

Sabah TLAS + Audit Report

Sabah Legality Standard Principles 1 – 4 & 7

Licensee	Rakyat Berjaya Sdn. Bhd. 197001000639 (009867-W) Contractors: Aturmaju (Sabah) Holdings Sdn. Bhd., Pelana Bumi Sdn. Bhd., Majujuta Mewah Sdn. Bhd.	Reference #	GFSSBH 003-415
Contact Person	Richard Ondoh (Officer in-charge Rakyat Berjaya Tawau)	Date of Report	31/07/2026
Office Address	2 nd Floor, TB14943 & TB14944, Peti Surat 60793, Jalan Abaca, 91000 Tawau, Sabah, Malaysia.	Date of close out	-
Email	ondohrichard2886@gmail.com PPW TWU: MohdArapa.Lamuda@sabah.gov.my PPD SRDG: MohdAdzrul.Ahmad@sabah.gov.my	Telephone	+6089 747 763
		Fax	+6089 761 744
		Approved By	Dr. Kevin Grace

Statements			
Statement of Compliance	GFS 203 LVS		
Issuance Date	03 August 2026	Expiration Date	02 August 2027

Assessment Details	
Assessment Dates	27-31 July 2026
Scope of Assessment	Sabah TLAS+ P1-4: SFMLA 09/97 - FMU 25 (partly)
Species	NFM: <i>Dillenia excelsa</i> (Simpoh), <i>Dryobalanops lanceolata</i> (Kapur), <i>Eugenia napiformis</i> (Obah), <i>Heritiera simplicifolia</i> (Kembang), <i>Pentaceae spp.</i> (Takalis), <i>Castanopsis spp.</i> (Berangan), <i>Calophyllum inophyllum</i> (Bintangor), <i>Hopea sangal</i> (Gagil), <i>Koompassia malaccensis</i> (Impas), <i>Dyera spp.</i> (Jelutong), <i>Dysoxylum parasiticum</i> (Jarum-Jarum), <i>Dipterocarpus</i> (Keruing), <i>Shorea spp.</i> (Red Seraya, Yellow Seraya, Melapi), <i>Sindora beccariana</i> (Sepetir), <i>Tristanopsis merguensis</i> (Pelawan-Pelawan), <i>Shorea pauciflora</i> (Oba Suluk), <i>Anisoptera sp.</i> (Pengiran), <i>Planchonia valida</i> (Putat Paya), <i>Vatica spp.</i> (Resak), <i>Agathis borneensis</i> (Mengilan), <i>Palaquium rostratum</i> (Nyatoh), <i>Shorea inappendiculata</i> (Selangan Batu), <i>Neolamarckia cadamba</i> (Laran), <i>Cratoxylum arborescens</i> (Serungan), Other Timber (OT)
Lead Assessor	Sheanna Kehong, (Acting Lead Auditor) Soliano Andrew
Assessor(s)	Ennald Chin, UMS Internship: Stacy Robert
SFD Staff	ADFO Serudong: Jory Julhani, PPD Serudong: Wilfred Pius, Andy N. Norman, Boneventure Marimin

Objectives
- The objective of this checklist is to verify compliance with the Criteria listed in the Sabah Legality Standard as defined by Principles 1 - 4 including Principle 7 for Deforestation Free (DF) where applicable and Optional Principle 8 for CS3D dated 1 July 2026. - 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 reflects non-compliance to the criterion which shall be addressed within 2 months. - All issues identified under this standard shall be considered appropriate to the scale and degree of forestry operations undertaken by the parties under the license agreement.

Scope of Assessment

- The scope of the evaluation is to verify compliance of Rakyat Berjaya Sdn. Bhd. with the Sustainable Forest Management License Agreement (SFMLA 09/97) for FMU 25 (Partly).
- The assessment is in accordance with the terms of the agreement for the “Sabah Legality Standard Principles 1 - 4 & 7 dated 1 July 2026.
- Principle 7 Deforestation Free: ☒ Applicable ☐ Not Applicable
- Principle 8: CS3D: ☐ Included ☒ Not Included
- 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.

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.

Summary Information**Overview of Licensee:**

Sabah Foundation or Yayasan Sabah (Yayasan Sabah) entered into an agreement (SFMLA: 09/97) with the State Government of Sabah on 10/09/1997 for 100 years (Principle Agreement), to manage Commercial Class II Forest Reserves comprising 799,828 Ha more or less.

