

Sabah TLAS Audit Report

Sabah Legality Standard Principles 1 – 4

Licensee	Licensee: Rakyat Berjaya Sdn. Bhd. 197001000639 (009867-W) Contractor: Waygood Enterprise Sdn. Bhd. 199201006820 (238324-W)	Reference #	GFSSBH 003-355
Contact Person	Gideon Abner Abi (Rakyat Berjaya Sandakan) Mr. Robert (Waygood Enterprise)	Date of Report Date of close out	04/07/2025 -
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		Approved By	Dr. Kevin Grace

Statements

Statement of Compliance	GFS 198 LVS		
Issuance Date	07 July 2025	Expiration Date	06 July 2026

Assessment Details

Assessment Dates	30 Jun-04 Jul 2025
Scope of Assessment	Sabah TLAS P1-4: Form 1 – JP(DPS)007/2021(F1), JP(DPS)010/2023(F1)
Species	Lithocarpus spp (Mempening), Dialium indum (KerANJI), Endospermum diadenum (Impas), Koompassia excelsa (Mengaris), Shorea spp (Selangan Batu), Eugenia spp (Obah), Dillenia suffruticosa (Simpoh), Pentace spp (Takalis), Calophyllum spp (Bintangor).
Lead Assessor	Sheanna Kehong, Jick Miki (Acting Lead Auditor)
Assessor(s)	Ennald Chin
SFD Staff	Jaludin Urubit (ADFO Pitas), Rayner Marcello (PPD Pitas), Raymund Kimlaw (PPD Pitas).

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 LSD has approved several TOR areas to Yayasan Sabah group approximately 16,713.60 ha located in Paitan, Beluran, Sabah for logging purposes.

Yayasan Sabah group through its subsidiary company, Rakyat Berjaya Sdn. Bhd. (Rakyat Berjaya) has appointed Waygood Enterprise Sdn. Bhd. (Waygood Enterprise) as a logging contractor to conduct logging operation from part of the approved TOL areas totalling 10,917.30 ha that located as the following:

TOL #	Area	Area (ha)
20-20080089	Area B	4402.60
20-20080092	Area E	3107.20
20-20080091	Area F	2026.30
20-20080090	Area G	1381.20
Total		10,917.30

Area B is located more than 3 KM apart from Area E, Area F and Area G. Due to gap location of sites more than 3 KM, the EPD has required 2 separate EIA Reports to be prepared:

EIA Report for Area B

EIA report for Area E, Area F and Area G.

The Form 1 license – Section 24, Forest Enactment 1968 for License #: JP(DPS)010/2023 (F1):

The license authorizes Rakyat Berjaya, C/O Waygood Enterprise to take, within the area specified below.

Boundaries of area	As delineated by a red outline on the Plan in Schedule A and registered vide FD #: JP17/32
Size of Area	Approximately 1266.10 ha
Type of Land	State land – TOL.08902812 (PT.20-20080091)
Location	Paitan, Labuk Sugut
Forest region/District	Kudat/Pitas
Effective date	15/12/2023
Expiry date	28/05/2025

Note: SFD approved the application to extend the grace period for logs stock at the stumping area, TOL 08902812 (1266.10 ha), Area F, Labuk Sugut, Paitan, from 29/06/2025 to 28/07/2025 for 2618 logs (4972.98 m³) (ref. #: JPHTN/FRM700-2/4/1/JILID.9/24 dated 26/06/2025).

Appointment of Waygood Enterprise as a logging contractor for the project site by Rakyat Berjaya was made on 23/09/2020 (Ref. #: FD/KK/4.06/OB/Vol.4/34 (1896 ha). Log extraction (Clear felling) and Timber Sale agreement between Rakyat Berjaya and Waygood Enterprise was signed on 24/09/2020.

A deed of assignment was made on 21/06/2024 between Waygood Enterprise and Sinora Sdn. Bhd. for log extraction from August 2024 onwards.

Sinora made a timber extraction agreement with Maxland Timber on 25/07/2024. Maxland Timber responsible to make road, felling, trimming the timber logs, yarding the timber logs to “Panggong”, debarking, measured, loading timber and trucking timber. However, the agreement has no expiration date.

