

## Sabah TLAS Audit Report Principles 5 & 6

|                       |  |                       |                 |
|-----------------------|--|-----------------------|-----------------|
| <b>Organisation</b>   | Jakinta Trading Sdn. Bhd. (1137365-A)  | <b>Reference #</b>    | GFSSBH 004-572  |
| <b>Contact Person</b> | Wong Sing Ong (Director)   | <b>Audit Date</b>     | 07/11/2023      |
| <b>Office Address</b> | TB231, Lot 8, 5 <sup>th</sup> Floor, Jalan Bunga, P.O. Box 2093, 91045 Tawau, Sabah, Malaysia. | <b>Date close out</b> | -               |
| <b>Mill Address</b>   | -  | <b>Telephone</b>      | +6089 777 310   |
| <b>Email</b>          | jakintatrading@gmail.com<br>DFO Tawau:Nooridayu.MohdAyub@sabah.gov.my                          | <b>Fax</b>            | +6089 773 309   |
|                       |  | <b>Approved By</b>    | Dr. Kevin Grace |

### Statements

|                          |                  |                        |                  |
|--------------------------|------------------|------------------------|------------------|
| <b>Audit Statement #</b> | GFS 299 WTP      |                        |                  |
| <b>Issuance Date</b>     | 13 November 2023 | <b>Expiration Date</b> | 12 November 2024 |

### Assessment Details

|                            |  |
|----------------------------|--|
| <b>Company Type</b>        | Exporter   |
| <b>Scope of Assessment</b> | Sabah TLAS P5-6: FDS(TW)(E)006/2022, FDS(TW)(S)012/2022  |
| <b>Product Group</b>       | Round logs   |
| <b>Source of Material</b>  | Sabah, Malaysia.   |
| <b>Species</b>             | <i>Drybalanops spp.</i> (Kapur), <i>Shorea spp.</i> (Red seraya, Selangan batu), <i>Parashorea spp.</i> (White seraya), <i>Dipterocarpus spp.</i> (Keruing), OT (Other Timber) |
| <b>Lead Assessor</b>       | Glory Linggou  |
| <b>Assessor(s)</b>         | -  |
| <b>FDS Staff</b>           | -  |

### Terms of Assessment

The scope of the evaluation is to verify compliance of Jakinta Trading 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:

Jakinta Trading Sdn. Bhd. (Jakinta Trading) is registered in Kuala Lumpur, Malaysia, with registration # 1137365-A. Jakinta Trading purchases round logs and exports them to China, Japan, India, Vietnam and Taiwan.

### Associated Organizations & Subcontractors:

Jakinta Trading engaged RM Services in Kota Kinabalu to handle the export documentation.

**Description of the Supply Chain:**

From October 2022 to October 2023, Jakinta Trading purchases round logs from Kinsafajar Sdn. Bhd. and Tropical Origin Sdn. Bhd., which originated from the suppliers as below:

| Supplier   | License       | Raw Material | Location     | GFS WTP # STCC #         | Overall Risk * |
|--|---------------|--------------|--------------|--------------------------|----------------|
| Pesona Majukaya Sdn. Bhd.  | SFMLA 01/2018 | Round log    | Serudong     | GFS 163 LVS (02/07/2024) | Low            |
| Bornion Timber Sdn. Bhd.   | SFMLA 03/1997 | Round log    | Keningau     | GFS 054 LVS (06/08/2024) | Low            |
| Rakyat Berjaya Sdn. Bhd. (Kinsasynergy Sdn. Bhd. / Terus Jadi Sdn. Bhd.) | SFMLA 09/97   | Round log    | Kinabatangan | GFS 178 LVS (23/04/2024) | Low            |
| Rakyat Berjaya Sdn. Bhd. (Mega Wakid Sdn. Bhd.)                          | SFMLA 09/97   | Round log    | Kalabakan    | Non-Compliance           | High           |
| Top Quantum Sdn. Bhd.  | SFMLA 01/2009 | Round log    | Serudong     | GFS 071 LVS (18/06/2024) | Low            |
| First Greenworld Sdn. Bhd.   | SFMLA 02/2009 | Round log    | Serudong     | GFS 074 LVS (18/06/2024) | Low            |

Note: \*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 2023 |       |           |        |   |
|-----------------|-------|-----------|--------|---|
| GAP #           | Type  | Checklist | Status | Description   |
| 001/2023        | minor | 5.2.2     | New    | <b>November 2023:</b><br>Inconsistent in stamping of "Sabah TLAS CC" on removal pass for logs sources from Sabah TLAS compliant suppliers and removal passes were not stamped "used" as required. |

\*Major = Non-Compliance

| Observations: Year 2023 |           |   |
|-------------------------|-----------|---|
| Obs #                   | Checklist | Description   |
| 001-2023                | 6.1.2     | <b>November 2023:</b><br>Jakinta Trading did not maintain a copy of the removal pass for export consignment TWU1012/2023. |

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

| Recommendations   |
|---|
| <p><b>Jakinta Trading 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 001/2023 (minor) - Checklist 5.2.2:</b> SFD shall be consistent in stamping "Sabah TLAS CC" on the removal pass for logs sources from Sabah TLAS compliant and "used" as required.</p> <p><b>Observation 001-2023 – Checklist 6.1.2:</b> Jakinta Trading shall maintain copies of removal passes for all export consignments.</p> <p>The next surveillance visit is scheduled for November 2024.</p> |

**End of Summary Report**