

## Sabah TLAS Audit Report Principles 5 & 6

<b>Organisation</b>	C & H Enterprise (Sole Proprietorship)	<b>Reference #</b>	GFSSBH 004-045
<b>Contact Person</b>	Chang Chui Kheng (Director) Kong Vui Kiun (PA to director) Tsao Nyam Fun (Shipping)	<b>Assessment Date</b>	15/05/2019
<b>Office Address</b>	Office: 1 <sup>st</sup> Floor, Lot 6, Block A, Shoplot, Bandar Tyng, Mile 5, Jalan Utara, P.O.Box 3393, 90738 Sandakan, Sabah, Malaysia. Warehouse: Lot 3, Batu 12, Jalan Seguntor, CL. 075413204 Sandakan, Sabah, Malaysia.	<b>Date close out</b>	-
<b>Mill Address</b>	-	<b>Telephone</b>	+6089 675 198 +6089 670 119 +6016 887 2198
<b>Email</b>	cnhent@yahoo.com	<b>Fax</b>	+6089 675 193
		<b>Approved By</b>	Dr. Kevin Grace

### Statements

<b>Audit Statement #</b>	GFS 235 WTP		
<b>Issuance Date</b>	01 June 2019	<b>Expiration Date</b>	31 May 2020

### Assessment Details

<b>Company Type</b>	Trading office and Importer
<b>Scope of Assessment</b>	C & H Enterprise
<b>Product Group</b>	Plywood, Blockboard and Veneer
<b>Source of Material</b>	West Malaysia and Indonesia.
<b>Species</b>	<i>Drybalanops spp.</i> (Kapur), <i>Shorea inappendiculata</i> (Selangan batu), <i>Parashorea spp.</i> (White seraya), <i>Shorea spp.</i> (Red seraya, Yellow seraya), <i>Neolarmakia cadamba</i> (Laran) Indonesia: Indonesia Falcata
<b>Lead Assessor</b>	Michelle Boyou
<b>Assessor(s)</b>	-
<b>FDS Staff</b>	Raymund Wong (Head of UIS unit PPD Sandakan), RH Zaini Jainab (KPPM Seguntor), PH Martin Molibin (PPM Seguntor)

### Terms of Assessment

The scope of the evaluation is to verify compliance of the C & H Enterprise 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:**

C & H Enterprise is a sole proprietorship company. From January 2018 to April 2019, the company imported plywood from Indonesia, West Malaysia and purchased plywood from local suppliers to be traded for local market.

**Associated Organizations & Subcontractors:**

C & H Enterprise is associated to CHK Enterprise, which involved in timber trading and also an exporter of wood products. C & H Enterprise does not engage other companies as their subcontractors to trade its products.

**Description of the Supply Chain:**

From January 2018 to April 2019, C & H Enterprise purchased raw materials from the suppliers as below:

