

Sabah TLAS Audit Report Principles 5 & 6

Organisation	Tenant: Sukses Jadi Sdn. Bhd. 201301030771 (1060600-M) Landlord: Bountiful Returns Sdn. Bhd. 199301030337 (285076-W)	Reference #	GFSSBH 004-772a
Contact Person	Joseph Chan Teck Ming (Management Representative)	Audit Date	14/01/2025
Office Address	TB16480, Taman Megah Jaya, Megah 9/1, Batu 3 ½, P.O. Box 60402, 91000 Tawau, Sabah, Malaysia.	Date close out	14/03/2025
Mill Address	CL 105381833, KM 60, Sg. Sibuku, Brantian, P.O. Box 60402, 91000 Tawau, Sabah, Malaysia.	Telephone	+6013 883 3668 +6089 751 019
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		Approved By	Dr. Kevin Grace

Statements			
Statement of Compliance	GFS 115 WTP		
Issuance Date	17 March 2025	Expiration Date	13 January 2026

Assessment Details	
Company Type	Sawmill, Veneer, Plywood, Moulding, Exporter
Scope of Assessment	Sabah TLAS P5-6: JP(T)KA001/2024(X17), FDS(KA)(S)022/2024(M), FDS(KA)(E)012/2020(MT), FDS(KA)(S)006/2020(MT), KON(TKA)002/2020(KK)
Product Group	Veneer and Sawn timber
Source of Material	Sabah, Malaysia.
Species	<i>Drybalanops</i> spp. (Kapur), <i>Dipterocarp</i> spp. (Keruing), <i>Parashorea</i> spp. (White seraya), <i>Shorea</i> spp. (Red seraya, Yellow seraya, Melapi), <i>Heritiera simplicifolia</i> (Kembang), <i>Scaphium</i> spp. (Kembang semangkuk), (Nyatoh), <i>Shorea pauciflora</i> (Oba suluk), <i>Neolamarckia cadamba</i> (Laran), <i>Duabanga moluccana</i> (Magas), <i>Octomeles sumatrana</i> (Binuang), <i>Alstonia</i> spp. (Pulai), <i>Nauclea</i> spp. / <i>Neonauclea</i> spp. (Bangkal), <i>Annonaceae</i> spp. (Karai), <i>Eugenia</i> spp. (Obah), <i>Sindora beccariana</i> (Sepetir), <i>Lauraceae</i> (Medang), <i>Planchonia valida</i> (Putat), <i>Lophopetalum</i> spp. (Perupok), <i>Terminalia subspatulata</i> (Talisai), <i>Myristicaceae</i> (Darah-darah), <i>Dillenia</i> spp. (Simpur), <i>Cotylelobium</i> spp. (Resak batu), <i>Cratoxylum arborescens</i> (Serungan), <i>Pentace</i> spp. (Takalis), <i>Koordersiodendron pinnatum</i> (Ranggu), <i>Hopea sangal</i> (Gagil), <i>Tristanopsis merguensis</i> (Pelawan-pelawan), <i>Gluta/Semecarpus/Melanochyla</i> & <i>Swintonia</i> (Rengas), <i>Annonaceae</i> (Pisang-pisang), <i>Azadirachta excelsa</i> (Bawang-bawang), <i>Endospermum diadenum</i> (Sendok-Sendok), <i>Camposperma auriculatum</i> (Terentang), Assam, Perapat Hutan, <i>Azadirachta excelsa</i> (Sentang), <i>Lithocarpus</i> & <i>Quercus</i> (Mempening), OT (Other timber)
Lead Assessor	Glory Linggou
Assessor(s)	Sheanna Kehong, Merlyne Gerard
SFD Staff	Saharuddin Jumil (PPD Kalabakan), Robin Charles (PPD Kalabakan), A. Hassan (PPD Kalabakan)

Terms of Assessment
The scope of the evaluation is to verify compliance with Bountiful Returns Sdn. Bhd. (Sukses Jadi 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:

Bountiful Returns Sdn. Bhd. (Bountiful Returns) is, on and from 24/12/1993, incorporated under Companies Act 2016, and is registered in Tawau, Sabah, Malaysia, with registration #: 199301030337 (285076-W). Bountiful Returns has no operation and only leased the premise to the Tenant.

Sukses Jadi Sdn. Bhd. (Sukses Jadi) is, on and from 03/09/2013, incorporated under Companies Act 2016, and is registered in Tawau, Sabah, Malaysia, with registration #: 201301030771 (1060600-M). Sukses Jadi produces veneer and sawn timber for the local market and exports them to India, Taiwan, The Philippines, South Korea, Peninsular Malaysia.

