

## Sabah TLAS Audit Report Principles 5 & 6

<b>Organisation</b>	Tenant: Eastern Tropical Sdn. Bhd. 202201047821 (1493518-K) Landlord: Sangkil Makmur Sdn. Bhd. 199001003612 (195179-X)	<b>Reference #</b>	GFSSBH 004-955
<b>Contact Person</b>	Ms. Jumiah Yusup (Clerk)	<b>Audit Date</b>	23/04/2026
<b>Office Address</b>	Lot 3292 (Sublot 19), Block 1 Menyan Land District, 21 Sibujaya, Lorong Sibujaya Timur 5C/2, 96000 Sibujaya, Sarawak, Malaysia.	<b>Date close out</b>	-
<b>Mill Address</b>	Kg. Pitas, Bombalai, Tawau, Sabah, Malaysia.	<b>Telephone</b>	+6017 829 3135 +6016 881 7307
<b>Email</b>	easterntropicals@gmail.com DFO TWU: Nooridayu.MohdAyub@sabah.gov.my PPW TWU: MohdArapa.Lamuda@sabah.gov.my	<b>Fax</b>	-
		<b>Approved By</b>	Dr. Kevin Grace

### Statements

Statement of Compliance	GFS 300 WTP		
Issuance Date	27 April 2026	Expiration Date	26 April 2027

### Assessment Details

Company Type	Sawmill and Exporter
Scope of Assessment	Sabah TLAS P5-6: KON(TTW)006/2023(KK), FDS(TW)(E)009/2023, FDS(TW)(S)009/2023(MT)
Product Group	Sawn timber
Source of Material	Sabah, Malaysia.
Species	<i>Drybalanops spp.</i> (Kapur), <i>Dipterocarp spp.</i> (Keruing), <i>Shorea spp.</i> (Red seraya, Yellow seraya, Melapi), <i>Palaquium spp.</i> (Nyatoh), <i>Lithocarpus spp.</i> (Mempening), <i>Annonaceae</i> (Karai), <i>Dialium indum</i> (KerANJI)
Lead Assessor	Sheanna Kehong, (Acting Lead Auditor) Ng Cai Ling
Assessor(s)	UMS Internship: Rachal Jim, Stacy Robert
SFD Staff	Syed Abd Rahim (PPD Tawau)

### Terms of Assessment

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

Eastern Tropical Sdn. Bhd. (Eastern Tropical) is, on and from 29/12/2022, incorporated under Companies Act 2016, and is registered in Sibul, Sarawak, Malaysia, with registration #: 202201047821 (1493518-K). Eastern Tropical purchased round logs to produce sawn timber and purchased sawn timber locally. Sawn timber is sold locally and exported to Sarawak, Japan and Taiwan.

A tenancy agreement dated 01/09/2023 between Sangkil Makmur (The Landlord) and Eastern Tropical (The Tenant), which the Landlord agrees to let warehouse for a fixed term of 3 years commencing 01/09/2023 and ending on 31/08/2026.

The previous assessment was conducted in April 2025 that resulted in 3 gap(s) and 2 observation(s) (Report #: GFSSBH 004-812).

**Associated Organizations & Subcontractors:**

Eastern Tropical does not engage subcontractor to produce, manufacture products or provide manpower.

**Description of the Supply Chain:**

From April 2025 to March 2026, 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 (17/08/2026)	Low
Top Quantum Sdn. Bhd.	SFMLA 01/2009 (FMU 25)	Round logs	Serudong	GFS 071 LVS (08/06/2026) FDS(SLS)015/2025 (08/06/2026)	Low
KTS Plantation Sdn. Bhd.	JP(SLK)125/93C O (FMU 19B)	Round logs	Sandakan	GFS 012 LVS (03/08/2026) FDS(SLS)054/2025 (03/08/2026)	Low
Integrated Wood Processing Sdn. Bhd.	FDS(TW)(S)069/2 019(MT)	Sawn Timber	Tawau	GFS 238 WTP (08/06/2026)	Low
Rakyat Berjaya Sdn. Bhd. (Atur Maju Sdn. Bhd.)	SFMLA 09/97 (FMU 25)	Round logs	Serudong	GFS 203 LVS (13/07/2026) FDS(SLS)013/2025 (13/07/2026)	Low
Rakyat Berjaya Sdn. Bhd. (Hasrat Gagah Sdn. Bhd.)	SFMLA 09/97 (FMU 15)	Round logs	Keningau	GFS 101 LVS (21/12/2026)	Low
Rakyat Berjaya Sdn. Bhd. (Damai Wijaya Sdn. Bhd.)	SFMLA 09/97 (FMU 20)	Round logs	Kinabatangan	GFS 178 LVS (17/08/2026)	Low
Rakyat Berjaya Sdn. Bhd. (Tetap Jadi Sdn. Bhd.)	SFMLA 09/97 (FMU 15)	Round logs	Keningau	GFS 101 LVS (21/12/2026)	Low
Rakyat Berjaya Sdn. Bhd. (Pelana Bumi Sdn. Bhd.)	SFMLA 09/97 (FMU 25)	Round logs	Serudong	GFS 203 LVS (13/07/2026) FDS(SLS)013/2025 (13/07/2026)	Low

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

**Summary Results:**

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

GAPs: Year 2026				
GAP #	Type	Checklist	Status	Description
001/2025	minor	5.2.1, 6.1.1, 6.1.2, 6.1.3	Closed	<b>April 2025:</b> The current system for purchasing is not according to the CoC procedure. <b>April 2026:</b> The current system for purchasing is according to the CoC procedure.
002/2025	minor	5.2.3, 5.2.4,	Closed	<b>April 2025:</b>

		5.2.5		Incorrect stamping of TLAS status in the Removal Pass by the SFD. <b>April 2026:</b> SFD has stamped "Sabah TLAS CC" in the Removal Pass correctly for the supplier compliance under Sabah TLAS P1-6.
003/2025	minor	5.3.5	Closed	<b>April 2025:</b> 4 workers were not registered and contributed SOCSO. <b>April 2026:</b> All workers are registered and contributed under SOCSO.
001/2026	minor	5.1.3	New	<b>April 2026:</b> Sawn timber C/F was not recorded in Appendix 1 online submission.

\*Major = Non-Compliance

Observations: Year 2026		
Obs #	Checklist	Description
001-2025 Addressed	5.1.3	<b>April 2025:</b> Volume in Removal pass was inconsistent with the TDP volume. <b>April 2026:</b> Volume in Removal pass was consistent with the TDP volume.
002-2025 Addressed	5.3.2	<b>April 2025:</b> Workers were not registered under COI. <b>April 2026:</b> All workers were registered under COI.
001-2026	5.2.1, 5.2.3, 6.1.1, 6.1.2, 6.1.4	<b>April 2026:</b> Purchase Order did not consistently reference the Sabah TLAS status for materials being purchased.

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

Recommendations
<p><b>Eastern Tropical 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 001/2026 (minor) – Checklist 5.1.3:</b> Eastern Tropical shall ensure sawn timber C/F is recorded in Appendix 1 online submission.</p> <p><b>Observation 001-2026 – Checklist 5.2.1, 5.2.3, 6.1.1, 6.1.2, 6.1.4:</b> Purchase Order shall reference the Sabah TLAS status for materials being purchased.</p> <p>The next surveillance visit is scheduled for April 2027.</p>

**End of Summary Report**