On 15/02/1999, a First Supplemental Agreement between the Chief Minister of the State of Sabah and Yayasan Sabah was made, which reduced by 200,000 Ha from 799,288 Ha to 599,828 Ha.

On 10/05/2004, a Second Supplemental Agreement was made, which both parties agreed to amend Clause 49(1) of the Principal Agreement by adding, “*Provided that the Director, may in his absolute discretion, permit the harvesting of timber on slopes above 25^o, within the Licensed Area, provided that “Airborne Harvesting Systems” or any other suitable alternative harvesting systems deemed appropriate by the Director, is employed.*”

Between 2005 and 2018, another four (4) Supplemental Agreements were made to further excised Yayasan Sabah Licensed Areas to be converted into Class I Protection Forest Reserves, which the Licensed Area was reduced from 599,828 Ha to about 209,980 Ha.

In early 2019, there were discussions between SFD, Yayasan Sabah and Kalabakan Borneo Resources Sdn. Bhd. on issues pertaining to excision of some the latter's Licensed Area. After several rounds of discussions, all parties agreed that 30,000 Ha¹ more or less was excised from Kalabakan Borneo Resources's Licensed Area and subsequently given to Yayasan Sabah.

Note: ¹ Based on digitized calculation, the actual area is approximately 29,753.60 Ha. The area is taken based on the 3rd Supplementary Agreement, that is 30,000 Ha.

As of 2020, the total area under Yayasan Sabah management is approximately 239,980 Ha.

List of agreement under Rakyat Berjaya.

Contractor	Validity	Remarks
Aturmaju (Sabah) Holdings Sdn. Bhd.	Not stated	Log extraction and timber sale agreement to salvage all the commercial logs and timber (except for logging residues and prohibited species) from Blocks YT1/2020 and YT3/2020. The agreement shall be governed by and construed in accordance with Malaysian Law.
Majujuta Mewah Sdn. Bhd.	Not stated	Appointment by Aturmaju (Sabah) Holding as its lawful Attorney, log extraction contractor and exclusive purchaser of the salvaged logs at Block YT 1/2020 and Block YT 3/2020.

		Majujuta Mewah is authorized to communicate or liaise directly with the SFD concerning the log extraction for the said blocks as outlined in the aforementioned Log Extraction and Timber Sale Agreement for the period of the Coupe Permit. The agreement shall be governed by and construed in accordance with Malaysian Law.
Pelana Bumi Sdn. Bhd.	Not stated	Log extraction and timber sale agreement to salvage all the commercial logs and timber (except for logging residues and prohibited species) from Blocks YT5/2020 and YT6/2020. The agreement shall be governed by and construed in accordance with Malaysian Law. However, has not started operation yet.
Prescott Hamilton Environmental Solutions PLT*	Not stated	Log extraction and timber sale agreement to salvage all the commercial logs and timber (except for logging residues and prohibited species) from Blocks YT2/2020 and YT4/2020. The agreement shall be governed by and construed in accordance with Malaysian Law.

*Based on MEMO from Rakyat Berjaya, Ref. #: FD/KK/4.02/5/Vol.44/37 dated 04/10/2021 and AWP 2026, Prescott Hamilton Environmental Solutions PLT was terminated effective from 04/02/2025.

The previous assessment was conducted in July 2025 that resulted in 5 gap(s) and 3 observation(s) (Report #: GFSSBH 003-357).

Land use classification:

Land classification	1 st FMP Area (ha)	Current Status (ha)
Total Licensed Area	30,000	29,784.09
Production (NFM)	22,000	21,861.05 Area harvested as of Jul 2026: YT 1/2020 = 1,160.39 YT 3/2020 = 1,400.18
Conservation	8,000	7,923.03

Current Operations:

Based on AWP 2026.

Activity	Remarks
RIL Harvesting	CF from 2025: Majujuta Mewah = Block YT 1/2020: Cpts 51, 52, 53, 55, 56 Pelana Bumi = Block YT 6/2020: Cpts 12, 13 Planned in 2026: <i>Cpts 35, 36, 37, 39, 40 and 58 were not listed in the AWP 2026</i> Pelana Bumi = Block YT 5/2020: Cpts 7, 8, 9, 10, 17
CHP Preparation	CF from 2023: Tropical Rainforest Solution = YT 6/2020: Cpts 12, 13, Cpt 14 (Yet to be appointed) CF from 2025: Teknikal Ukur Borneo: YT 1/2020: Cpts 51, 52, 53, Teknikal Ukur Sabah: YT 1/2020: Cpts 54, 55, 56, 57, 58, 59, 60 Evergreen Enterprise: YT 2/2020: Cpts 41, 42, 46 Yet to be appointed: YT 2/2020: Cpts 43, 44, 45, 49, 50 Randora Enterprise: YT 2/2020: Cpts 48 Yet to be appointed: YT 6/2020: Cpts 11, 15, 17 Planned for 2026: Yet to be appointed: YT 6/2020: Cpts 16, 18, 19, 20, 24, 25, 26, 27, 28, 29, 30

