

Sabah TLAS Audit Report Principles 5 & 6

Organisation	Tenant: Megah Jadi Sdn. Bhd. 201201036480 (1020962-K) Landlord: Sherwood Timber Processing Sdn. Bhd. 198901000016 (177322-D)	Reference #	GFSSBH 004-838
Contact Person	Lam Kwee Loong (Director/COC MR) Josiefe Rayray (COC Doc. Controller)	Audit Date	04/06/2025
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 +6014 964 0182
Email	mj248080@yahoo.com megahjadi@yahoo.com DFO TWU: Nooridayu.MohdAyub@sabah.gov.my PPW TWU: MohdArapa.Lamuda@sabah.gov.my	Fax	+6089 769 045
		Approved By	Dr. Kevin Grace

Statements

Statement of Compliance	GFS 209 WTP		
Issuance Date	09 June 2025	Expiration Date	08 June 2026

Assessment Details

Company Type	Sawmill, Exporter
Scope of Assessment	Sabah TLAS P5-6: FDS(TW)(E)056/2019(MT), FDS(TW)(S)056/2019(MT), KON(TTW)003/19(KK)
Product Group	Sawn timber
Source of Material	Sabah, Malaysia.
Species	Drybalanops spp. (Kapur), Dipterocarp spp. (Keruing), Shorea inappendiculata (Selangan batu), Parashorea spp. (White seraya), Shorea spp. (Red seraya, Yellow seraya, Melapi), Scaphium spp. (Kembang semangkuk, Sapotaceae spp. (Nyatoh), Shorea pauciflora (Oba suluk), Lithocarpus & Quercus (Mempening), Tristaniopsis merguensis (Pelawan-pelawan), Other timber (OT).
Lead Assessor	Auther Itin
Assessor(s)	Sheanna Kehong
SFD Staff	-

Terms of Assessment

The scope of the evaluation is to verify compliance with 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 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:

Megah Jadi Sdn. Bhd. (Megah Jadi) is, on from 15/10/2012, incorporated under Companies Act 2016 in Tawau, Malaysia, with registration #: 201201036480 (1020962-K). Megah Jadi purchases round logs and produces sawn timber for local trade and exports to Japan and South Korea.

Megah Jadi (Tenant) has a 3-year tenancy agreement effective 16/05/2025 with Sherwood Timber Processing (Landlord), subject to the term conditions and regulations. The Tenant is allowed to use part of their sawmill facilities to produce sawn timber and employ their own staff, supervisor and workers needed to operate the sawmill.

The previous assessment was conducted in May 2024 that resulted in 3 gap(s) and 3 observation(s) (Report #: GFSSBH 004-709).

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 2024 to April 2025, Megah Jadi purchased raw materials from the suppliers as below:

Supplier	License	Raw Material	Location	GFS WTP # STCC #	Overall Risk *
Bornion Timber Sdn. Bhd. FMU 11	SFMLA 03/97	Round logs	Sook	GFS 054 LVS (27/10/2025)	Low
Pesona Majukaya Sdn. Bhd. FMU 25	SFMLA 01/2018	Round logs	Serudong	GFS 163 LVS (18/06/2025)	Low
Top Quantum Sdn. Bhd. FMU 25	SFMLA 01/2009	Round logs	Serudong	GFS 071 LVS (18/06/2025)	Low
Sapulut Forest Development Sdn. Bhd. FMU 14	SFMLA 04/97	Round logs	Tibow	GFS 025 LVS (09/07/2025)	Low
Benta Wawasan Sdn. Bhd. FMU 26	JP(TKA)122/96(CO)	Round logs	Kalabakan	GFS 055 LVS (13/04/2026)	Low
First Greenworld Sdn. Bhd. FMU 25	SFMLA 02/2009	Round logs	Serudong	GFS 074 LVS (18/06/2025)	Low

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

Summary Results:

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

GAPs: Year 2025				
GAP #	Type	Checklist	Status	Description
001/2024	minor	5.2.1, 6.1.1, 6.1.2, 6.1.3, 6.1.4	Closed	May 2024: The current system for purchasing from Sabah TLAS suppliers is not according to the COC procedure. June 2025: The current system for purchasing from Sabah TLAS suppliers is according to the CoC procedure.
002/2024	minor	5.3.2	Closed	May 2024: Workers working under Megah Jadi are not registered under COI. June 2025: Workers working under Megah Jadi has been registered under COI.
003/2024	minor	5.3.6	Outstanding	May 2024: Megah Jadi has not conducted work safety training for workers. June 2025: Megah Jadi has not conducted work safety training for workers.

*Major = Non-Compliance

Observations: Year 2025		
Obs #	Checklist	Description
001-2024 Addressed	5.1.4	<p>May 2024: Megah Jadi did not have clear appointed key personnel in their organization structure.</p> <p>June 2025: Megah Jadi have clear appointed key personnel in their organization structure.</p>
002-2024 Addressed	5.3.1	<p>May 2024: System for employment and contracting labor based on the Sabah Labor Ordinance is inadequately defined to ensure compliance.</p> <p>June 2025: System for employment and contracting labor based on the Sabah Labor Ordinance is adequately defined to ensure compliance.</p>
003-2024 Addressed	5.3.7	<p>May 2024: There are no records of PPE distribution for workers.</p> <p>June 2025: The records of PPE distribution for workers were established.</p>

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

Recommendations
<p>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.</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 003/2024 (minor) Outstanding – Checklist 5.3.6: Megah Jadi shall conduct work safety training for workers annually.</p> <p>The next surveillance visit is scheduled for June 2026.</p>

End of Summary Report