

Sabah TLAS Audit Report Principles 5 & 6

Organisation	Owner: Hoong Yap Manufacturer Sdn. Bhd. 200601001523 (721271-A) Tenant: Wawasan Jayajuta Sdn. Bhd. 201701005854 (1220019-P)	Reference #	GFSSBH 004-718
Contact Person	Lim Yaw Meng (Management Representative)	Audit Date	10/09/2024
Office Address	Lot-18, 1st Floor, Jalan Masak, Suria Shopping Centre, 89008 Keningau, Sabah, Malaysia.	Date close out	-
Mill Address	Batu 19, Jalan Sook - Keningau, Sabah, Malaysia.	Telephone	+6087 338 085
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		Approved By	Dr. Kevin Grace

Statements

Statement of Compliance	GFS 111 WTP		
Issuance Date	17 September 2024	Expiration Date	16 September 2025

Assessment Details

Company Type	Sawmill & Woodchips
Scope of Assessment	Sabah TLAS P5-6: JP(N)KG001/11(X23), FDS(KG)(S)013/2024(M)
Product Group	Sawn timber
Source of Material	Sabah, Malaysia.
Species	<i>Lauraceae spp.</i> (Medang), <i>Myristicaceae spp.</i> (Darah-darah), <i>Dillenia spp.</i> (Simpor), <i>Parashorea spp.</i> (White seraya), <i>Shorea spp.</i> (Red seraya, Yellow seraya, Melapi), <i>Azadirachta excels</i> (Bawang-bawang), <i>Scaphium spp.</i> (Kembang semangkuk), <i>Eugenia spp.</i> (Obah), <i>Sapotaceae spp.</i> (Nyatoh), <i>Dialium indum</i> (KerANJI), <i>Shorea inappendiculata</i> (Selangan batu), <i>Cratoxylum arborescens</i> (Serungan), <i>Lithocarpus & Quercus</i> (Mempening), <i>Pentace spp.</i> (Takalis), <i>Annonaceae spp.</i> (Karai), <i>Parartocarpus</i> or <i>Artocarpus</i> (Terap), <i>Koompassia excelsa</i> (Mengaris), <i>Annonaceae spp.</i> (Pisang-pisang), <i>Magnolia candollii</i> (Chempaka), <i>Neolamarckia cadamba</i> (Laran), <i>Drybalanops spp.</i> (Kapur), <i>Macaranga spp.</i> (Sedaman), <i>Eusideroxylon zwageri</i> (Belian), <i>Meliosma sumatrana</i> (Gapas-gapas), <i>Shorea pauciflora</i> (Oba suluk), <i>Heritiera simplicifolia</i> (Kembang), <i>Intsia spp.</i> (Merbau)
Lead Assessor	Anne G. Grace
Assessor(s)	Anis Andrew
SFD Staff	Clarice V. Alliu (ADFO), Peter Abdullah (PPD KGU)

Terms of Assessment

The scope of the evaluation is to verify compliance with Hoong Yap Manufacturer 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:

Hoong Yap Manufacturer Sdn. Bhd. (Hoong Yap Manufacturer) is, on and from 17/01/2006, incorporated under Companies Act 2016, and is registered in Kuala Lumpur, Malaysia, with registration #: 200601001523 (721271-A).

Wawasan Jayajuta Sdn. Bhd. (Wawasan Jayajuta) is, on and from 17/01/2006, incorporated under Companies Act 2016, and is registered in Kuala Lumpur, Malaysia, with registration #: 201701005854.

Wawasan Jayajuta purchases round logs, produces sawn timber and sells them to the local market.

Hoong Yap Manufacturer has a tenancy agreement with Wawasan Jayajuta for two years term from 15/08/2024 to 14/08/2026 to conduct mill operation.

Associated Organizations & Subcontractors:

Hoong Yap Manufacturer has no operations. Wawasan Jayajuta Sdn. Bhd. (Wawasan Jayajuta) operates the sawmill using its own manpower.

Description of the Supply Chain:

From July 2023 to July 2024, Wawasan Jayajuta purchased raw materials from the suppliers as below:

Supplier	License	Raw Material	Location	GFS WTP # STCC #	Overall Risk *
Sanalika Binti Sayau	JP(NKG)005/2022 (F1)	Round logs	Keningau	GFS 199 LVS (01/10/2024)	Low
Francis Bin Madangan & 40 Peserta (Sahabat Jayasama Sdn. Bhd.)	JP(STG)006/2021(F1)	Round logs	Tongod	Non-Compliance	High

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

Summary Results:

(Major gap = 0, Minor gap = 0, Observation = 3)

GAPs: Year 2024				
GAP #	Type	Checklist	Status	Description
-	-	-	-	-

*Major = Non-Compliance

Observations: Year 2024		
Obs #	Checklist	Description
001-2024	5.2.1, 6.1.1, 6.1.2, 6.1.3, 6.1.4	September 2024: The current system for purchasing from suppliers is not according to the COC procedure.
002-2024	5.2.9	September 2024: The Mill Contractor permit is in the renewal process.
003-2024	5.3.2	September 2024: Workers were not registered under COI.

Highlights of Close-Out Visit (if applicable)	Date: -
Not applicable	

Recommendations

Hoong Yap Manufacturer 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.

Action required to close the gap(s)/observation(s) include:

Observation 001-2024 – Checklist 5.2.1, 6.1.1, 6.1.2, 6.1.3, 6.1.4: Wawasan Jayajuta should follow the CoC by issuing a Purchase Order for timber being purchased.

Observation 002-2024 – Checklist 5.2.9: Wawasan Jayajuta must complete registration with the SFD as a mill contractor.

Observation 003-2024 – Checklist 5.3.2: Wawasan Jayajuta should register workers under COI.

The next surveillance visit is scheduled for September 2025.

End of Summary Report