List current compartments under harvesting and planned harvesting.

Comp #	NFM / ITP	Status	Area (ha)	Geo-location data
35	NFM (RIL)	Sabah TLAS DF	503.96	NE: 829000 N, 501000 E SE: 829000 N, 499000 E SW: 826000 N, 501000 E NW: 826000 N, 504000 E
36	NFM (RIL)	Sabah TLAS DF	507.84	NE: 826000 N, 502000 E SE: 822000 N, 502000 E SW: 823000 N, 499000 E NW: 827000 N, 501000 E
37	NFM (RIL)	Sabah TLAS DF	502.14	NE: 827000 N, 501000 E SE: 825000 N, 501000 E SW: 824000 N, 498000 E NW: 828000 N, 499000 E
39	NFM (RIL)	Sabah TLAS DF	494.31	NE: 830000 N, 500000 E SE: 830000 N, 495000 E SW: 825000 N, 495000 E NW: 825000 N, 500000 E
40	NFM (RIL)	Sabah TLAS DF	482.49	NE: 834000 N, 499000 E SE: 832000 N, 496000 E SW: 829000 N, 493000 E NW: 833000 N, 500000 E
51	NFM (RIL)	Sabah TLAS DF	473.36	NE: 831000 N, 495000 E SE: 831000 N, 494000 E SW: 833000 N, 495000 E NW: 830000 N, 496000 E
52	NFM (RIL)	Sabah TLAS DF	483.73	NE: 831000 N, 495000 E SE: 831000 N, 494000 E SW: 833000 N, 495000 E NW: 830000 N, 496000 E
53	NFM (RIL)	Sabah TLAS DF	507.69	NE: 832250 N, 496250 E SE: 836000 N, 494750 E SW: 832200 N, 495500 E NW: 833000 N, 495000 E
55	NFM (RIL)	Sabah TLAS DF	515.04	NE: 831000 N, 495000 E SE: 831000 N, 494000 E SW: 833000 N, 495000 E NW: 830000 N, 496000 E
56	NFM (RIL)	Sabah TLAS DF	504.86	NE: 832250 N, 496250 E SE: 836000 N, 494750 E SW: 832200 N, 495500 E NW: 833000 N, 495000 E
58	NFM (RIL)	Sabah TLAS DF	446.28	NE: 835000 N, 495000 E SE: 836000 N, 496000 E SW: 836500 N, 497000 E NW: 837000 N, 498000 E

Environmental context:

Forest type:

Originally, the major forest ecosystem is the Licensed Area were classified based on altitudinal zonation and soil condition. Altitudinal zonation and soil condition were used in the classification to differentiate general floristics distribution, whereby the importance of certain tree species groups varies with increasing elevation and soil types. Based on this classification, the Licensed Area was classified into 3 different major ecosystem; Mixed Dipterocarp Forest, Mixed Dipterocarp and Kerangas Forest (LMDF) and Kerangas Forest.

Commercial species currently existing:

NFM: *Dillenia excelsa* (Simpoh), *Dryobalanops lanceolata* (Kapur), *Eugenia napiformis* (Obah), *Heritiera simplicifolia* (Kembang), *Pentaceae spp.* (Takalis), *Castanopsis spp.* (Berangan), *Calophyllum inophyllum* (Bintangor), *Hopea sangal* (Gagil), *Koompassia malaccensis* (Impas), *Dyera spp.* (Jelutong), *Dysoxylum*

parasiticum (Jarum-Jarum), *Dipterocarpus* (Keruing), *Shorea spp.* (Red Seraya, Yellow Seraya, Melapi), *Sindora beccariana* (Sepetir), *Tristaniopsis merguensis* (Pelawan-Pelawan), *Shorea pauciflora* (Oba Suluk), *Anisoptera sp.* (Pengiran), *Planchonia valida* (Putat Paya), *Vatica spp.* (Resak), *Agathis borneensis* (Mengilan), *Palaquium rostratum* (Nyatoh), *Shorea inappendiculata* (Selangan Batu), *Neolamarckia cadamba* (Laran), *Cratogeomys arborescens* (Serungan), Other Timber (OT)

