Closing meeting at PPD Keningau. Travel back to home base.	Teddy Quintin, Eljipy Sualim, Soliano Andrew, Rachal Jim	4
01 May 2026 Friday	Public Holiday - Labour Day	Teddy Quintin, Eljipy Sualim, Soliano Andrew, Rachal Jim	4
02-03 May 2026	Reporting/Administration: GFSSBH004-399	Dr. Kevin Grace Teddy Quintin	2
Total			22

Highlights of Assessment

(Major Gaps = 0; Minor Gaps = 2; Observations = 1)

M&M Plantation Sdn. Bhd. has complied with the Sabah TLAS requirements (FDS TLAS-006) as no non-compliance was identified during the assessment on 27 April-01 May 2026.

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

Principle 1. Right to Harvest

The State Government of Sabah, through the Land and Survey Department has approved the issuance of Temporary Occupation License (TOL) registered under PT.20-18150172 of 942.86 ha via the letter L.S 1501.4.237/(39)(GG/aa) dated 04/07/2022, for the purpose of logging operations. This TOL area is located in Sg. Seaban Talangkai, Nabawan and under the administration of the Nabawan district, Sabah.

The TOL area is split into 3 separated blocks and identified as Block 1, Block 2 and Block 3. The distance between blocks is within 3 KM radius.

Highlights of Assessment

The Form 1 license was renewed and approved by the SFD for the period of 23/11/2025 to 23/11/2026 (Ref. #: JPHTN/FRM700-2/3/151/JILID.2/51 dated 29/10/2025).

The EIA was prepared by Ekohandal and was approved by the EPD on 09/02/2023.

Principle 2. Forest Operations

M & M Plantation demonstrated compliance with the demarcation of common boundaries. The ECR report was submitted quarterly to the EPD. M & M Plantation demonstrated compliance with regulatory requirement for workers. Previous workers were no longer working under M & M Plantation. Hidup Maju Kaya provides manpower under Sama Maju Timber PLT.

April 2025: Gap 001/2025 (minor) – Checklist 2.4.1, 2.4.2

No formal employment agreement was issued for top management personnel, work permit was not available and COI registration for four (4) workers is still pending from SFD.

April 2026: Gap 001/2025 (minor) - Outstanding

Work permit was not provided, employment agreement for the piece-rate basis workers was not established and no JTK license to hire foreign workers.

April 2025: Observation 001-2025 – Checklist 2.4.5

Record of training lacks agenda of training and list of participants.

April 2026: Observation 001-2025 (Addressed)

Training on safety and fire were conducted and records were maintained.

April 2025: Observation 002-2025 – Checklist 2.4.6

No documented evidence of PPE distribution to workers.

April 2026: Observation 002-2025 (Addressed)

PPE distribution was documented and maintained.

April 2025: Gap 002/2025 (minor) – Checklist 2.4.8

Inconsistent in SOCSO and EPF registration and monthly contribution for workers.

April 2026: Gap 002/2025 (minor) - Outstanding

Inconsistent in SOCSO and EPF contributions for workers under Hidup Maju Kaya.

Principle 3. Statutory Charges

All associated fees have been paid by M & M Plantation. Records of royalty payment are maintained. SFD started the e-Removal Pass in Dec 2025. However, was not fully implemented.

April 2026: Observation 001-2026 – Checklist 2.2.3, 2.2.7

Information such as payment receipt #, Geo-location and “Sabah TLAS CC” were not indicated in the e-Removal Pass by the SFD.

Principle 4. Other User Rights

Based on the EIA, there is no gazetted village or human settlement associated with the TOL area. There are 2 villages found outside the 3 KM radius zone of impact from the TOL area, named Kg. Ponontomon (4.5 KM West) and Kg. Layun (5.2 KM West).

Summary Results:

(Major gap = 0, Minor gap = 2, Observation = 1)

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

GAP	Type	Checklist	Status	Description
001/2025	minor	2.4.1, 2.4.2	Outstanding	April 2025: No formal employment agreement was issued for top management personnel, work permit was not available and COI registration for four (4) workers is still pending from SFD. April 2026: Work permit was not provided, employment agreement for the piece-rate basis workers was not established and no JTK license to hire foreign workers.
002/2025	minor	2.4.8	Outstanding	April 2025: Inconsistent in SOCSO and EPF registration and monthly contribution for workers. April 2026: Inconsistent in SOCSO and EPF contributions for workers under Hidup Maju Kaya.

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

Obs #	Checklist	Description
001-2025 Addressed	2.4.5	April 2025: Record of training lacks agenda of training and list of participants. April 2026: Training on safety and fire were conducted and records were maintained.
002-2025 Addressed	2.4.6	April 2025: No documented evidence of PPE distribution to workers. April 2026: PPE distribution was documented and maintained.
001-2026	2.2.3, 2.2.7	April 2026: Information such as payment receipt #, origin Geo-location and "Sabah TLAS CC" were not indicated in the e-Removal Pass by the SFD.

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

Recommendations
M & M Plantation 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 001/2025 (minor) Outstanding – Checklist 2.4.1, 2.4.2: M & M Plantation shall ensure the Contractor complies with work permit, employment agreement and JTK license based on statutory requirements. Gap 002/2025 (minor) Outstanding – Checklist 2.4.8: M & M Plantation shall ensure the contractor complies with EPF and SOCSO for its workers based on statutory requirements. Observation 001-2026 - Checklist 2.2.3, 2.2.7: SFD shall ensure information on origin such as payment receipt #, Geo-location and "Sabah TLAS CC" is documented in the e-Removal Pass. The next annual surveillance audit will be scheduled for April 2027.

End of Summary Report