

Sabah TLAS Audit Report Principles 5 & 6

Organisation	Tenant: Eastern Tropical Sdn. Bhd. (1493518-K) Licensee: Sangkil Makmur Sdn. Bhd.	Reference #	GFSSBH 004-583
Contact Person	Jumiah Yusup (Clerk)	Audit Date	28/11/2023
Office Address	Kg. Pitas, Bombalai, Tawau, Sabah, Malaysia.	Date close out	-
Mill Address	Kg. Pitas, Bombalai, Tawau, Sabah, Malaysia.	Telephone	+6017 829 3135
Email	eastertropical@gmail.com DFO Tawau:Nooridayu.MohdAyub@sabah.gov.my	Fax	-
		Approved By	Dr. Kevin Grace

Statements			
Audit Statement #	GFS 300 WTP		
Issuance Date	04 December 2023	Expiration Date	03 December 2024

Assessment Details	
Company Type	Sawmill and Exporter
Scope of Assessment	Sabah TLAS P5-6: JP(T)TW001/14(X20), KON(TTW)006/2023(KK)
Product Group	Sawn timber
Source of Material	Sabah, Malaysia.
Species	<i>Drybalanops spp.</i> (Kapur), <i>Dipterocarp spp.</i> (Keruing), <i>Parashorea spp.</i> (White seraya), <i>Shorea inappendiculate</i> (Selangan batu), <i>Shorea spp.</i> (Red seraya, Yellow seraya, (Melapi), <i>Shorea pauciflora</i> (Oba suluk), <i>Lauraceae</i> (Medang), <i>Cotylelobium spp.</i> (Resak), and Other timber (OT)
Lead Assessor	Brandon James
Assessor(s)	Tommy Olui, Vanessa Abin
FDS Staff	Ahmad Sappan (PPD Tawau)

Terms of Assessment
The scope of the evaluation is to verify compliance of Eastern Tropical 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:

Eastern Tropical Sdn. Bhd. (Eastern Tropical) is registered in Kuala Lumpur, Malaysia, with registration # 1493518-K. Eastern Tropical currently produces and trades sawn timber for the local market and exports them to Japan and Taiwan. Sangkil Makmur Sdn. Bhd. (Sangkil Makmur) has leased its sawmill to Eastern Tropical with an agreement valid through 31/08/2026, permitting Eastern Tropical to operate part of the sawmill to produce sawn timber starting April 2023.

Associated Organizations & Subcontractors:

Eastern Tropical does not engage other companies as their subcontractors to provide or manufacture products.

Description of the Supply Chain:

From April 2023 to October 2023, Eastern Tropical purchased raw materials from the suppliers as below:

Supplier	License	Raw Material	Location	GFS WTP # STCC #	Overall Risk *
Rakyat Berjaya Sdn. Bhd. (Terus Jadi Sdn. Bhd.)	SFMLA 09/97 (FMU 20)	Round logs	Kinabatangan	GFS 178 LVS	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 = 2)

GAPs: Year 2023

GAP #	Type	Checklist	Status	Description
-	-	-	-	-

*Major = Non-Compliance

Observations: Year 2023

Obs #	Checklist	Description
001-2023	5.2.2	November 2023: Removal pass issued under Rakyat Berjaya (Terus Jadi) was not stamped with "Sabah TLAS CC" stamp.
002-2023	5.2.4	November 2023: A batch unit is not clearly defined or identified as a unit of production based on receiving from each supplier and Sabah TLAS status.

Highlights of Close-Out Visit (if applicable)

Date: -

Not applicable

Recommendations

Eastern Tropical 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 pass from licensees compliant under Sabah TLAS P1-4 with the "Sabah TLAS CC stamp."

Observation 002-2023 – Checklist 5.2.4: The batch unit shall be numbered and clearly defined as a unit of production based on receiving by supplier or segregated monthly production of Sabah TLAS and non-TLAS materials.

The next surveillance visit is scheduled for November 2024.

End of Summary Report