

## Sabah TLAS Audit Report Principles 5 & 6

<b>Organisation</b>	Lee Tat Lee Enterprise Sdn. Bhd. 199501022248 (351451-K)	<b>Reference #</b>	GFSSBH 004-631
<b>Contact Person</b>	Enjilin Logihad (Accounts Clerk)	<b>Audit Date</b>	26/03/2024
<b>Office Address</b>	Lot 30, Phase 1, HSK Industrial Centre, Mile 56, Jalan Penampang, Bundusan, 88300 Kota Kinabalu, Sabah, Malaysia.	<b>Date close out</b>	-
<b>Mill Address</b>	<u>Hardware store:</u> Lot 30, Phase 1, HSK Industrial Centre, Mile 56, Jalan Penampang, Bundusan, 88300 Kota Kinabalu, Sabah, Malaysia.	<b>Telephone</b>	+6010 586 9554
<b>Email</b>	ltil_kk@yahoo.com DFO KK: Aglsmail.AgTuah@sabah.gov.my PPW KK: MohdNasir.AgSuman@sabah.gov.my	<b>Fax</b>	+6088 712 955
		<b>Approved By</b>	Dr. Kevin Grace

### Statements

<b>Audit Statement #</b>	GFS 290 WTP		
<b>Issuance Date</b>	01 April 2024	<b>Expiration Date</b>	31 March 2025

### Assessment Details

<b>Company Type</b>	Importer
<b>Scope of Assessment</b>	Sabah TLAS P5-6: FDS(KK)(I)002/2021, FDS(KK)(S)025/2022
<b>Product Group</b>	Finger joint, Plywood and Blockboard
<b>Source of Material</b>	Sabah and Peninsular Malaysia.
<b>Species</b>	<i>Albizia falcataria</i> (Batai), OT (Other timber)
<b>Lead Assessor</b>	Anne Gimbir
<b>Assessor(s)</b>	Vanessa Abin, Aleeza Ho
<b>FDS Staff</b>	-

### Terms of Assessment

The scope of the evaluation is to verify compliance of Lee Tat Lee Enterprise 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:**

Lee Tat Lee Enterprise Sdn. Bhd. (Lee Tat Lee Enterprise) is registered in Johor Bahru, Malaysia, with registration #: 199501022248 (351451-K). Lee Tat Lee purchases finger joint from the local supplier and imports plywood from Peninsular Malaysia for the local market only.

The previous assessment was conducted in April 2023 that resulted in 6 gap(s) and 0 observation(s) (Report #: GFSSBH 004-483).

**Associated Organizations & Subcontractors:**

Lee Tat Lee Enterprise engages Asia Shipping & Forwarding (Sabah) Sdn. Bhd. as its forwarding agent to handle import documentation.

**Description of the Supply Chain:**

From February 2023 to February 2024, Lee Tat Lee Enterprise purchased raw materials from the suppliers as below:

Supplier	License	Raw Material	Location	GFS WTP # STCC #	Overall Risk *
Kim Guan Impex Sdn. Bhd.	FDS(KK)(I)021/2019	Plywood	Kota Kinabalu	GFS 258 WTP (25/12/2024)	Low
C & H Enterprise	FDS(SS)(I)038/2019	Plywood	Sandakan	GFS 235 WTP (23/07/2024)	Low
Veracity Corporation Sdn. Bhd.	JP(N)KG001/00(X02)R	Plywood	Keningau	GFS 053 WTP (17/09/2024)	Low
Tonah Trading Company Sdn. Bhd.	-	Blockboard	Peninsular Malaysia	-	High
Lee Tat Lee Hardware Sdn. Bhd.	-	Plywood	Peninsular Malaysia	-	High

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

**Summary Results:**

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

GAPs: Year 2024					
GAP #	Type	Checklist	Status	Description	
001/2022	minor	5.2.4	Closed	<p><b>April 2022:</b> There is no evidence that the COC procedure has been established to define import and trading activities related to Sabah TLAS requirements.</p> <p><b>April 2023:</b> Lee Tat Lee Enterprise has yet to establish a system to comply with Sabah TLAS requirements and Chain of Custody system based on its import and trading activities.</p> <p><b>March 2024:</b> Lee Tat Lee Enterprise established and maintained the CoC procedures.</p>	
002/2022	minor	5.3.2 5.3.7	Closed	<p><b>April 2022:</b> No safety and fire training conducted by the company.</p> <p><b>April 2023:</b> Lee Tat Lee Enterprise has yet to conduct safety and fire training annually.</p> <p><b>March 2024:</b> Lee Tat Lee Enterprise has conducted safety and fire training for workers.</p>	
003/2022	minor	6.2.3 6.2.6	Closed	<p><b>April 2022:</b> The company did not retain the copies of import documents, for plywood imported from Peninsular Malaysia.</p>	

				<p><b>April 2023:</b> Lee Tat Lee Enterprise has yet to retain copies of import documents for all imported materials.</p> <p><b>March 2024:</b> Lee Tat Lee Enterprise retained all import documents.</p>
001/2023	Raised to minor	6.2.4	Closed	<p><b>April 2022:</b> The company did not conduct a Risk Assessment for plywood imported from Peninsular Malaysia.</p> <p><b>April 2023:</b> Lee Tat Lee Enterprise has yet to conduct risk assessments for all imported products.</p> <p><b>March 2024:</b> Lee Tat Lee Enterprise has conducted risk assessment for all imported products.</p>
002/2023	minor	6.2.8 6.3.1	Closed	<p><b>April 2023:</b> Import inspection receipts were not maintained in its office.</p> <p><b>March 2024:</b> Imported plywood and blockboards were exempted from inspection. Thus, no inspection receipt required.</p>
003/2023	minor	6.3.2 6.3.3	Closed	<p><b>April 2023:</b> Removal passes for imported materials were not maintained in its office.</p> <p><b>March 2024:</b> Removal passes for imported materials were maintained in the office.</p>
001/2024	minor	5.2.2	New	<p><b>March 2024:</b> The removal passes were incomplete that missing the SFD personnel, date and SFD signature</p>

\*Major = Non-Compliance

Observations: Year 2024		
Obs #	Checklist	Description
-	-	-

<b>Highlights of Close-Out Visit (if applicable)</b>	<b>Date:</b> -
Not applicable	

Recommendations
<p><b>Lee Tat Lee Enterprise Sdn. Bhd.</b> 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 001/2024 (minor) – Checklist 5.2.2:</b> SFD shall ensure removal pass is stamped based on the SFD requirement to include date, SFD personnel &amp; signature.</p> <p>The next surveillance visit is scheduled for March 2025.</p>

**End of Summary Report**