

Sabah TLAS Audit Report Principles 5 & 6

Organisation	JV Teguh Sdn. Bhd. 201001011846 (896509-M)	Reference #	GFSSBH 004-603
Contact Person	Michael Lee (Director)	Audit Date	18/01/2024
Office Address	Phase 1, Mailbox A-50, Wisma Merdeka, Jalan Tun Razak, 88000 Kota Kinabalu, Sabah, Malaysia.	Date close out	-
Mill Address	Warehouse: Batu 7, Jalan Correctional, KKE/E07/16, Kilang Papan, 88450 Inanam, Kota Kinabalu, Sabah	Telephone	+6088 383 681 +6088 383 682
Email	mikelcs66@hotmail.com DFO Kota Kinabalu: Aglsmail.AgTuah@sabah.gov.my	Fax	+6088 383 683
		Approved By	Dr. Kevin Grace

Statements

Audit Statement #	GFS 195 WTP		
Issuance Date	22 January 2024	Expiration Date	22 January 2025

Assessment Details

Company Type	Exporter, Importer
Scope of Assessment	Sabah TLAS P5-6: FDS(KK)(E)090/2019, FDS(KK)(I)004/2019, FDS(KK)(S)014/2019
Product Group	Sawn timber, Plywood
Source of Material	Sabah, Malaysia and Vietnam
Species	<i>Drybalanops spp.</i> (Kapur), <i>Dipterocarpus spp.</i> (Keruing), <i>Shorea spp.</i> (Red seraya, Yellow seraya, Selangan batu), OT (Other Timber)
Lead Assessor	Brandon James
Assessor(s)	Aleeza Ho
FDS Staff	Taib Arjani (ADFO Kota Kinabalu), Abu Bakar (SFD Kota Kinabalu)

Terms of Assessment

The scope of the evaluation is to verify compliance of JV Teguh 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:

JV Teguh Sdn. Bhd. (JV Teguh) is registered with Companies Commission of Malaysia (SSM) on 31/03/2010 in Shah Alam, with the registration #: 201001011846 (896509-M). JV Teguh has a warehouse for resizing and rebundling. JV Teguh sells sawn timber and plywood to the local market and exports sawn timber exclusively to Mauritius.

JV Teguh (The Landlord) agreed to let a piece of land, CL #: 015062674 to Power Timber, with a tenancy agreement made on 01 January 2019 for 10 years term. JV Teguh operates a warehouse and shares the warehouse facilities with Power Timber Sdn. Bhd.

The previous assessment was conducted in January 2023 that resulted in 0 gap(s) and 1 observation(s) (Report #: GFSSBH 004-450).

Associated Organizations & Subcontractors:

JV Teguh does not engage other companies as their subcontractors to handle, resizing and rebundling products.

Description of the Supply Chain:

From December 2022 to December 2023, JV Teguh purchased raw materials from the suppliers as below:

Supplier	License	Raw Material	Location	GFS WTP # STCC #	Overall Risk *
Lusera Sdn. Bhd.	FDS(KK)(S)020/2019(M)	Sawn timber	Kota Kinabalu	GFS 114 WTP (19/11/2024)	Low
Seratim Sdn. Bhd.	FDS(KK)(E)064/2019	Sawn timber	Kota Kinabalu	GFS 022 WTP (28/05/2024)	Low
Innora Sdn. Bhd.	JP(S)SS003/06(X04)	Sawn timber	Sandakan	GFS 175 WTP (26/03/2024)	Low
Waygood Enterprise Sdn. Bhd. (Taman Sawmill Enterprise)	JP(N)NN002/19(B01)	Sawn timber	Nabawan	Non-Compliance	High
Usaha Sensasi Sdn. Bhd. (Piramid Bumimas Sdn. Bhd.)	JP(K)RN002/12(B01)	Sawn timber	Ranau	GFS 068 WTP (10/12/2024)	Low
CHK Enterprise Sdn. Bhd.	FDS(SS)(E)045/2019	Sawn timber	Sandakan	GFS 234 WTP (23/07/2024)	Low
Kilang Kayu Lohan Sdn. Bhd.	JP(K)RN005/00(X04)R	Sawn timber	Ranau	GFS 032 WTP (10/12/2024)	Low
Borneo Greenwood Sdn. Bhd.	FDS(KK)(E)007/2019	Sawn timber	Kota Kinabalu	GFS 211 WTP (26/02/2024)	Low
Seguntor Sdn. Bhd.	JP(S)SS018/00(B01)R	Sawn timber	Sandakan	GFS 138 WTP (11/06/2024)	Low
Priceworth Industries Sdn. Bhd.	JP(S)SS001/00(X29)R	Sawn timber	Sandakan	GFS 083 WTP (26/03/2024)	Low
Tropical Wood Plantation Sdn. Bhd.	JP(D)PS001/19(B01)	Sawn timber	Pitas	GFS 135 WTP (05/11/2024)	Low
Son Thuy Joistock Company	Not stated	Plywood	Vietnam	-	High
V-Star Import and Export Co., Ltd.	Not stated	Plywood	Vietnam	-	High
Asian Wood Co. Ltd.	Not stated	Plywood	Vietnam	-	High
Hoang Anh Export Import Investment Production Co. Ltd.	Not stated	Plywood	Vietnam	-	High

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

Summary Results

(Major gap = 0, minor gap = 3, Observation = 2)

GAPs: Year 2024				
GAP #	Type	Checklist	Status	Description
001/2024	minor	5.2.2	New	January 2024: Removal passes for the import consignment were not stamped as "Used" by SFD.
002/2024	minor	5.2.5 5.2.7	New	January 2024: The CoC procedure does not define mixing Sabah TLAS material with non-TLAS material during bundling for Non-Sabah TLAS production.
003/2024	minor	5.3.2 5.3.7 5.3.8	New	January 2024: No evidence of safety and fire training conducted by JV Teguh for warehouse workers.

*Major = Non-Compliance

Observations: Year 2024		
Obs #	Checklist	Description
001-2023 Outstanding	5.3.3 5.3.4	January 2023: JV Teguh has not registered with DOSH as a mill contractor operating the warehouse facility and machinery as required. January 2024: JV Teguh has not registered with DOSH as a mill contractor operating the warehouse facility and machinery as required.
001-2024	6.1.2	January 2024: The total volume and bundle quantities listed in the packing list for export license approval BK11055/2023 do not match the volume and bundle quantities specified in its removal pass.

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

Recommendations
<p>JV Teguh 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.</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 001/2024 (minor) – Checklist 5.2.2: SFD and JV Teguh shall ensure the removal pass is stamped as "Used."</p> <p>Gap 002/2024 (minor) – Checklist 5.2.5, 5.2.7: JV Teguh shall segregate the Sabah TLAS and Non-Sabah TLAS materials physically as per the COC procedure.</p> <p>Gap 003/2024 (minor) – Checklist 5.3.2, 5.3.7, 5.3.8: JV Teguh shall conduct safety and fire training annually for warehouse workers.</p> <p>Observation 001-2023 (Outstanding) – Checklist 5.3.3, 5.3.4: JV Teguh shall register with DOSH along with machinery associated with sawmill/warehouse operations (including air compressor) as required.</p> <p>Observation 001-2024 – Checklist 6.1.2: JV Teguh shall ensure the total volume and bundles of materials in the packing list matches with the removal pass for export consignments.</p> <p>The next surveillance visit is scheduled for January 2025.</p>

End of Summary Report