

Sabah TLAS Audit Report Principles 5 & 6

Organisation	Tenant: CS Biomass Sdn. Bhd. 201101011097 (939227-P) Landlord: Timbers Chapter Sdn. Bhd. 200601020891 (740644-D)	Reference #	GFSSBH 004-771
Contact Person	Shin Sang Chul (Director) Laina Nasil (Document Controller)	Audit Date	09/01/2025
Office Address	P.O. Box 110, 89007 Keningau, Sabah, Malaysia.	Date close out	-
Mill Address	Mile 26, Jalan Sook-Nabawan, Keningau, Sabah, Malaysia.	Telephone	+6011 3168 8045
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		Approved By	Dr. Kevin Grace

Statements

Statement of Compliance	GFS 170 WTP		
Issuance Date	13 January 2025	Expiration Date	12 January 2026

Assessment Details

Company Type	Briquette mill and Exporter
Scope of Assessment	Sabah TLAS P5-6: JP(N)SO001/11(X42), KON(NSO)021/06(KK), KON(NSO)019/11(KK), FDS(SO)(S)001/2022(MT), FDS(SO)(E)124/2019 (MT)
Product Group	Briquette charcoal
Source of Material	Sabah, Malaysia.
Species	Not applicable (Sawdust)
Lead Assessor	Glory Linggou
Assessor(s)	Sheanna Kehong, Keith Sintar
SFD Staff	Jaime Gampawi (PPW Keningau), Sofian Yunus (PPW Keningau), Victor Gadius (PPD Sook), Prichard Aloysius (PPD Sook), Cornelius Pius (PPD Sook)

Terms of Assessment

The scope of the evaluation is to verify compliance with CS Biomass 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:

Timbers Chapter Sdn. Bhd. (Timbers Chapter) is, on and from 12/07/2006, incorporated under Companies Act 2016, and is registered in Sabah, Malaysia, with registration #: 200601020891 (740644-D). Timbers Chapter has no operation.

CS Biomass Sdn. Bhd. (CS Biomass) is, on and from 05/04/2011, incorporated under Companies Act 2016, and is registered in Sabah, Malaysia, with registration #: 201101011097 (939227-P). CS Biomass produces briquette charcoal for local market and exports them to Japan and Greece.

A Tenancy Agreement between Timbers Chapter (The Landlord) and CS Biomass (The Tenant) was made on 04/08/2021 for 5 years. The Landlord agreed to grant a tenancy of a portion of the Demised Premises) for sawdust, briquette and charcoal productions.

Associated Organizations & Subcontractors:

CS Biomass does not engage subcontractor to produce, manufacture products or provide manpower.

Description of the Supply Chain:

From August 2023 to December 2024, CS Biomass purchased raw materials from the suppliers as below:

Supplier	License	Raw Material	Location	GFS WTP # STCC #	Overall Risk *
Irama Ramai Sdn. Bhd.	JP(N)KG001/12(X04)	Sawdust	Keningau	GFS 110 WTP (13/10/2025)	Low
Cargo Timber Sdn. Bhd.	JP(N)KG031/00(X04)R	Sawdust	Keningau	GFS 090 WTP (01/10/2024)	High
Syarikat Jayaramai Sdn. Bhd. (ML Sabah Trading)	JP(N)SO055/00(B01) R	Sawdust	Sook	GFS 056 WTP (17/12/2024)	High
Sentorama Sdn. Bhd.	JP(N)SO007/06(B01)	Sawdust	Sook	GFS 107 WTP (21/04/2025)	Low
SG Trading Sdn. Bhd.	JP(N)KG003/11(M01)	Sawdust	Keningau	GFS 086 WTP (19/05/2025)	Low
DM Cergas Sdn. Bhd. (Bumi Timber Sdn. Bhd.)	JP(N)SO001/16(X17)	Sawdust	Sook	GFS 244 WTP (21/04/2025)	Low
Uni-Lumber Sdn. Bhd.	FDS(KK)(E)102/2019	Sawdust	Kota Kinabalu	GFS 233 WTP (11/08/2025)	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 2025				
GAP #	Type	Checklist	Status	Description
001/2025	minor	5.1.1	New	January 2025: The Trading license for Timbers Chapter has expired.
002/2025	minor	5.1.3	New	January 2025: Incorrect recording of input and output volume in appendix 20, resulting in the output volume being higher than the input volume.
003/2025	minor	5.2.1, 6.1.1, 6.1.2, 6.1.3, 6.1.4	New	January 2025: The current purchasing system is not according to the COC procedure.

*Major = Non-Compliance

Observations: Year 2025		
Obs #	Checklist	Description
001-2025	5.2.4	January 2025: Removal pass was not stamped as "Used" by SFD.
002-2025	5.3.4	January 2025: Inadequate showers and toilets are provided at the workers quarters.
003-2025	6.3.3	January 2025:

Observations: Year 2025		
Obs #	Checklist	Description
		Incorrect declaration of material type in export documents by SFD and CS Biomass.

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

Recommendations
<p>CS Biomass 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 001/2025 (minor) – Checklist 5.1.1: Timbers Chapter shall renew the Trading license annually.</p> <p>Gap 002/2025 (minor) – Checklist 5.1.3: CS Biomass shall correctly record input and output volume in Appendix 20.</p> <p>Gap 003/2025 (minor) – Checklist 5.2.1, 6.1.1, 6.1.2, 6.1.3, 6.1.4: CS Biomass shall ensure the current purchasing system is according to the COC procedure.</p> <p>Observation 001-2025 – Checklist 5.2.4: SFD shall ensure all removal passes from the mill to the port and to other mill are stamped as “Used.”</p> <p>Observation 002-2025 – Checklist 5.3.4: CS Biomass shall provide adequate showers and toilets at the workers quarters.</p> <p>Observation 003-2025 – Checklist 6.3.3: CS Biomass and SFD shall correctly declare type of material in export document.</p> <p>The next surveillance visit is scheduled for January 2026.</p>

End of Summary Report