

## Sabah TLAS Audit Report Principles 5 & 6

<b>Organisation</b>	Sandiwara Indah Sdn. Bhd. 199401007983 (293662-X)	<b>Reference #</b>	GFSSBH 004-744
<b>Contact Person</b>	Mr. Leong Soo Fong (Director) Ms. Ranni Bt Ladeng (Office Clerk)	<b>Audit Date</b>	05/11/2024
<b>Office Address</b>	P.O. Box 60082, 91010 Tawau, Sabah, Malaysia.	<b>Date close out</b>	-
<b>Mill Address</b>	Kg. Kau Sin, No. 2, Batu 6.5, Jalan Apas, Tawau, Sabah, Malaysia.	<b>Telephone</b>	+6012 817 2393 +6016 524 2393
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		<b>Approved By</b>	Dr. Kevin Grace

### Statements

Statement of Compliance	GFS 064 WTP		
Issuance Date	11 November 2024	Expiration Date	10 November 2025

### Assessment Details

Company Type	Sawmill and Moulding
Scope of Assessment	Sabah TLAS P5-6: JP(T)TW008/08(X04)
Product Group	Sawn timber
Source of Material	Sabah, Malaysia
Species	<i>Shorea inappendiculata</i> (Selangan batu), <i>Parashorea spp.</i> (White seraya), <i>Shorea spp.</i> (Red seraya, Yellow seraya), <i>Neolamarckia cadamba</i> (Laran), <i>Duabanga moluccana</i> (Magas), <i>Octomeles sumatrana</i> (Binuang), <i>Alstonia spp.</i> (Pulai), <i>Lauraceae</i> (Medang), <i>Lithocarpus &amp; Quercus spp.</i> (Mempening), <i>Myristicaceae</i> (Darah-darah), <i>Cotylelobium spp.</i> (Resak batu), <i>Hopea sangal</i> (Gagil), <i>Koompassia malaccensis</i> (Impas), <i>Scaphium spp.</i> (Kembang semangkuk), <i>Annonaceae spp.</i> (Karai), <i>Gluta/Semecarpus/Melanochyla &amp; Swintonia</i> (Rengas), <i>Eugenia spp.</i> (Obah), <i>Dialium indum</i> (KerANJI), <i>Camptosperma auriculatum</i> (Terentang), <i>Tristaniopsis obovata</i> (Pelawan), <i>Koordersiodendron pinnatum</i> (Ranggu), <i>Intsia palembanica</i> (Merbau), <i>Eusideroxylon zwageri</i> (Belian), <i>Tectona grandis</i> (Jati), <i>Irvingia spp.</i> (Assam), <i>Palaquium Spp.</i> (Nyatoh), <i>Pterospermum Spp.</i> (Bayur) and <i>Artocarpus Spp.</i> (Terap), <i>Swietenia spp.</i> (Mahogany), OT (Other timber).
Lead Assessor	Glory Linggou
Assessor(s)	Sheanna Kehong, Evelyn Chong
SFD Staff	-

### Terms of Assessment

The scope of the evaluation is to verify compliance with Sandiwara Indah 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:**

Sandiwara Indah Sdn. Bhd. (Sandiwara Indah) is, on and from 04/04/1994, incorporated under Companies Act 2016, and is registered in Tawau, Malaysia, with registration #: 199401007983 (293662-X). Sandiwara Indah produces sawn timber and moulding for the local market and provides sawmilling services to JV Timber Tech Enterprise.

**Associated Organizations & Subcontractors:**

Sandiwara Indah paying a contract service to Tawau Kilning & Moulding Sdn. Bhd. (located in Tawau) for kiln-dry services.

**Description of the Supply Chain:**

From July 2023 to October 2024, Sandiwara Indah purchased raw materials from the suppliers as below:

Supplier	License	Raw Material	Location	GFS WTP # STCC #	Overall Risk *
Cohent Sdn. Bhd.	PG/SDK 03/2011	Plywood	Sandakan	-	High
Aturmaju (Sabah) Holding Sdn. Bhd.	JP(T)KA001/00(X33)R	Sawn timber	Kalabakan	Non-Compliance	High
Sherwood Timber Processing Sdn. Bhd.	JP(T)TW004/00(X02)R	Round Logs	Tawau	GFS 042 WTP (22/09/2025)	Low
Bumi Timber Sdn. Bhd. (DM Cergas Sdn. Bhd.)	JP(N)SO001/16(X17)	Sawn timber	Keningau	GFS 244 WTP (21/04/2025)	Low
Lotus Region Sdn. Bhd.	KON(TTW)002/2023(KK)	Sawn timber	Tawau	GFS 296 WTP (03/12/2024)	Low
Bountiful Returns Sdn. Bhd. (Sukses Jadi Sdn. Bhd.)	JP(T)KA001/14(X14)	Sawn timber	Kalabakan	GFS 115 WTP (26/11/2024)	Low
Sungai Silinponpon (Blockboard) Sdn. Bhd. (Majestic Goldtree Sdn. Bhd.)	JP(T) TW001/2022(70)	Sawn timber	Tawau	GFS 134 WTP (14/01/2025)	Low
Waygood Enterprise Sdn. Bhd. (Taman Timber Enterprise)	JP(N)NN002/19(B01)	Sawn timber	Nabawan	GFS 304 WTP (21/04/2025)	Low

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

**Summary Results:**

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

GAPs: Year 2024				
GAP #	Type	Checklist	Status	Description
001/2024	minor	5.1.2	New	<b>November 2024:</b> The Sawn Timber & Moulding license has expired.
002/2024	minor	5.2.1, 5.2.5, 6.1.1, 6.1.2, 6.1.3	New	<b>November 2024:</b> The current system for purchasing and receiving is not according to the CoC procedure.
003/2024	minor	5.3.1, 5.3.2	New	<b>November 2024:</b> Inconsistent in issuing employment agreements for workers and JTK exceeded the quota.
004/2024	minor	5.3.5	New	<b>November 2024:</b> One worker was not registered and contributed SOCSO and EPF.

\*Major = Non-Compliance

Observations: Year 2024		
Obs #	Checklist	Description
-	-	-

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

<b>Recommendations</b>
<p><b>Sandiwara Indah 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 5.1.2:</b> Sandiwara Indah shall renew the mill license 3 months before the expiry date.</p> <p><b>Gap 002/2024 (minor) – Checklist 5.2.1, 5.2.5, 6.1.1, 6.1.2, 6.1.3:</b> Sandiwara Indah shall ensure the current purchasing and receiving system is according to the CoC procedure.</p> <p><b>Gap 003/2024 (minor) – Checklist 5.3.1 5.3.2:</b> Sandiwara Indah shall have an employment agreement for all workers and foreign workers hired shall not exceeded the JTK quota.</p> <p><b>Gap 004/2024 (minor) – Checklist 5.3.5:</b> Sandiwara Indah must ensure all workers are registered under SOCSO and EPF as per Sabah Labour Ordinance.</p> <p>The next surveillance visit is scheduled for November 2025.</p>

**End of Summary Report**