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

A total of 5 Bornean endemic terrestrial mammal species were recorded in the Licensed Area. Of the 15 species of terrestrial mammals recorded through camera trapping method, 8 species are threatened under the IUCN Red List. About 5 mammal species are listed under Schedule I (Totally Protected Species) of the Sabah Wildlife Enactment 1997, including 5 species under Schedule II (Protected Species and 7 species under Schedule III. About 7 Bornean endemic bird species were recorded in the Licensed Area. Of the 75 species of birds recorded, 5 species are threatened under the IUCN Red List.

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

There is an extensive network of streams within the Licensed Area, which flow to Tambulanan River and Luis River respectively. Therefore, the Licensed Area forms part of the upper watersheds of these two rivers. Both rivers flow south and then southwest to join the Serudong River at the east.

EIA Report #:

EIA	Ref. #	Consultant
Proposed Forestry Operation of 30,000 Hectares Under SFMLA 09/97, in part of FMU 25 of Kalabakan Class II Forest Reserve, within Kalabakan and Pensiangan District, Sabah	JPAS/PP/TWU/600-1/01/3/68	Ekohandal Sdn. Bhd.

Social Context:

Social assessment SBS / SIA / EIA summary:

Based on the EIA, there is no village or human settlement within and adjacent to the project site, or even within 10 KM of the project site boundary.

Identified communities that are dependent on the FMU:

None

Land claims, disputes & communication system:

None

Community Forestry Projects:

None

Itinerary & Mandays: FMU 25 (Partly): Rakyat Berjaya / Serudong District

Date	Activity	GFS Staff	Mandays
27 July 2026 Monday	Travel to Serudong. Opening meeting, planning for site assessment and document review at Majujuta Mewah office campsite. Overnight at Rimba Rasa.	Sheanna Kehong, Soliano Andrew, Ennald Chin, Stacy Robert	4
28 July 2026 Tuesday	RIL harvesting in Compartment 56 (Majujuta Mewah), licensed boundary (FMU 25 & Kalabakan Borneo Resources), coupe boundary (between Compartment 52 & 56, Compartment 34 & Forest Reserve Serudong, protected area (riparian reserve & steep area) and document review. Overnight at Rimba Rasa.	Sheanna Kehong, Soliano Andrew, Ennald Chin, Stacy Robert	4
29 July 2026 Wednesday	Field assessment at PSP Compartment 59, dumping pit, workers quarters, workshop, diesel depot, base camp, log stumping and document review. Overnight at Rimba Rasa.	Sheanna Kehong, Soliano Andrew, Ennald Chin, Stacy Robert	4
30 July 2026	Document review and compiling report. Overnight	Sheanna Kehong,	4

Thursday	at Rimba Rasa.	Soliano Andrew, Ennald Chin, Stacy Robert	
31 July 2026 Friday	Closing meeting at Majujuta Mewah office campsite and travel back to home base.	Sheanna Kehong, Soliano Andrew, Ennald Chin, Stacy Robert	4
01-02 August 2026	Reporting/Administration: GFSSBH 003-415	Dr. Kevin Grace Sheanna Kehong	2
Total			22

Highlights of Assessment

(Major Gaps = 0; Minor Gaps = 4; Observations = 4)

Rakyat Berjaya Sdn. Bhd. has complied with the Sabah TLAS+ requirements (FDS TLAS-006) as no non-compliance was identified during the assessment on 27-31 July 2026.

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

Principle 1. Right to Harvest

Rakyat Berjaya demonstrated compliance with the licenses and permits.

July 2026: Gap 001/2026 (minor) – Checklist 1.2.4

Diesel depot was not sheltered and signs of open burning was observed at the office or dwelling areas.

July 2026: Observation 001-2026 – Checklist 1.3.1

The expiry date differed from the signed FMP title and Chapter 1.5.

July 2026: Gap 002/2026 (minor) – Checklist 1.3.2.7

The FMP does not define sustained yield or Annual Allowable Cut over a 4-year scheduled period with a planned harvest area of 5000 ha/year. The FMP does not reference a moratorium of logging following completion of logging.

