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 004-971
Contact Person	Lam Kwee Loong (Director/COC MR) Josiefe Rayray (COC Doc. Controller)	**Audit Date** **Date close out**	28/05/2026 -
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Statements			
Statement of Compliance	GFS 209 WTP		
Issuance Date	09 June 2026	Expiration Date	08 June 2027

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	*Parashorea spp. (*White seraya*), Shorea spp. (*Red seraya, Yellow seraya, Melapi*), Scaphium spp. (*Kembang semangkuk*), Sapotaceae spp.* (Nyatoh), *Shorea pauciflora* (Oba suluk), *Syzygium leucoxylon* (Obah), *Dialium indum* (Keranji), *Vatica sp.* (Resak), *Annonaceae spp.* (Karai), *Koompassia excelsa (Becc.)* (Mengaris), *Myristicaceae spp.* (Darah-Darah)
Lead Assessor	Sheanna Kehong
Assessor(s)	UMS Internship: Rachal Jim, Stacy Robert
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, Sabah, Malaysia, with registration #: 201201036480 (1020962-K). Megah Jadi purchases round logs and produces sawn timber for local market and also exports sawn timber to Japan, Sarawak 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 June 2025 that resulted in 1 gap(s) and 0 observation(s) (Report #: GFSSBH 004-838).

Associated Organizations & Subcontractors:
Megah Jadi does not engage any sub-contractors to manufacture products. Arus Borneo Sdn. Bhd. as its agent to handle documentation for export activities.

Description of the Supply Chain:

From May 2025 to May 2026, Megah Jadi purchased raw materials from the suppliers as below:

Supplier	License	Raw Material	Location	GFS WTP # STCC #	Overall Risk *
Top Quantum Sdn. Bhd. (Kinsafajar Sdn. Bhd.)	SFMLA 01/2009	Round logs	Serudong	GFS 071 LVS (08/06/2026) FDS(SLS)015/2025 (08/06/2026)	Low
Sapulut Forest Development Sdn. Bhd. (Tropical Origin Sdn. Bhd.)	SFMLA 04/97	Round logs	Tibow	GFS 025 LVS (13/07/2026) FDS(SLS)018/2025 (13/07/2026)	Low
Benta Wawasan Sdn. Bhd. (Golden Borneo Palm Sdn. Bhd.)	JP(TKA)122/96(CO)	Round logs	Kalabakan	GFS 055 LVS (26/04/2027) FDS(SLS)002/2026 (26/04/2027)	Low
Rakyat Berjaya Sdn. Bhd. [Aturmaju (Sabah) Holding Sdn. Bhd.] [Tropical Origin Sdn. Bhd.)]	SFMLA 09/97	Round logs	Serudong	GFS 203 LVS (13/07/2026)	Low

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

Summary Results:

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

GAPs: Year 2026				
GAP #	**Type**	**Checklist**	**Status**	**Description**
003/2024	minor	5.3.6	Closed	**June 2025:** Megah Jadi has not conducted work safety training for workers. **May 2026:** Training for work safety has been conducted for workers.

*Major = Non-Compliance

Observations: Year 2026		
Obs #	**Checklist**	**Description**
001-2026	5.2.1, 5.2.3, 6.1.1, 6.1.2, 6.1.4	**May 2026:** Purchase Orders did not reference the Sabah TLAS status for materials being purchased.
002-2026	5.3.2	**May 2026:**

Observations: Year 2026		
Obs #	**Checklist**	**Description**
		The JTK license exceeded the quota for hiring foreign workers.

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 001-2026 – Checklist 5.2.1, 5.2.3, 6.1.1, 6.1.2, 6.1.4: Purchase Order shall reference the Sabah TLAS status for materials being purchased.
Observation 002-2026 – Checklist 5.3.2: Megah Jadi shall ensure quota to hire foreign workers does not exceeded the JTK quota.

The next surveillance visit is scheduled for May 2027.

End of Summary Report