

## Sabah TLAS Audit Report Principles 5 & 6

<b>Organisation</b>	Billion Solaris Sdn. Bhd. 201601020261 (1191199-M)	<b>Reference #</b>	GFSSBH 004-929
<b>Contact Person</b>	Mr. Mohammad Ali @ Lee Shan Wee (Director) Nadia Binti Ahmad (Kerani)	<b>Audit Date</b>	05/03/2026
<b>Office Address</b>	Jalan Sin San, Kampung Pasir Putih, C/O Sabah Softwoods Berhad, 91000 Tawau, Sabah, Malaysia.	<b>Date close out</b>	-
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		<b>Approved By</b>	Dr. Kevin Grace

### Statements

Statement of Compliance	GFS 268 WTP		
Issuance Date	10 March 2026	Expiration Date	09 March 2027

### 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	<i>Parashorea spp.</i> (White seraya), <i>Shorea spp.</i> (Red seraya, Yellow seraya, Melapi), <i>Dipterocarpus spp.</i> (Keruing)
Lead Assessor	Ng Cai Ling
Assessor(s)	Sheanna Kehong, Riczuan Richard
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.

The previous assessment was conducted in March 2025 that resulted in 3 gap(s) and 1 observation(s) (Report #: GFSSBH 004-795).

**Associated Organizations & Subcontractors:**

Billion Solaris does not engage with other companies as their subcontractor to produce, manufacture products or provide manpower.

**Description of the Supply Chain:**

From February 2025 to February 2026, Billion Solaris purchased raw materials from the suppliers as below:

Supplier	License	Raw Material	Location	GFS WTP # STCC #	Overall Risk *
Rakyat Berjaya Sdn. Bhd. (Hormat Jadi Sdn. Bhd.)	SFMLA 09/97 TWU 05/2023	Round log	Kalabakan	GFS 209 LVS (24/08/2026)	Low
Kalabakan Borneo Resources Sdn. Bhd.	SFMLA 04/2018 TWU 04/2022	Round log	Serudong	GFS 175 LVS (27/07/2026)	Low
Benta Wawasan Sdn. Bhd. (Golden Borneo Palm Sdn. Bhd.) (Tim Jadi Sdn. Bhd.)	JP(TKA)122/96 (CON) TWU 05/2021	Round log	Kalabakan	GFS 055 LVS (13/04/2026)	Low
Top Quantun Sdn. Bhd.	SFMLA 01/2009 TWU 14/17	Round log	Serudong	GFS 071 LVS (08/06/2026)	Low

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

**Summary Results:**

(Major gap = 0, Minor gap = 1, Observation = 5)

GAPs: Year 2026				
GAP #	Type	Checklist	Status	Description
002/2025	minor	5.2.6, 5.2.7 5.2.12	Closed	<b>March 2025:</b> Batch numbers are not in accordance with CoC procedures. <b>March 2026:</b> Batch numbers are in accordance with CoC procedures.
003/2025	minor	5.3.6	Outstanding	<b>March 2025:</b> No work safety & fire training were conducted in 2024. <b>March 2026:</b> Training for work safety and fire training was not conducted for workers.

\*Major = Non-Compliance

Observations: Year 2026		
Obs #	Checklist	Description
001-2025 Addressed	5.3.1, 5.3.2	<b>March 2025:</b> Employment agreement inconsistent for all workers and directors. <b>March 2026:</b> Employment agreement has been established for all workers and directors.
001-2026	5.2.1, 5.2.3,	<b>March 2026:</b>

Observations: Year 2026		
Obs #	Checklist	Description
	6.1.1, 6.1.2	Purchase Orders did not reference Sabah TLAS status for materials being purchased.
002-2026	5.2.4, 5.2.5	<b>March 2026:</b> Removal Pass for logs received from the Sabah TLAS compliant supplier were not stamped as "Sabah TLAS CC" by SFD.
003-2026	5.3.5	<b>March 2026:</b> Inconsistent in monthly EPF contributions for workers.
004-2026	6.1.3	<b>March 2026:</b> Purchase Order was not recorded in the Arrival book.
005-2026	6.4.1	<b>March 2026:</b> Inadequate records for monthly summary volumes for Finished Goods.

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><b>Gap 003/2025 (minor) Outstanding – Checklist 5.3.6:</b> Billion Solaris shall conduct work safety and fire training annually and when there are new workers.</p> <p><b>Observation 001-2026 – Checklist 5.2.1, 5.2.3, 6.1.1, 6.1.2:</b> Purchase Orders should reference Sabah TLAS for materials being purchased.</p> <p><b>Observation 002-2026 - Checklist 5.2.3, 5.2.4, 5.2.5:</b> SFD shall ensure the incoming Removal Pass from suppliers compliant under Sabah TLAS P1-4 (based on GFS website – gfsinc.biz) are stamped as "Sabah TLAS Compliant."</p> <p><b>Observation 003-2026 – Checklist 5.3.5:</b> Billion Solaris should ensure all workers contribute under EPF as per statutory requirements.</p> <p><b>Observation 004-2026 – Checklist 6.1.3:</b> Purchase Order should be recorded in the Arrival Book.</p> <p><b>Observation 005-2026 – Checklist 6.4.1:</b> Billion Solaris should record Finished Goods monthly volume and maintain records.</p> <p>The next surveillance visit is scheduled for March 2027.</p>

**End of Summary Report**