Ekohandal Sdn. Bhd. was appointed by Waygood Enterprise as an Environmental Consultant to carry out the EIA study and to prepare EIA report for submission to the EPD on 07/12/2020 [Ref. #: ESB/EIA/Q/2020(07)]. The TOR-EIA was submitted on 22/01/2021 and approved by the EPD on 11/02/2021 [Ref. #: JPAS/PP/BLN/600-1/01/1/323(05)].

Land use classification:

Land classification	EIA Total Area (ha)	Current Status (ha)
Total Concession Area Area E = 3107.20 ha Area F = 2026.30 ha Area G = 1381.20 ha	6,514.70	Area F: 1,266.10
Production Area	6,432.30	Area E: Completed (3,016) Area F: Completed (1,266.10)
Riparian Reserve	44.90	44.90
Road Reserve	37.50	24.50

Current Operations:

Based on the EIA report, the area involved is Area E, F and G (Project Site) with the objective to extract and remove all available commercial timber within the Project Site and approved TOL.

Log extraction is through clear-felling with DBH size of trees to be extracted based on ITP conditions. However, any variation will subject to the SFD approval.

SFD approved the application to extend the grace period for logs stock at the stumping area, TOL 08902812 (1226.10 ha), Area F, Labuk Sugut, Paitan, from 29/06/2025 to 28/07/2025 for 2618 logs (4972.98 m3).

List current Form 1 areas.

Area #	NFM / ITP	Status	Area (ha)	Geo-location data
TOL 20-20080092 Area E	Form I	Sabah TLAS	3107.20	NW: 117° 16' 11 E 6° 21' 44N NE: 117° 14' 42 E 6° 19' 24N SW: 117° 12' 21 E 6° 20' 47N SE: 117° 12' 52 E 6° 23' 39N
TOL 20-20080091 Area F	Form I	Sabah TLAS	2026.30	NW: 117° 19' 39 E 6° 19' 29N NE: 117° 19' 23 E 6° 18' 3N SW: 117° 14' 42 E 6° 19' 24N SE: 117° 15' 58 E 6° 21' 10N
TOL 20-20080090 Area G	Form I	Sabah TLAS	1381.20	NW: 117° 25' 40 E 6° 21' 9N NE: 117° 25' 35 E 6° 20' 14N SW: 117° 19' 45 E 6° 18' 26N SE: 117° 19' 39 E 6° 19' 29N

Environmental Context:

The project site is underlain by Dalit, Lokan and Crocker Associations. The project site is underlain with Crocker Formation.

Generally, the topography pattern of the project site is relatively flat. Only some hilly areas can be found in the southwest part. The altitude of the project site is varying between 31 m to 335 m AMSL. About 282.80 ha of the project site is considered inoperable due to terrain steepness which is above 25°.

The main rivers that flow within the project site is Sg. Kawananan, which flows from the west (Area E) towards the northern boundary of the project site (Area F) and connects to the Sg. Paitan in the northeast. The secondary river is Sg. Sinalaan (tributary of Sg. Kawananan) that flows from south of Area E and connects to main river of Sg. Kawananan at north of area F. Another secondary river is Sg. Tawanan also a tributary of Sg. Kawananan flows from south of project site (Area G) and connects to main river of Sg. Kawananan at north. All catchment from this project site will flow into Sg. Paitan and flow to the Paitan Bay at northeast part.

The natural vegetation of the project site is categorized as Lowland Mixed Dipterocarp forest. Currently, much of the project site has already been logged, degraded and or burnt by fires or cleared by local communities for agriculture, leaving behind a small portion of less disturbed forests have been colonized by secondary vegetation.

Generally, wildlife habitat within the project site is very poor and its populations have declined from their original levels due to the adverse effects of repeated logging and fires in the past, fragmented boundaries, the presence of local communities adjacent of the project site and exposed to hunting and trapping by outsiders due to easy access via Nangoh-Kanibongan Road. There were no signs of elephants or orangutan within the project site.

Social Context:

Based on the EIA, there is a village situated on the southern boundary of the project area (Area G), namely Kg. Tawanan. Two other villages located 500 m close to boundary of project site, namely Kg. Matanggal Baru (South of Area F) and Kg. Tiampus (South of Area G). Village of Kg. Matanggal Baru is surround by the project site (Area F). Other villages that located in the vicinity of project site is Kg. Mononood (1.8 KM South of Area F), Kg. Binsulong (2.7 KM South of Area F) and Kg. Tongkud (2.9 KM West of Area E).