July 2026: Observation 002-2026 – Checklist 1.3.2.11

Discrepancy in the FMP estimate M³ for Block YT 4/2020.

July 2026: Observation 003-2026 – Checklist 1.3.2.13

The FFMP is pending approval from the SFD.

July 2026: Gap 003/2026 (minor) – Checklist 1.5.2

The AWP 2026 does not include harvesting for Compartments 35, 36, 37, 39, 40 & 58.

Principle 2. Forest Operations

Majujuta Mewah demonstrated compliance with the RIL logging operations, log transportation, protection of protected area, licensed area security, maintenance of licensed boundary and regulatory requirements for workers.

July 2026: Observation 004-2026 – Checklist 2.2.3

QR code for Geo-location was not included in the e-Removal Pass.

July 2026: Gap 004/2026 (minor) – Checklist 2.1.1, 2.4.5

Physical training for work safety including RIL was not conducted to workers.

July 2026: Observation 003-2026 – Checklist 2.3.5

The FFMP is pending approval from the SFD.

Principle 3. Statutory Charges

Majujuta Mewah paid the licensing fees and other charges to SFD. Records of royalty payments are maintained.

Highlights of Assessment

Principle 4. Other User Rights

Not applicable - There is no village or human settlement located within and adjacent to the project site, or even within 10 km of the project site boundary. The largest rural town of significance is Kalabakan Township that located some 25 km to the east.

Principle 7. Deforestation Free

Rakyat Berjaya demonstrated compliance regarding certificate and deforestation free status of the area. However geo-location of the harvest areas was not documented on removal passes.

Principle 8. In Accordance with the EU Corporate Sustainability Due Diligence Directive (CS3D) (Optional)

Not applicable

Summary Results:

(Major gap = 0, Minor gap = 4, Observation = 4)

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

GAP	Type	Checklist	Status	Description
001/2026	minor	1.2.4	New	July 2026: Diesel depot was not sheltered and signs of open burning was observed at the office or dwelling areas.
002/2026	minor	1.3.2.7	New	July 2026: The FMP does not define sustained yield or Annual Allowable Cut over a 4-year scheduled period with a planned harvest area of 5000 ha/year. The FMP does not reference a moratorium of logging following completion of logging.
003/2026	minor	1.5.2	New	July 2026: The AWP 2026 does not include harvesting for Compartments 35, 36, 37, 39, 40 & 58.
004/2026	minor	2.1.1, 2.4.5	New	July 2026: Physical training for work safety including RIL was not conducted to workers.

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

Obs #	Checklist	Description
001-2026	1.3.1	July 2026: The expiry date was differed from the signed FMP title and Chapter 1.5.
002-2026	1.3.2.11	July 2026: Discrepancy in the FMP estimated volume for Block YT 4/2020.
003-2026	1.3.2.13, 2.3.5	July 2026: The FFMP is pending approval from the SFD.
004-2026	2.2.3	July 2026: QR code for Geo-location was not included in the e-Removal Pass.

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

Recommendations

Rakyat Berjaya Sdn. Bhd. has demonstrated compliance with the Sabah TLAS+ Principle 1-4 & 7 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 (Sabah 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 001/2026 (minor) – Checklist 1.2.4: Diesel depot should be sheltered and the licensee should prohibit open burning.

Gap 002/2026 (minor) – Checklist 1.3.2.7: Rakyat Berjaya shall define sustainable yield over a defined harvest cycle and reference a moratorium of logging in the FMP as appropriate.

Gap 003/2026 (minor) – Checklist 1.5.2: Rakyat Berjaya should notify the SFD by including the planned operation for Compartments 35, 36, 37, 39, 40 & 58 in the AWP 2026.

Gap 004/2026 (minor) – Checklist 2.1.1, 2.4.5: Majujuta Mewah should conduct physical training such as RIL work safety and fire training annually or when there are new workers.

Observation 001-2026 – Checklist 1.3.1: The expiry date should be consistent with the signed FMP title and Chapter 1.5.

Observation 002-2026 – Checklist 1.3.2.11: The FMP estimate volume for Block YT 4/2020 should be recorded correctly.

Observation 003-2026 – Checklist 1.3.2.13, 2.3.5: SFD should expedite the FFMP approval process.

Observation 004-2026 – Checklist 2.2.3: SFD should include the QR code for Geo-location in the e-Removal Pass.

The next annual surveillance audit will be scheduled for **July 2027**.

End of Summary Report