

## Sabah TLAS Audit Report Principles 5 & 6

|                       |                                                                                                                 |                       |                 |
|-----------------------|-----------------------------------------------------------------------------------------------------------------|-----------------------|-----------------|
| <b>Organisation</b>   | Jang Heng Sdn. Bhd. 202001000553 (1356872-U)                                                                    | <b>Reference #</b>    | GFSSBH 004-980  |
| <b>Contact Person</b> | Mr. Joshua Chieng (Sales & Marketing)                                                                           | <b>Audit Date</b>     | 23/06/2026      |
| <b>Office Address</b> | 8KM, Jalan Penampang, 89500 Kota Kinabalu, Sabah, Malaysia.                                                     | <b>Date close out</b> | -               |
| <b>Mill Address</b>   | Warehouse: 8 KM, Jalan Penampang, 89500 Kota Kinabalu, Sabah, Malaysia.                                         | <b>Telephone</b>      | +6016 588 3599  |
| <b>Email</b>          | Joshply22@gmail.com<br>DFO KK: ZuridahNorfarizan.Jeragan@sabah.gov.my<br>PPW KK: MohdNasir.AgSuman@sabah.gov.my | <b>Fax</b>            | -               |
|                       |                                                                                                                 | <b>Approved By</b>    | Dr. Kevin Grace |

### Statements

|                         |              |                 |              |
|-------------------------|--------------|-----------------|--------------|
| Statement of Compliance | GFS 303 WTP  |                 |              |
| Issuance Date           | 29 June 2026 | Expiration Date | 28 June 2027 |

### Assessment Details

|                     |                                                                                                                                                                                                                               |
|---------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Company Type        | Importer                                                                                                                                                                                                                      |
| Scope of Assessment | Sabah TLAS P5-6: FDS(KK)(I)005/2023                                                                                                                                                                                           |
| Product Group       | Plywood, Sawn timber, Finger joint                                                                                                                                                                                            |
| Source of Material  | Sabah, Malaysia & Indonesia                                                                                                                                                                                                   |
| Species             | <i>Parashorea spp.</i> (White Seraya), <i>Shorea spp.</i> (Yellow, Red Seraya), <i>Calophyllum inophyllum</i> (Bintangor), <i>Paraserianthes falcataria</i> (Sengon), <i>Dipterocarpus spp.</i> (Keruing), Other Timber (OT). |
| Lead Assessor       | Ng Cai Ling                                                                                                                                                                                                                   |
| Assessor(s)         | Ennald Chin                                                                                                                                                                                                                   |
| SFD Staff           | -                                                                                                                                                                                                                             |

### Terms of Assessment

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

Spring Plywood Sdn. Bhd. is, on and from 06/01/2020, incorporated under Companies Act 2016, and is registered in Sabah, Malaysia, with registration #: 202001000553 (1356872-U). The company changed its name to Jang Heng Sdn. Bhd. (Jang Heng) on 28/06/2022. Jang Heng imported plywood from Indonesia, purchased sawn timber and finger joint from local suppliers and sold those materials to the local market.

The previous assessment was conducted in June 2025 that resulted in 1 gap(s) and 3 observation(s) (Report #: GFSSBH 004-852).

**Associated Organizations & Subcontractors:**

Jang Heng does not engage subcontractor to produce, manufacture products or provide manpower. TS Top Logistics, as its agent, handles shipping materials from KK port to the hardware store and Megaply Pte. Ltd. handles documents for import consignments.

**Description of the Supply Chain:**

From June 2025 to June 2026, Jang Heng purchased raw materials from the suppliers as below:

| Supplier                       | License              | Raw Material | Location      | GFS WTP #<br>STCC #                                             | Overall Risk * |
|--------------------------------|----------------------|--------------|---------------|-----------------------------------------------------------------|----------------|
| Panelex Solutions Sdn. Bhd.    | FDS(KK)(I)003/2022   | Plywood      | Kota Kinabalu | GFS 292 WTP<br>(15/03/2027)<br>FDS(SCS)038/2026<br>(15/03/2027) | Low            |
| Soonlinmas Sdn. Bhd.           | FDS(KK)(I)043/2019   | Plywood      | Kota Kinabalu | GFS 261 WTP<br>(16/03/2027)<br>FDS(SCS)014/2026<br>(16/03/2027) | Low            |
| PT Wijaya Cahaya Timber Tbk    | -                    | Plywood      | Indonesia     | 26.00008-01079.012-ID-MY                                        | Low            |
| CV Megatek Karya Unggul        | -                    | Plywood      | Indonesia     | 26.00028-00251.016-ID-MY                                        | Low            |
| Primbumi Sdn. Bhd.             | JP(K)(KK)003/15(M01) | Finger joint | Kota Kinabalu | GFS 179 WTP<br>(12/10/2026)<br>FDS(SCS)090/2025<br>(12/10/2026) | Low            |
| Rich Bay Corporation Sdn. Bhd. | FDS(KK)(I)024/2019   | Sawn timber  | Kota Kinabalu | GFS 277 WTP<br>(24/05/2027)<br>FDS(SCS)021/2026<br>(17/05/2027) | Low            |
| Sri Jomatsu Sdn. Bhd.          | JP(N)NN014/07(B01)   | Sawn timber  | Kota Kinabalu | GFS 166 WTP<br>(09/02/2027)<br>FDS(SCS)121/2026<br>(09/02/2027) | Low            |