Scope of Assessment	
- The scope of the evaluation is to verify compliance of Rakyat Berjaya Sdn. Bhd. (Waygood Enterprise Sdn. Bhd.) with the Form 1: JP(DPS)007/2021(F1) – TOL #: 08902808 and JP(DPS)010/2023(F1) – TOL #: 08902812. - 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 Rakyat Berjaya 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: 30 Jun-04 Jul 2025 / Form 1: Rakyat Berjaya Sdn. Bhd. (Waygood Enterprise Sdn. Bhd.) / Pitas District

Date	Activity	GFS Staff	Mandays
30 Jun 2025 Monday	Travelling to Pitas. Opening meeting and document review at PPD Pitas.	Sheanna Kehong, Jick Miki, Ennald Chin	3
01 July 2025 Tuesday	Field Assessment to area F (area F and area E license boundary), protected area (Riparian reserve Sg. Kawananan), Dumping pit, Base camp (workers quarters, workshop, Diesel depot, store). Social assessment at Kg. Matangal. Document review and compiling report at PPD Pitas.	Sheanna Kehong, Jick Miki, Ennald Chin	3
02 July 2025 Wednesday	Document review at PPD Pitas. Compiling report.	Sheanna Kehong, Jick Miki, Ennald Chin	3
03 July 2025 Thursday	Document review compiling report at PPD Pitas.	Sheanna Kehong, Jick Miki, Ennald Chin	3
04 July 2025 Friday	Closing meeting at PPD Pitas. Travel to home base.	Sheanna Kehong, Jick Miki, Ennald Chin	3
05-06 July 2025	Reporting/Administration: GFSSBH 003-355	Dr. Kevin Grace Sheanna Kehong	2
Total			17

Highlights of Assessment

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

Rakyat Berjaya Sdn. Bhd. (Waygood Enterprise Sdn. Bhd.) has complied with the Sabah TLAS requirements (FDS TLAS-006) as no non-compliance was identified during the assessment on 30 Jun-04 Jul 2025.

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

Principle 1. Right to Harvest

The harvesting operation for Form 1 license (JP(DPS)010/2023(F1) in Area F has been completed in May 2025 and expecting to complete the timber extraction within July 2025. The EIA report for Area E, F, and G was developed and approved by the Environmental Protection Department (EPD).

Principle 2. Forest Operations

Waygood Enterprise demonstrated compliance with the demarcation of common boundaries. ECR reports were submitted quarterly to the EPD. Waygood Enterprise demonstrated compliance with regulatory requirements for workers.

July 2025: Observation 001-2025 – Checklist 2.1.7

Maxland Timber has not registered as a logging contractor with the SFD.

July 2025: Gap 001/2025 (minor) – Checklist 2.4.5

Maxland Timber has yet to conduct fire and work safety training for workers.

Principle 3. Statutory Charges

All associated fees have been paid by Waygood Enterprise. Records of royalty payment are maintained.

Principle 4. Other User Rights

Based on the EIA, there are 6 villages associated with the project site. Kg. Matanggal Baru is surrounded by the project site (Area F). Kg. Tawanan is situated on the southern boundary of the project site (Area G). Kg. Tiampus is located 500 m south of the project boundary (Area G). Kg. Mononood is located 1.8 km and Kg. Binsulong is 2.7 km south of Area F, while Kg. Tongkud is 2.9 km west of Area E. None of the villages were documented to be directly associated with the Form 1 Licensed area.

Summary Results:

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

Gap raised against indicators & criteria during the July 2025 assessment.

GAP	Type	Checklist	Status	Description
001/2025	minor	2.4.5	New	July 2025: Maxland has yet to conduct fire and work safety training for workers.

Observation raised against indicators & criteria during the July 2025 assessment.

Obs #	Checklist	Description
001-2025	2.1.7	July 2025: Maxland Timber has not registered as a logging contractor with the SFD.

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

Recommendations

Rakyat Berjaya Sdn. Bhd. (Waygood Enterprise 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) – Checklist 2.4.5: Maxland Timber shall conduct fire and work safety training for workers annually.

Observation 001-2025 – Checklist 2.1.7: Maxland Timber should consult the SFD regarding logging contractor registration with the SFD.

The next annual surveillance audit will be scheduled for **July 2026**.

End of Summary Report