

## Sabah TLAS Audit Report Principles 5 & 6

|                       |   |                        |                                  |
|-----------------------|---|------------------------|----------------------------------|
| <b>Organisation</b>   | Best Maxim Sdn. Bhd. (753619-D)   | <b>Reference #</b>     | GFSSBH 004-397                   |
| <b>Contact Person</b> | Chew Beng Huat (Managing Director)<br>Chew Inn Keat (Director)  | <b>Assessment Date</b> | 06/09/2022                       |
| <b>Office Address</b> | Lot 3, 1 <sup>st</sup> Floor, Block H, Sri Kepayan Commercial Centre, Phase 10A, Ruang Ridgeview 2, Kota Kinabalu, Sabah, Malaysia. | <b>Date close out</b>  | -                                |
| <b>Mill Address</b>   | Not available.  | <b>Telephone</b>       | +6012 861 1143<br>+6012 720 0708 |
| <b>Email</b>          | chewbenghuat@live.com.my  | <b>Fax</b>             | +6088 255 907                    |
|                       |   | <b>Approved By</b>     | Dr. Kevin Grace                  |

| Statements        |                   |                 |                   |
|-------------------|-------------------|-----------------|-------------------|
| Audit Statement # | GFS 023 WTP       |                 |                   |
| Issuance Date     | 12 September 2022 | Expiration Date | 11 September 2023 |

| Assessment Details  |  |
|---------------------|--|
| Company Type        | Trading and exporter   |
| Scope of Assessment | TLAS P5-6: FDS(KK)(E)004/2020  |
| Product Group       | Kiln Dried Sawm Timber   |
| Source of Material  | Sabah, Malaysia.   |
| Species             | <i>Parashorea spp.</i> (White seraya), <i>Shorea spp.</i> (Red seraya) |
| Lead Assessor       | Varenus V Untomon  |
| Assessor(s)         | Glory Linggou  |
| SFD Staff           | Jasni Rafiee (KPPM/KK)   |

| Terms of Assessment   |
|---|
| The scope of the evaluation is to verify compliance of the Best Maxim 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:

Best Maxim Sdn. Bhd. (Best Maxim) is registered in Kuala Lumpur, Malaysia, with registration # 753619-D. The company trades sawn timber mainly for the global market.

Best Maxim purchases Kiln Dried sawn timber from local suppliers (Sabah). Then the material is directly exports from the local supplier to The Philippines\* and China.

\*The company has stopped exports to The Philippines starting December 2021.

The previous assessment was conducted in December 2021 that resulted in 0 gap(s) and 0 observation(s) (Report #: GFSSBH 004-251a).

### Associated Organizations & Subcontractors:

Best Maxim does not engage any other subcontractor to provide or manufacture products (sawn timber). The company is associated with Pacific Asia Wood Industries Sdn. Bhd. and Ibarat Bumi Sdn. Bhd. that supports the company's management. The company engages R.M. Services Sdn. Bhd. to handle export documentation.

### Description of the Supply Chain:

From August 2021 to August 2022, Best Maxim purchased raw materials from the suppliers as below:

| Supplier             | License            | Raw Material | Location      | GFS WTP #<br>STCC #         | Overall Risk* |
|----------------------|--------------------|--------------|---------------|-----------------------------|---------------|
| SRT Timber Sdn. Bhd. | FDS(KK)(E)004/2019 | Sawn timber  | Kota Kinabalu | GFS 206 WTP<br>(17/07/2023) | Low           |
| Lusera Sdn. Bhd.     | JP(K)KK001/09(X39) | Sawn timber  | Kota Kinabalu | GFS 114 WTP<br>(09/01/2023) | Low           |
| Seratim Sdn. Bhd.    | FDS(KK)(E)064/2019 | Sawn timber  | Kota Kinabalu | GFS 022 WTP<br>(19/06/2023) | Low           |
| Uni-Lumber Sdn. Bhd. | FDS(KK)(E)102/2019 | Sawn timber  | Kota Kinabalu | GFS 233 WTP<br>(10/07/2023) | Low           |

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

### Summary Results:

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

#### GAPs: 2022

| GAP # | Type | Checklist | Status | Description |
|-------|------|-----------|--------|-------------|
| -     | -    | -         | -      | -           |

\*Major = Non-Compliance

#### Observations: 2022

| Obs #    | Checklist      | Description  |
|----------|----------------|--|
| 001-2022 | 5.2.1<br>6.1.2 | <b>September 2022:</b><br>Removal pass for one export consignment was not available during the assessment. |

#### Highlights of Close-Out Visit (if applicable)

Date: -

Not applicable

#### Recommendations

**Best Maxim 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.

Gap(s)/Observation(s) identified in this assessment should be addressed before the next surveillance visit. Actions required to close the gap(s)/observation(s) include:

**Observation 001-2022 – Checklist 5.2.1, 6.1.2:** The company shall maintain removal passes for all export consignments.

The next surveillance visit is scheduled for September 2023.

**End of Summary Report**