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

**Summary Results:**

(Major gap = 0, Minor gap = 3, Observation = 3)

| GAPs: Year 2026 |       |                     |             |                                                                                                                                                                                                                                                                        |
|-----------------|-------|---------------------|-------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| GAP #           | Type  | Checklist           | Status      | Description                                                                                                                                                                                                                                                            |
| 001/2025        | minor | 5.1.3, 5.2.4, 6.1.3 | Outstanding | <b>June 2025:</b><br>Removal Passes from KK port to Jang Heng were not stamped "Used" by the SFD.<br><b>June 2026:</b><br>Material arrival book was not established and Removal Passes from Sri Jomatsu & suppliers from Indonesia were not stamped "Used" by the SFD. |
| 001/2026        | minor | 5.2.12, 6.2.4       | New         | <b>June 2026:</b><br>Incorrect status of identification for Finished Goods at the warehouse.                                                                                                                                                                           |
| 002/2026        | minor | 5.3.6               | New         | <b>June 2026:</b>                                                                                                                                                                                                                                                      |

|  |  |  |  |                                                            |
|--|--|--|--|------------------------------------------------------------|
|  |  |  |  | Training for work and fire were not conducted for workers. |
|--|--|--|--|------------------------------------------------------------|

\*Major = Non-Compliance

| Observations: Year 2026 |                                         |                                                                                                                                                                                                                                                                                                              |
|-------------------------|-----------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Obs #                   | Checklist                               | Description                                                                                                                                                                                                                                                                                                  |
| 001-2025<br>Outstanding | 5.2.1, 5.2.3,<br>6.1.1, 6.1.2,<br>6.1.4 | <b>June 2025:</b><br>The Purchase Order did not reference the Sabah TLAS status of timber or timber products being purchased from Sabah TLAS suppliers.<br><b>June 2026:</b><br>Inconsistent in using Purchase Order for materials being purchased and did not identify status of materials being purchased. |
| 002-2025<br>Outstanding | 5.2.5, 6.2.3                            | <b>June 2025:</b><br>Inconsistent in conducting a risk assessment.<br><b>June 2026:</b><br>Risk Assessment was not conducted for materials purchased and received in 2026.                                                                                                                                   |
| 003-2025<br>Addressed   | 6.4.1                                   | <b>June 2025:</b><br>Jang Heng did not establish a monthly summary of timber products purchased, and sales records.<br><b>June 2026:</b><br>Monthly summary of timber products purchased, finished goods and sales records had been established starting from July 2025 onwards.                             |
| 001-2026                | 5.3.7                                   | <b>June 2026:</b><br>Distribution records of PPE were not maintained.                                                                                                                                                                                                                                        |

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

| Recommendations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
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| <p><b>Jang Heng 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 001/2025 (minor) Outstanding – Checklist 5.1.3, 5.2.4, 6.1.3:</b> Jang Heng shall establish the material arrival book for materials received at the warehouse and SFD shall ensure the Removal Pass from local suppliers and Port to warehouse are stamped as “Used”.</p> <p><b>Gap 001/2026 (minor) – Checklist 5.2.12, 6.2.4:</b> Sabah TLAS (VL) status of the Finished Goods purchased shall be defined in the Purchase Order according to the CoC procedure.</p> <p><b>Gap 002/2026 (minor) – Checklist 5.3.6:</b> Training for work and fire shall be conducted annually and when there are new workers.</p> <p><b>Observation 001-2025 (Outstanding) – Checklist 5.2.1, 5.2.3, 6.1.1, 6.1.2, 6.1.4:</b> Jang Heng shall use Purchase Order and reference the status of material purchased as per the CoC procedure.</p> <p><b>Observation 002-2025 Outstanding – Checklist 5.2.5, 6.1.1:</b> Jang Heng shall conduct a Risk Assessment for all suppliers using the Risk Matrix.</p> <p><b>Observation 001-2026 – Checklist 5.3.7:</b> Jang Heng shall establish PPE distribution record.</p> <p>The next surveillance visit is scheduled for June 2027.</p> |

**End of Summary Report**