

Sabah TLAS Audit Report Principles 5 & 6

Organisation	The Company: Rakyat Berjaya Sdn. Bhd. 197001000639 (009867-W) The Contractor: Kebamega Sdn. Bhd. 200101028487 (564245-P)	Reference #	GFSSBH 004-773
Contact Person	Tony Chong (Kebamega's Manager)	Audit Date	15/01/2025
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, Mile 3 1/2, Apas Road, P.O. Box 225, 91007, Tawau, Sabah, Malaysia.	Date close out	-
Mill Address	Batu 12 Jalan Kalabakan-Tawau, Sabah, Malaysia.	Telephone	+6014 697 4473
Email	ubgsbshipping@gmail.com DFO Kalabakan: MohdAzmi.Yazid@sabah.gov.my PPW Tawau: MohdArapa.lamuda@sabah.gov.my	Fax	-
		Approved By	Dr. Kevin Grace

Statements

Statement of Compliance	GFS 242 WTP		
Issuance Date	20 January 2025	Expiration Date	19 January 2026

Assessment Details

Company Type	Sawmill, Exporter
Scope of Assessment	Sabah TLAS P5-6: JP(T)KA002/2024(B01), KON(TKA)002/19(KK), FDS(KA)(E)092/2019(MT), FDS(KA)(S)016/2023(MT)
Product Group	Sawn timber
Source of Material	Sabah, Malaysia.
Species	Drybalanops spp. (Kapur), Parashorea spp. (White seraya), Shorea spp. (Red seraya, Yellow seraya, Melapi), Heritiera simplicifolia (Kembang), Sapotaceae spp. (Nyatoh), Neolamarckia cadamba (Laran), Duabanga moluccana (Magas), Octomeles sumatrana (Binuang), Alstonia spp. (Pulai), Annonaceae spp. (Karai), Sindora beccariana (Sepetir), Lauraceae (Medang), Terminalia subspathulata (Talisai), Lithocarpus & Quercus (Mempening), Pentace spp. (Takalis), Hopea sangal (Gagil), Eusideroxylon zwageri (Belian), Macaranga spp. (Sedaman), Other Timber (OT)
Lead Assessor	Glory Linggou
Assessor(s)	Sheanna Kehong, Merlyne Gerard
SFD Staff	Judon Lamiting (PPD Kalabakan), Dairi Ramlee (PPD Kalabakan), Azami Sahak (PPD Kalabakan)

Terms of Assessment

The scope of the evaluation is to verify compliance with 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 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:

Rakyat Berjaya Sdn. Bhd. (Rakyat Berjaya) is, on and from 08/09/1970, incorporated under Companies Act 2016, and is registered in Kota Kinabalu, Sabah, Malaysia, with registration #: 197001000639 (009867-W).

Kebamega Sdn. Bhd. (Kebamega) is, on and from 12/11/2001, incorporated under Companies Act 2016, and is registered in Lahad Datu, Sabah, Malaysia, with registration #: 200101028487 (564245-P). Kebamega is located within Rakyat Berjaya Sdn. Bhd. (Rakyat Berjaya) concession area (SFMLA 09/97) and Kebamega registered with the SFD as a mill contractor. Kebamega sells sawn timber for the local market only.

Kebamega has a sawmilling operation agreement with Rakyat Berjaya, under which it processes round logs from the Yayasan Sabah Concession Area and the Benta Wawasan Concession Area for sawn timber production. The period of the agreement is subject to the validity of Sawmill License and Veneer license approved and issued by SFD.

Associated Organizations & Subcontractors:

Kebamega operates under the auspices of the Usahawan Borneo Group, with management responsibilities shared among companies such as Bakat Saga Sdn. Bhd., Usahawan Borneo Greenwood Sdn. Bhd., Golden Borneo Palm Sdn. Bhd., Timjadi Sdn. Bhd., Wincojaya Sdn. Bhd., and Kalabakan Borneo Resources Sdn. Bhd.

Description of the Supply Chain:

From September 2023 to December 2024, Kebamega did not purchase raw materials from any suppliers; it processes round logs from Tatanan Sabah Concession Area as below.

Supplier	License	Raw Material	Location	GFS WTP # STCC #	Overall Risk *
Benta Wawasan Sdn. Bhd. (Timjadi Sdn. Bhd.) / Golden Borneo Palm Sdn. Bhd.	JP(TKA)122/96(CO)	Round logs	Kalabakan	GFS 055 LVS (21/01/2025)	Low
Rakyat Berjaya Sdn. Bhd. (Hormat Jadi - FMU 24)	SFMLA 09/97	Round logs	Kalabakan	Non-Compliance	High
Kalabakan Borneo Resources Sdn. Bhd.	SFMLA 04/2018	Round logs	Serudong	Non-Compliance	High

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

Summary Results:

(Major gap = 0, Minor gap = 2, Observation = 1)

GAPs: Year 2025				
GAP #	Type	Checklist	Status	Description
001/2025	minor	5.1.3	New	January 2025: The log input and sawn timber carry-forward in Appendix 1 online submission differ from the manual submission. Incorrect recording of log supply in Appendix 1 online submission.
002/2025	minor	5.3.6	New	January 2025: Work safety training was not conducted for workers.
003/2025	minor	6.1.6	Closed	January 2025: No evidence that timber products traded locally were accompanied by a removal pass.

				17 January 2025: Timber products traded locally were accompanied by a removal pass.
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*Major = Non-Compliance

Observations: Year 2025		
Obs #	Checklist	Description
001-2025	5.2.3, 5.2.4, 5.2.5	January 2025: Removal Pass for logs received from Timjadi/Golden Borneo were not stamped as "Sabah TLAS Compliant" by SFD.

Highlights of Close-Out Visit (if applicable)	Date: -
Major gap 003/2025 shall be addressed within two months by March 2025.	

Recommendations
<p>Kebamega Sdn. Bhd. (Kebamega) has demonstrated compliance with the Sabah Principles 5-6 for Chain of Custody as non-compliance 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:</p> <p>Gap 001/2025 (minor) – Checklist 5.1.3: Kebamega and Rakyat Berjaya shall ensure that log input and log supply are correctly recorded in online and manual submission of Appendix 1 and ensure that the manual Appendix 1 is submitted it to SFD.</p> <p>Gap 002/2025 (minor) – Checklist 5.3.6: Kebamega shall conduct work safety training for workers.</p> <p>Observation 001-2024 – Checklist 5.2.3, 5.2.4, 5.2.5: SFD shall ensure the incoming removal pass from licensee that compliant under Sabah TLAS P1-4 (based on GFS website – gfsinc.biz) are stamped as "Sabah TLAS Compliant."</p> <p>The next surveillance visit is scheduled for January 2026.</p>

End of Summary Report