

Sabah TLAS Audit Report Principles 5 & 6

Organisation	C. Y. K. Enterprise Sdn. Bhd. (712345-P)	Reference #	GFSSBH 004-470
Contact Person	Daisy Yong Robert Chong	Audit Date	01/03/2023
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		Approved By	Dr. Kevin Grace

Statements

Audit Statement #	GFS 264 WTP		
Issuance Date	06 March 2023	Expiration Date	05 March 2024

Assessment Details

Company Type	Importer
Scope of Assessment	Sabah TLAS P5-6: FDS(KK)(I)039/2019
Product Group	Sawn timber & Plywood
Source of Material	The USA, Germany, Ukraine, Finland and Sabah, Malaysia.
Species	<i>Eusideroxylon zwageri</i> (Belian), OT (Other timber), <i>Dipterocarp spp.</i> (Keruing), <i>Drybalanops spp.</i> (Kapur), <i>Shorea spp.</i> (Red seraya, Yellow seraya), <i>Eucalyptus pellita</i> (Eucalyptus) USA, Germany, Ukraine and Finland: <i>Pine spp.</i> (Pine)
Lead Assessor	Glory Linggou
Assessor(s)	Asraf Mahmud
FDS Staff	Jasni Rapiee (PPD Kota Kinabalu)

Terms of Assessment

The scope of the evaluation is to verify compliance of C. Y. K. Enterprise 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:

C. Y. K. Enterprise Sdn. Bhd. (C. Y. K. Enterprise) is registered in Sabah, Malaysia, with registration # 712345-P. C. Y. K. Enterprise imports sawn timber from the USA, Germany, Ukraine, Finland and purchases sawn timber & plywood from local suppliers to be trades for the local market.

The previous assessment was conducted in March 2022 that resulted in 2 gap(s) and 0 observation(s) (Report #: GFSSBH 004-320).

Associated Organizations & Subcontractors:

C. Y. K. Enterprise engaged Prosper Timber Sdn. Bhd. to provide storage of sawn timber/plywood.
 C. Y. K. Enterprise engaged Yung Lung Trading Sdn. Bhd. to provide rip saw services.
 C. Y. K. Enterprise engaged Lusera Sdn. Bhd. to provide KD services.
 C. Y. K. Enterprise engaged R.M Service Sdn. Bhd. as its agent to handle documentation for import activities.

Description of the Supply Chain:

From January 2022 to January 2023, C. Y. K. Enterprise purchased raw materials from the suppliers as below:

Supplier	License	Raw Material	Location	GFS WTP # STCC #	Overall Risk *
Trans-Pacific Trading LTD	-	Sawn timber (Pine)	USA	-	Low
Boscus Canada INC.	-	Sawn timber (Pine)	Finland	-	Low
OST Group LLC	-	Sawn timber (Pine)	Ukraine	-	High
Power Timber Sdn. Bhd.	FDS(KK)(S)016/2019	Sawn timber	Kota Kinabalu	GFS 273 WTP (03/04/2023)	Low
Prosper Timber Sdn. Bhd.	-	Sawn timber	Kota Kinabalu	-	High
Man Kim Trading Sdn. Bhd.	-	Plywood	Kota Kinabalu	-	High
Yung Lung Trading Sdn. Bhd.	JP(P)KK001/2020(M01)	Sawn timber	Kota Kinabalu	GFS 272 WTP (03/04/2023)	Low
Caltech Enterprise	-	Sawn timber	Kota Kinabalu	-	High

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

Summary Results:

(Major gap = 0, Minor gap = 2, Observation = 0)

GAPs: Year 2023				
GAP #	Type	Checklist	Status	Description
001/2022	Minor	5.2.4	Outstanding	March 2022: No evidence that a documented COC system has been established in respect to compliance with Sabah TLAS requirements for its import and trading activities. March 2023: C. Y. K. Enterprise has yet to establish a documented COC system for its import and trading activities.
002/2022	Minor	6.2.4	Closed	March 2022: No evidence that a risk assessment was conducted for imported products. March 2023: C. Y. K. Enterprise conducted the risk assessment for imported products.
001/2023	Minor	5.2.2	New	March 2023: Removal passes were not consistently stamped as "Used" by SFD.

*Major = Non-Compliance

Observations: Year 2023		
Obs #	Checklist	Description
-	-	-

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

Recommendations
<p>C. Y. K. Enterprise 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 001/2022 (Minor) Outstanding – Checklist 5.2.4: C. Y. K. Enterprise shall establish a documented COC system for its import and trading activities with respect to compliance with Sabah TLAS.</p> <p>Gap 001/2023 (Minor) – Checklist 5.2.2: SFD shall ensure removal passes are stamped as “Used.”</p> <p>The next surveillance visit is scheduled for March 2024.</p>

End of Summary Report