

Sabah TLAS Audit Report Principles 5 & 6

Organisation	Licensee: Rakyat Berjaya Sdn. Bhd. (009867-W) Contractor: Kebamega Sdn. Bhd. (564245-P)	Reference #	GFSSBH 004-559
Contact Person	Liau Han Fah (Kebamega's Manager)	Audit Date	04/10/2023
Office Address	Rakyat Berjaya Sdn. Bhd. 2nd Floor, TB14943 & TB14944, Peti Surat 60793, Jalan Abaca, 91000 Tawau, Sabah, Malaysia. Kebamega Sdn. Bhd. TB 8283, Lot 20C, Perdana Square Commercial Centre, 91000 Tawau, Sabah, Malaysia.	Date close out	-
Mill Address	Batu 12 Jalan Kalabakan-Tawau, Sabah, Malaysia.	Telephone	+6019 737 7718
Email	Kebamegasmill12@gmail.com DFO Kalabakan: MohdAzmi.Yazid@sabah.gov.my	Fax	+6089 913 535
		Approved By	Dr. Kevin Grace

Statements

Audit Statement #	GFS 242 WTP		
Issuance Date	09 October 2023	Expiration Date	08 October 2024

Assessment Details

Company Type	Sawmill, Exporter
Scope of Assessment	Sabah TLAS P5-6: JP(T)KA001/18(X21), KON(TKA)002/19(KK), FDS(KA)(E)092/2019(MT), FDS(KA)(S)084/2019(MT), SFD(BEP)012/2022
Product Group	Sawn timber
Source of Material	Sabah, Malaysia.
Species	<i>Drybalanops</i> spp. (Kapur), <i>Parashorea</i> spp. (White seraya), <i>Shorea</i> spp. (Red seraya, Yellow seraya, Melapi), <i>Heritiera simplicifolia</i> (Kembang), <i>Sapotaceae</i> spp. (Nyatoh), <i>Neolamarckia cadamba</i> (Laran), <i>Duabanga moluccana</i> (Magas), <i>Octomeles sumatrana</i> (Binuang), <i>Alstonia</i> spp. (Pulai), <i>Annonaceae</i> spp. (Karai), <i>Sindora beccariana</i> (Sepetir), Lauraceae (Medang), <i>Terminalia subspatulata</i> (Talisai), Lithocarpus & Quercus (Mempening), <i>Pentace</i> spp. (Takalis), <i>Hopea sangal</i> (Gagil), <i>Eusideroxylon zwageri</i> (Belian), <i>Macaranga</i> spp. (Sedaman), Other Timber (OT)
Lead Assessor	Sandra George
Assessor(s)	Tommy Olui
FDS Staff	Dairi Ramlee (PPD Kalabakan), Azami Sahak (PPD Kalabakan)

Terms of Assessment

The scope of the evaluation is to verify compliance of Kebamega 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:

Kebamega Sdn. Bhd. (Kebamega) is registered in Kota Kinabalu, Malaysia, with registration # 564245-P. Kebamega is located within Rakyat Berjaya Sdn. Bhd. (Rakyat Berjaya) concession area (SFMLA 09/97) and registered with the SFD as a mill contractor. Kebamega produces sawn timber for the local market and exports them to China and Peninsular Malaysia.

The previous assessment was conducted in January 2023 that resulted in 3 gap(s) and 0 observation(s) (Report #: GFSSBH 004-421a).

Associated Organizations & Subcontractors:

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

Description of the Supply Chain:

From October 2022 to September 2023, Kebamega purchased raw materials from the suppliers as below:

Supplier	License	Raw Material	Location	GFS WTP # STCC #	Overall Risk *
Benta Wawasan Sdn. Bhd. (Golden Borneo Palm Sdn. Bhd.)	JP(TKA)122/96(CO)	Round log	Kalabakan	Non-Compliance	High
Kalabakan Borneo Resources Sdn. Bhd.	SFMLA 04/2018	Round log	Serudong	Non-Compliance	High
Rakyat Berjaya Sdn. Bhd. (Usahawan Borneo Greenwood Sdn. Bhd.)	SFMLA 09/97	Round log	Kalabakan	GFS 096 LVS (23/07/2024)	Low

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

Summary Results:

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

GAPs: Year 2023				
GAP #	Type	Checklist	Status	Description
002/2021	minor	5.2.2	Closed	<p>November 2021: 40 removal Passes were not stamped with "Used Removal Pass".</p> <p>November 2022: The removal passes were stamped as "Used." However, removal passes from 29 November 2021 to 23 September 2022 from Golden Borneo Palm were not stamped for "Sabah TLAS CC" logs received.</p> <p>October 2023: Kebamega did not received any logs from Sabah TLAS compliant supplier.</p>
003/2021	minor	5.2.5 5.2.7	Closed	<p>November 2021: The GFS team observed incorrect allocation of batch number (based on arrival) as per COC manual and inconsistent identification of batch number on WIP & finished products.</p> <p>November 2022: WIP and finished goods were allocated with the lot number but were not identified with material category (Sabah TLAS/Other) as per the COC manual.</p> <p>October 2023: WIP and finished goods were identified with lot # and status as per the COC procedure.</p>
001/2022	minor	5.2.3	Closed	<p>November 2022:</p>

				No identification of Sabah TLAS status in the log arrival book. October 2023: Kebamega recorded the Sabah TLAS status in the log arrival book.
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*Major = Non-Compliance

Observations: Year 2023		
Obs #	Checklist	Description
001-2023	5.1.1 6.1.1	October 2023: Belian export permit and timber supplier license renewals are pending approval.

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

Recommendations
<p>Rakyat Berjaya Sdn. Bhd. (Kebamega Sdn. Bhd.) has demonstrated compliance with the Sabah 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.</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: Observation 001-2023 – Checklist 5.1.1, 6.1.1: SFD shall expedite the Belian export permit and timber supplier license approval for the sawmill to proceed with payment.</p> <p>The next surveillance visit is scheduled for October 2024.</p>

End of Summary Report