

Sabah TLAS Audit Report Principles 5 & 6

Organisation	Billion Solaris Sdn. Bhd. 201601020261 (1191199-M)	Reference #	GFSSBH 004-795
Contact Person	Mr. Mohammad Ali @ Lee Shan Wee (Director)	Audit Date	05/03/2025
Office Address	Jalan Sin San, Kampung Pasir Putih, C/O Sabah Softwoods Berhad, 91000 Tawau, Sabah, Malaysia.	Date close out	-
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		Approved By	Dr. Kevin Grace

Statements

Statement of Compliance	GFS 268 WTP		
Issuance Date	10 March 2025	Expiration Date	09 March 2026

Assessment Details

Company Type	Sawmill, Moulding, Veneer, Exporter
Scope of Assessment	Sabah TLAS P5-6: JP(T)TW001/2022(X59), FDS(TW)(E)054/2019, FDS(TW)(S)002/2022(M)
Product Group	Veneer
Source of Material	Sabah, Malaysia.
Species	Parashorea spp. (White seraya), Shorea spp. (Red seraya, Yellow seraya), Other Timber (OT)
Lead Assessor	Anne G. Grace
Assessor(s)	Sheanna Kehong, Merlyne Gerard, Auther Itin
SFD Staff	M. Azhar Ismail (PPD Tawau)

Terms of Assessment

The scope of the evaluation is to verify compliance with 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 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.

Background Information:

Billion Solaris Sdn. Bhd. (Billion Solaris) is, on and from 13/06/2016, incorporated under Companies Act 2016, and is registered in Tawau, Sabah, Malaysia, with registration #: 201601020261 (1191199-M). Billion Solaris produces veneer for the local market and exports to China & Vietnam.

Associated Organizations & Subcontractors:

Billion Solaris does not engage with other companies as their subcontractor to produce, manufacture products or provide manpower. Arus Borneo Sdn. Bhd. as their agent handles export consignments.

Description of the Supply Chain:

From December 2023 to February 2025, Billion Solaris purchased raw materials from the suppliers as below:

Supplier	License	Raw Material	Location	GFS WTP # STCC #	Overall Risk *
First Greenworld Sdn. Bhd. FMU 25	SFMLA 02/2009 TWU 15/17	Round log	Serudong	GFS 074 LVS (18/06/2025)	Low
Rakyat Berjaya Sdn. Bhd. FMU 25 (Pelana Bumi Sdn. Bhd.)	SFMLA 09/97 TWU 01/22	Round log	Serudong	GFS 203 LVS (28/04/2025)	Low
Rakyat Berjaya Sdn. Bhd. FMU 24 (Usahawan Borneo Greenwood Sdn. Bhd.)	SFMLA 09/97 TWU 01/2015	Round log	Kalabakan	GFS 096 LVS (24/11/2025)	Low
Rakyat Berjaya Sdn. Bhd. FMU 24 (Hormat Jadi Sdn. Bhd.)	SFMLA 09/97 TWU 05/2023	Round log	Kalabakan	Non-Compliance	High
Benta Wawasan Sdn. Bhd. (Golden Borneo Palm Sdn. Bhd.) FMU 26 (Tim Jadi Sdn. Bhd.)	JP(TKA)122/96 (CON) TWU 05/2021	Round log	Kalabakan	GFS 055 LVS (21/01/2025)	High
Kalabakan Borneo Resources Sdn. Bhd. FMU 25	SFMLA 04/2018 TWU 04/2022	Round log	Serudong	Non-Compliance	High
Integrated Wood Processing Sdn. Bhd.	FDS(TW)(S)069/2019(MT)	Round log	Tawau	GFS 238 WTP (25/06/2025)	Low

*GFS risk evaluation is based on the risk matrix for Sabah TLAS (VL) materials & products.

Summary Results:

(Major gap = 0, Minor gap = 3, Observation = 1)

GAPs: Year 2025				
GAP #	Type	Checklist	Status	Description
001/2025	minor	5.1.3	New	March 2025: Incorrect recording in Appendix 3 manual submission.
002/2025	minor	5.2.6, 5.2.7 5.2.12	New	March 2025: Batch numbers are not in accordance with CoC procedures.
003/2025	minor	5.3.6	New	March 2025: No work safety & fire training were conducted in 2024.

*Major = Non-Compliance

Observations: Year 2025		
Obs #	Checklist	Description
001-2025	5.3.1, 5.3.2	March 2025: Employment agreement inconsistent for all workers and directors.
002-2025 Addressed	6.4.1	05 March 2025: Summary sales records were not maintained. 07 March 2025: Billion Solaris has maintained the summary sales record.

Highlights of Close-Out Visit (if applicable)	Date: -
Not applicable	

Recommendations
<p>Billion Solaris 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.</p> <p>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:</p> <p>Gap 001/2025 (minor) – Checklist 5.1.3: Billion Solaris should record Appendix 3 based on material received and Removal Pass.</p> <p>Gap 002/2025 (minor) – Checklist 5.2.6, 5.2.7, 5.2.12: Batch numbers shall be in accordance with CoC procedures.</p> <p>Gap 003/2025 (minor) – Checklist 5.3.6: Billion Solaris should conduct work safety and fire training annually.</p> <p>Observation 001-2025 – Checklist 5.3.1, 5.3.2: All workers and directors should have employment agreement.</p> <p>The next surveillance visit is scheduled for March 2026.</p>

End of Summary Report