A Tenancy Agreement was made between Bountiful Returns (the Landlord) and Sukses Jadi (the Tenant) that the Landlord has leased the said premises to the Tenant for a period of 2 years.

Associated Organizations & Subcontractors:

Sukses Jadi does not engage subcontractor to produce, manufacture products or provide manpower. Agensi Pekerjaan Arenamas Sdn. Bhd. is handling JTK license renewal and work permit for foreign workers.

Description of the Supply Chain:

From October 2023 to December 2024, Sukses Jadi purchased raw materials (from the middlemen) as below:

Supplier	License	Raw Material	Location	GFS WTP # STCC #	Overall Risk *
Sapulut Forest Development (Tropical Origin Sdn. Bhd.)	SFMLA 04/97 (FMU 14)	Round logs	Tibow	GFS 025 LVS (09/07/2025)	Low
Pesona Majukaya Sdn. Bhd. (Kinsafajar Sdn. Bhd.)	SFMLA 01/2018 (FMU 25)	Round logs	Serudong	GFS 163 LVS (18/06/2025)	Low
Rakyat Berjaya Sdn. Bhd. (Terus Jadi Sdn. Bhd. / Kinsasynergy Sdn. Bhd.)	SFMLA 09/97 (FMU 20)	Round logs	Kinabatangan	GFS 178 LVS (28/04/2025)	Low
Sabah Energy Corporation Sdn. Bhd.	-	Round logs	Sipitang	-	High
Sabah Land Development Board (Teraju Hijau Plantations Sdn. Bhd.)	JP(NKG)004/2022(F1)	Round logs	Keningau	Non-compliance	High
Benta Wawasan Sdn. Bhd. (Mutiaru Bumiria Sdn. Bhd.)	-	Round logs	Kalabakan	-	High
Top Quantum Sdn. Bhd.	SFMLA 01/2009 (FMU 25)	Round logs	Serudong	GFS 071 LVS (18/06/2025)	Low
First Greenworld Sdn. Bhd. (Kinsafajar Sdn. Bhd.)	SFMLA 02/2009 (FMU 25)	Round logs	Serudong	GFS 074 LVS (18/06/2025)	Low

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

Summary Results:

(Major gap = 1, Minor gap = 2, Observation = 1)

March 2025: (Major gap = 0, Minor gap = 2, Observation = 1)

GAPs: Year 2025

GAP #	Type	Checklist	Status	Description
001/2025	minor	5.2.1, 6.1.1, 6.1.3, 6.1.4	New	January 2025: Inconsistent in maintaining sales and purchase agreements.
002/2025	minor	5.3.1, 5.3.2	New	January 2025:

				Two workers under Bountiful Returns have expired work permits and one worker was not registered under COI as stipulated in the license conditions.
003/2025	Major	5.3.5	Closed	January 2025: 8 workers under Sukses Jadi refused to contribute to EPF as required under Sabah Labor Ordinance. March 2025: 8 workers under Sukses Jadi were registered and contributed under EPF as required under Sabah Labor Ordinance.
004/2025	minor	6.4.1	Closed	14 January 2025: Sukses Jadi could not provide the summary records as they have yet to calculate the monthly summaries. 20 January 2025: Sukses Jadi has provided the monthly summary records.

*Major = Non-Compliance

Observations: Year 2025		
Obs #	Checklist	Description
001-2025	5.1.3	January 2025: The sawn timber carry-forward and output volume in the online submission differs from the manual submission. Inconsistent in recording of log supply in Appendix 1 manual, bought logs in Appendix 3 and the log carry forward stock in Appendix 3 manual.

Highlights of Close-Out Visit (if applicable)	Date: 14 March 2025
Major gap 001/2025 was closed-out visit based on document review and What's App communications. Sukses Jadi has contributed all workers to EPF. The major gap is now closed.	

Recommendations
<p>Bountiful Returns Sdn. Bhd. (Sukses Jadi Sdn. Bhd.) has demonstrated compliance with the Sabah Principles 5-6 for Chain of Custody as non-compliance was addressed under Criterion 5.3 and is recommended to receive a GFS Statement of Compliance or 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>Gap 001/2025 (minor) – Checklist 5.2.1, 6.1.1, 6.1.3, 6.1.4: Sukses Jadi shall maintain all sales and purchase agreement and delivery order.</p> <p>Gap 002/2025 (minor) – Checklist 5.3.1, 5.3.2: Bountiful Returns shall ensure work permits are renewed and workers are registered under COI as stipulated in the license conditions.</p> <p>Observation 001-2025 – Checklist 5.1.3: Sukses Jadi shall ensure sawn timber carry forward and log transfer volume are recorded correctly.</p> <p>The next surveillance visit is scheduled for January 2026.</p>

End of Summary Report