

## Sabah TLAS Audit Report Principles 5 & 6

<b>Organisation</b>	Hevajaya Sdn. Bhd. (458929-H)	<b>Reference #</b>	GFSSBH 004-584
<b>Contact Person</b>	Jumariah Hj. Saka (Clerk)	<b>Audit Date</b>	29/11/2023
<b>Office Address</b>	Ladalam Timber Complex, CL.105360674, 91029 Tawau, Sabah, Malaysia.	<b>Date close out</b>	-
<b>Mill Address</b>	Ladalam Timber Complex CL.105360674, 91029 Tawau, Sabah, Malaysia.	<b>Telephone</b>	+6016 826 0795
<b>Email</b>	hevajaya32@gmail.com DFO Tawau:Nooridayu.MohdAyub@sabah.gov.my	<b>Fax</b>	-
		<b>Approved By</b>	Dr. Kevin Grace

### Statements

<b>Audit Statement #</b>	GFS 131 WTP		
<b>Issuance Date</b>	04 December 2023	<b>Expiration Date</b>	03 December 2024

### Assessment Details

<b>Company Type</b>	Sawmill, Moulding mill and Exporter
<b>Scope of Assessment</b>	Sabah TLAS P5-6: JP(T)TW004/08(X04), FDS(TW)(E)082/2019(M) FDS(TW)(S)054/2019(M)
<b>Product Group</b>	Sawn timber, mouldings (S2S, S4S, E4E, Finger joint and Lamination)
<b>Source of Material</b>	Sabah, Malaysia.
<b>Species</b>	<i>Drybalanops</i> spp. (Kapur), <i>Dipterocarpus</i> spp. (Keruing), <i>Koompassia malaccensis</i> (Impas), <i>Shorea</i> spp. (Red seraya, Yellow seraya, Melapi, Selangan batu), <i>Scaphium</i> spp. (Kembang semangkuk), Sapotaceae (Nyatoh), <i>Duabanga moluccana</i> (Magas), <i>Annonaceae</i> spp. (Karai), <i>Eugenia</i> spp. (Obah), <i>Sindora beccariana</i> (Sepetir), <i>Lithocarpus</i> & <i>Quercus</i> (Mempening), <i>Dillenia</i> spp. (Simpur), <i>Pentace</i> spp. (Takalis), <i>Koompassia excelsa</i> (Mengaris), <i>Tristanopsis merguensis</i> (Pelawanpelawan), <i>Dialium indum</i> (Keraji), <i>Azadirachta excels</i> (Bawang-bawang), <i>Lithocarpus</i> & <i>Quercus</i> (Mempening), Other timber (OT), <i>Macaranga</i> spp. (Sedaman), <i>Castanopsis motleyana</i> (Berangan).
<b>Lead Assessor</b>	Brandon James
<b>Assessor(s)</b>	Glory Linggou, Aleeza Ho
<b>FDS Staff</b>	Mangumba Patiroy (PPD Tawau)

### Terms of Assessment

The scope of the evaluation is to verify compliance of Hevajaya 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:**

Hevajaya Sdn. Bhd. (Hevajaya) is registered under SSM, with registration # 458929-H. Hevajaya produces sawn timber, sold them locally and exports them to South Korea, Taiwan and Japan.

Hap Seng Property Investment has leased the mill and equipment to Hevajaya from 01/09/2020 to 31/08/2023. The renewal of the rental agreement is currently under review.

The previous assessment was conducted in December 2022 that resulted in 1 gap(s) and 0 observation(s) (Report #: GFSSBH 004-439).

**Associated Organizations & Subcontractors:**

Hevajaya does not engage other companies as subcontractors to provide or manufacture products.

**Description of the Supply Chain:**

From October 2022 to October 2023, Hevajaya purchased raw materials from the suppliers as below:

Supplier	License	Raw Material	Location	GFS WTP # STCC #	Overall Risk *
Sapulut Forest Development Sdn. Bhd.	SFMLA 04/97	Round logs	Tibow	GFS 025 LVS (09/07/2024)	Low
Pesona Majukaya Sdn. Bhd.	SFMLA 01/2018	Round logs	Serudong	GFS 163 LVS (02/07/2024)	Low
Top Quantum Sdn. Bhd.	SFMLA 01/2009	Round logs	Serudong	GFS 071 LVS (18/06/2024)	Low
Rakyat Berjaya Sdn. Bhd. (FMU 25)	SFMLA 09/97 (YT5/2020)	Round logs	Serudong	Non-Compliance	High
Rakyat Berjaya Sdn. Bhd. (Mega Wakid Sdn. Bhd.)	SFMLA 09/97 (YT4/08)	Round logs	Kalabakan	Non-Compliance	High
Rakyat Berjaya Sdn. Bhd. (Kinetic Journey Sdn. Bhd.)	SFMLA 09/97 (FMU 16)	Round logs	Tongod	GFS 130 LVS (03/09/2024)	Low

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

**Summary Results:**

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

GAPs: Year 2023				
GAP #	Type	Checklist	Status	Description
001/2022	minor	5.2.5	Closed	<b>December 2022:</b> Incorrect identification of Sabah TLAS status for batch # HJ22/11, which contained material from both TLAS and Non-TLAS suppliers. <b>November 2023:</b> Hevajaya has identified Sabah TLAS status on WIP and finished goods as per COC procedure.

\*Major = Non-Compliance

Observations: Year 2023		
Obs #	Checklist	Description
001-2023	5.2.2	<b>November 2023:</b> Removal pass issued under Rakyat Berjaya (Kinetic Journey) was not stamped with "Sabah TLAS CC" stamp.

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

**Recommendations**

**Hevajaya 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 001-2023 – Checklist 5.2.2:** SFD shall stamp removal passes from licensees compliant under Sabah TLAS P1-4 with the “Sabah TLAS CC” stamp.

The next surveillance visit is scheduled for November 2024.

**End of Summary Report**