

## Sabah TLAS Audit Report Principles 5 & 6

<b>Organisation</b>	Elite Destiny Sdn. Bhd. 199801014024 (470153-D)	<b>Reference #</b>	GFSSBH 004-605
<b>Contact Person</b>	Ricky Lim Keck Hwa (Managing Director)	<b>Assessment Date</b>	19/01/2024
<b>Office Address</b>	No. 18-0, Lorong Plaza Kingfisher 4, Kuala Inanam, 88450 Kota Kinabalu, Sabah, Malaysia.	<b>Date close out</b>	-
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		<b>Approved By</b>	Dr. Kevin Grace

### Statements

<b>Audit Statement #</b>	GFS 217 WTP		
<b>Issuance Date</b>	22 January 2024	<b>Expiration Date</b>	21 January 2025

### Assessment Details

<b>Company Type</b>	Importer
<b>Scope of Assessment</b>	Sabah TLAS P5-6: FDS(KK)(I)006/2023
<b>Product Group</b>	Wood flooring, Moulding
<b>Source of Material</b>	Peninsular Malaysia
<b>Species</b>	Tectona grandis (Teak)
<b>Lead Assessor</b>	Brandon James
<b>Assessor(s)</b>	Aleeza Ho
<b>SFD Staff</b>	-

### Terms of Assessment

The scope of the evaluation is to verify compliance of Elite Destiny 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:**

Elite Destiny Sdn. Bhd. (Elite Destiny) is registered in Kota Kinabalu, Malaysia, with registration #: 199801014024 (470153-D). As of the assessment, Elite Destiny imports moulding from Peninsular Malaysia for the local market. The company does not operate a warehouse. Products are imported and sent directly to the buyer in Sabah.

The previous assessment was conducted in November 2022 that resulted in 1 gap(s) and 1 observation(s) (Report #: GFSSBH 004-399a).

**Associated Organizations & Subcontractors:**

Elite Destiny does not engage other companies as their subcontractors to provide or manufacture products.

**Description of the Supply Chain:**

From November 2022 to December 2023, Elite Destiny purchased raw materials from the suppliers as below:

Supplier	License	Raw Material	Location	GFS WTP # STCC #	Overall Risk*
Netwood Resources Sdn. Bhd.	Not stated	Moulding	Peninsular Malaysia	-	High

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

**Summary Results:**

(Major gap = 0, minor gap = 3, Observation = 1)

GAPs: Year 2024				
GAP #	Type	Checklist	Status	Description
001/2024	minor	5.2.4	New	<b>January 2024:</b> The COC procedure was not available in its office.
002/2024	minor	6.2.3	New	<b>January 2024:</b> Incomplete records for imports from Peninsular Malaysia.
003/2024	minor	6.2.4	New	<b>January 2024:</b> No evidence that a risk assessment was conducted for imported materials.

\*Major = Non-Compliance

Observations: Year 2024		
Obs #	Checklist	Description
001-2024	5.2.1 5.2.2	No documents, such as invoices, removal pass and delivery order (DO) for products purchased from local suppliers.

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

### Recommendations

**Elite Destiny 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 or 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. Actions required to close the gap(s)/observation(s) include:

**Gap 001/2024 (minor) – Checklist 5.2.4:** Elite Destiny shall maintain its COC procedure in its office.

**Gap 002/2024 (minor) – Checklist 6.2.3:** Elite Destiny shall maintain all documents for import consignments.

**Gap 003/2024 (minor) – Checklist 6.2.4:** Elite Destiny shall conduct risk assessment for all imported materials.

**Observation 001-2024 – Checklist 5.2.1, 5.2.2:** Elite Destiny shall maintain all documents related to its operations.

The next surveillance visit is scheduled for January 2025.

### End of Summary Report