

## Sabah TLAS Audit Report Principles 5 & 6

<b>Organisation</b>	Billion Solaris Sdn. Bhd. (1191199-M)	<b>Reference #</b>	GFSSBH 004-453a
<b>Contact Person</b>	Mohd Ali @ Lee Shan Wee (Director)	<b>Audit Date</b>	19/01/2023
<b>Office Address</b>	Jalan Sin San, Kampung Pasir Putih, C/O Sabah Softwoods Berhad, 91000 Tawau, Sabah, Malaysia.	<b>Date close out</b>	14/03/2023
<b>Mill Address</b>	Jalan Sin San, Kampung Pasir Putih, C/O Sabah Softwoods Berhad, 91000 Tawau, Sabah, Malaysia.	<b>Telephone</b>	+6089 749 119
<b>Email</b>	billionsolaris16@gmail.com	<b>Fax</b>	-
		<b>Approved By</b>	Dr. Kevin Grace

### Statements

<b>Audit Statement #</b>	GFS 268 WTP		
<b>Issuance Date</b>	20 March 2023	<b>Expiration Date</b>	22 January 2024

### Assessment Details

<b>Company Type</b>	Sawmill, Moulding, Veneer and Exporter
<b>Scope of Assessment</b>	Sabah TLAS P5-6: JP(T)TW001/2022(X59)
<b>Product Group</b>	Veneer
<b>Source of Material</b>	Sabah, Malaysia.
<b>Species</b>	Mixed Seraya species ( <i>Shorea spp.</i> )
<b>Lead Assessor</b>	Glory Linggou
<b>Assessor(s)</b>	Brandon James
<b>FDS Staff</b>	Mohd Azhar Ismail (SFD Tawau)

### Terms of Assessment

The scope of the evaluation is to verify compliance of Billion Solaris 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:

Billion Solaris Sdn. Bhd. (Billion Solaris) is registered in Kota Kinabalu, Sabah, with registration # 1191199-M. Billion Solaris produces and trades veneer for the local market and exports to China. Billion Solaris started operating the mill in March 2022.

The previous assessment was conducted in March 2022 that resulted in 0 gap(s) and 1 observation(s) (Report #: GFSSBH 004-301a).

**Associated Organizations & Subcontractors:**

Billion Solaris engages Arus Borneo Sdn. Bhd. as a subcontractor to provide export documentation and transportation services.

**Description of the Supply Chain:**

From March 2022 to December 2022, Billion Solaris purchased raw materials from the suppliers as below:

Supplier	License	Raw Material	Location	GFS WTP # STCC #	Overall Risk *
Pesona Majukaya Sdn. Bhd.	SFMLA 01/2018	Round log	Serudong	GFS 163 LVS (25/12/2023)	Low
Rakyat Berjaya Sdn. Bhd. (Mega Wakid Sdn. Bhd.)	SFMLA 07/97	Round log	Kalabakan	-	High
Top Quantum Sdn. Bhd.	SFMLA 01/2009	Round log	Serudong	GFS 071 LVS (19/06/2023)	Low
First Greenworld Sdn. Bhd.	SFMLA 02/2009	Round log	Serudong	GFS 074 LVS (19/06/2023)	Low
Rakyat Berjaya Sdn. Bhd. (Kinetic Journey Sdn. Bhd.)	SFMLA 09/97	Round log	Tongod	GFS 130 LVS (25/09/2023)	Low

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

**Summary Results:**

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

March 2023: (Major gap = 0, Minor gap = 0, Observation = 0)

GAPs: Year 2023				
GAP #	Type	Checklist	Status	Description
001/2023	Major	5.2.5 5.2.7	Closed	<p><b>January 2023:</b> Batch # and Sabah TLAS status were not identified on the WIP and finished goods as per the COC procedure.</p> <p><b>March 2023:</b> Billion Solaris has identified batch # and Sabah TLAS status on WIP and finished goods as per the COC procedure.</p>

\*Major = Non-Compliance

Observations: Year 2023		
Obs #	Checklist	Description
001-2022 Addressed	5.2.4	<p><b>March 2022:</b> Identification of Sabah TLAS is not clearly defined in the current COC procedure for sales, export and delivery.</p> <p><b>January 2023:</b> The COC procedure has been revised to include the identification of Sabah TLAS for sales, export and delivery of products.</p>

Highlights of Close-Out Visit (if applicable)	Date: 14 March 2023
The Major Gap 001/2023 is now closed following the close-out visit to Billion Solaris. Billion Solaris has identified batch # and Sabah TLAS status on WIP and finished goods as per the COC procedure.	

Recommendations
<p><b>Billion Solaris Sdn. Bhd.</b> has demonstrated compliance with the Sabah Principles 5-6 for Chain of Custody as non-compliance was addressed in Criterion 5.3 and is recommended to receive a GFS Statement of Compliance or Sabah Timber Legality Assurance System Compliance Certificate (TLAS-CC) from SFD.</p> <p>The next surveillance visit is scheduled for January 2024.</p>

**End of Summary Report**