Supplier	License	Raw Material	Location	FDS TLAS-CC (Expiry Date)	GFS Audit Statement # (Expiry Date)
Combi Trading Sdn. Bhd.	-	Plywood	West Malaysia	-	-
Ikta Sdn. Bhd.	-	Plywood	West Malaysia	-	-
CV Sembodo Jovo	NA	Blockboard	Indonesia	<a href="#">SVLK V-Legal</a> 18.00147-00066.014-ID-MY (Expiry: 02/10/2018)	-
UD Tunas Subur	NA	Plywood	Indonesia	<a href="#">SVLK V-Legal</a> 18.0048-00349.003-ID-MY (Expiry: 15/06/2019)	-
Fu Yee Corporation Sdn. Bhd	JP(T)KA001/00(X52)R	Veneer	Kalabakan	FDS(SCS)030/2018 (31/03/2019)*	GFS 079 WTP (30/04/2020)
Focus Lumber Sdn Berhad	JP(N)KG002/00(X01)R	Veneer	Keningau	FDS(SCS)081/2018 (31/07/2019)	GFS 122 WTP (31/07/2019)
Veracity Corporation Sdn. Bhd	JP(N)KG001/00(X02)R	Plywood	Keningau	FDS(SCS)002/2019 (31/03/2020)	GFS 053 WTP (31/03/2020)
Sinora Sdn. Bhd.	JP(S)SS001/00(X06)R	Veneer	Sandakan	FDS(SCS)013/2018 (28/02/2019)**	GFS 067 WTP (28/02/2019)**
Jid Fu Plywood Sdn. Bhd.	JP(S)001/00(X01)R	Plywood	Sandakan	FDS(SCS)016/2018 (28/02/2019)*	GFS 082 WTP (31/03/2020)
Megabig Enterprise (Megamas Plywood Sdn. Bhd.)	JP(S)SS001/07(X06)	Plywood	Sandakan	FDS(SCS)075/2018 (31/07/2019)	GFS 106 WTP (31/07/2019)
Prima Union Plywood (M) Sdn. Bhd.	JP(S)SS001/10(X19)	Plywood	Sandakan	FDS(SCS)015/2018 (28/02/2019)*	GFS 066 WTP (31/03/2020)
Sabajuta Industries Sdn. Bhd.	JP(S)SS001/03(X38)	Plywood	Sandakan	FDS(SCS)002/2018 (31/01/2019)*	GFS 049 WTP (31/05/2020)
Samawang Sawmill Sdn. Bhd.	JP(S)SS001/00(X24)R	Plywood	Sandakan	FDS(SCS)003/2018 (31/01/2019)*	GFS 060 WTP (31/05/2020)
Veisheng Timber Sdn. Bhd.	JP(S)SS001/00(X08)R	Plywood	Sandakan	FDS(SCS)126/2018 (31/07/2019)	GFS 105 WTP (31/07/2019)
Zenova (M) Sdn. Bhd.	JP(T)LD001/00(X28)R	Plywood	Lahad Datu	FDS(SCS)065/2018 (30/06/2019)	GFS 095 WTP (30/06/2019)
Rajang Plywood (Sabah) Sdn. Bhd.	JP(PT)TW001/02(X08)	Plywood	Tawau	FDS(SCS)017/2018 (28/02/2019)*	GFS 057 WTP (31/03/2020)
Sherwood Timber Processing Sdn. Bhd.	JP(T)TW004/00(X02)R	Veneer	Tawau	FDS(SCS)006/2018 (31/01/2019)*	GFS 042 WTP (30/04/2020)
Asiatic Eco Wood Sdn. Bhd.	JP(N)KG001/16(X55)	Veneer	Keningau	Stopped operation	Stopped operation
SJ Borneo Sdn. Bhd	JP(T)TW001/15(X26)	Door	Tawau	FDS(SCS)109/2018 (31/10/2019)	GFS 158 WTP (31/10/2019)

Note: \* FDS to update their website.

\*\* FDS to schedule Sabah TLAS P5&6.

**Summary Results:**

(Major gap = 0, Minor gap = 3, Observation = 0)

GAPs: 2019				
GAP #	Type	Checklist	Status	Description
001/2019	Minor	5.2.4	New	The CoC procedure lacks a clear description of purchasing Low Risk timber products; handling and physical identification of material received and traceability between final sales; handling back to purchasing.
002/2019	Minor	5.2.5	New	C & H Enterprise does not adequately identify material / products received, re-sized and re-bundled in respect to Sabah TLAS status and purchase order or sales contract by supplier.
002/2019	Minor	5.2.7	New	C & H Enterprise does not have clear traceability between receiving stock of material / products and sales of material / products.

\*Major = Non-Compliance

Obs #	Checklist	Description
-	-	-

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

Recommendations
<p><b>C &amp; H Enterprise</b> has demonstrated compliance with the Sabah Standard Principles 5-6 for Chain of Custody and is recommended to receive a GFS Audit Statement and STCC from FDS.</p> <p>Gaps identified in this assessment need to be addressed before the next surveillance visit. Action required to close the gap(s) includes:</p> <p><b>Gap 001/2019 (Minor) – Checklist 5.2.4:</b> The company shall revise their COC procedure to include clear description of purchasing; identification of material / products and Sabah TLAS status; and traceability between purchasing and sales.</p> <p><b>Gap 002/2019 (Minor) – Checklist 5.2.5:</b> C &amp; H Enterprise shall ensure a clear identification of material / products received, re-sized and re-bundled in respect to Sabah TLAS status and purchase order or sales contract by supplier.</p> <p><b>Gap 003/2019 (Minor) – Checklist 5.2.7:</b> C &amp; H Enterprise shall ensure traceability between receiving stock of material / products and sales of material / products.</p> <p>The next surveillance visit is scheduled in March 2020.</p>

**End of Summary Report**