

Sabah TLAS Audit Report Principles 5 & 6

Organisation	Tenant: Megah Jadi Sdn. Bhd. (1020962-K) Licensee: Sherwood Timber Processing Sdn. Bhd. (177322-D)	Reference #	GFSSBH 004-503
Contact Person	Lam Kwee Loong (Director/COC MR) Josiefe Rayray (COC Doc. Controller)	Audit Date	16/05/2023
Office Address	TB.15591-2, Block B, Lot 46, 2 nd Floor, Kubota Square, Peti Surat No. 60108, 91011 Tawau, Sabah, Malaysia.	Date close out	-
Mill Address	Mile 4 ½, Jalan Apas, Tawau, Sabah, Malaysia.	Telephone	+6012 817 6161 +6017 899 2378
Email	mj248080@yahoo.com	Fax	+6089 769 045
		Approved By	Dr. Kevin Grace

Statements

Audit Statement #	GFS 209 WTP		
Issuance Date	22 May 2023	Expiration Date	21 May 2024

Assessment Details

Company Type	Sawmill, Exporter
Scope of Assessment	Sabah TLAS P5-6: JP(T)TW 004/00(X02)R
Product Group	Sawn timber
Source of Material	Sabah, Malaysia.
Species	<i>Drybalanops</i> spp. (Kapur), <i>Dipterocarp</i> spp. (Keruing), <i>Koompassia malaccensis</i> (Impas), <i>Shorea inappendiculata</i> (Selangan batu), <i>Parashorea</i> spp. (White seraya), <i>Shorea</i> spp. (Red seraya, Yellow seraya, Melapi), <i>Heritiera simplicifolia</i> (Kembang), <i>Scaphium</i> spp. (Kembang semangkuk), <i>Sapotaceae</i> spp. (Nyatoh), <i>Shorea pauciflora</i> (Oba suluk), <i>Octomeles sumatrana</i> (Binuang), <i>Annonaceae</i> spp. (Karai), <i>Sindora beccariana</i> (Sepetir), Lauraceae (Medang), <i>Planchonia valida</i> (Putat), Lithocarpus & Quercus (Mempening), <i>Cotylelobium</i> spp. (Resak batu), <i>Pentace</i> spp. (Takalis), <i>Hopea sangal</i> (Gagil), <i>Tristaniopsis merguensis</i> (Pelawan-pelawan), <i>Dyera</i> spp. (Jelutong), <i>Dialium indum</i> (KerANJI), <i>Castanopsis motleyana</i> (Berangan), <i>Eusideroxylon zwageri</i> (Belian)
Lead Assessor	Brandon James
Assessor(s)	Glory Linggou, Sandra George
FDS Staff	Mazlan Embun (PPD Tawau)

Terms of Assessment

The scope of the evaluation is to verify compliance of Megah Jadi 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:

Megah Jadi Sdn. Bhd. (Megah Jadi) is registered in Tawau, Malaysia, with registration # 1020962-K. Megah Jadi produces sawn timber for the local market and exports to Japan and South Korea. Megah Jadi has a 3-year tenancy agreement effective 16/05/2022 to rent Sherwood Timber Processing's premises and use part of their sawmill facilities to produce sawn timber.

The previous assessment was conducted in June 2022 that resulted in 0 gap(s) and 0 observation(s) (Report #: GFSSBH 004-354).

Associated Organizations & Subcontractors:

Megah Jadi engages Arus Borneo Sdn. Bhd. as its agent to handle documentation for export activities.

Description of the Supply Chain:

From April 2022 to April 2023, Megah Jadi purchased raw materials from the suppliers as below:

Supplier	License	Raw Material	Location	GFS WTP # STCC #	Overall Risk *
Southsea Gold Sdn. Bhd.	JPHTN/FRM 700-2/0/1/15(a)/JLD.4/10	Round logs	Kunak	Non-Compliance	High
Top Quantum Sdn. Bhd.	SFMLA 01/2009	Round logs	Serudong	GFS 071 LVS (19/06/2023)	Low
First Greenworld Sdn. Bhd.	SFMLA 02/2009	Round logs	Serudong	GFS 074 LVS (19/06/2023)	Low
Sapulut Forest Development Sdn. Bhd.	SFMLA 04/97	Round logs	Tibow	GFS 025 LVS (10/07/2023)	Low
Pesona Majukaya Sdn. Bhd.	SFMLA 01/2018	Round logs	Serudong	GFS 163 LVS (25/12/2023)	Low

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

Summary Results:

(Major gap = 0, Minor gap = 0, Observation = 1)

GAPs: Year 2023

GAP #	Type	Checklist	Status	Description
-	-	-	-	-

*Major = Non-Compliance

Observations: Year 2023

Obs #	Checklist	Description
001-2023	5.2.2	May 2023: Inconsistency stamping removal passes as "Sabah TLAS CC" by SFD for TLAS certified sources.

Highlights of Close-Out Visit (if applicable)

Date: -

Not applicable

Recommendations

Megah Jadi 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.

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:

Observation 001-2023 – Checklist 5.2.2: SFD shall stamp removal passes from the licensees compliant under Sabah TLAS P1-4 with the "Sabah TLAS CC" stamp.

The next surveillance visit is scheduled for May 2024.

End of Summary Report