

## Sabah TLAS Audit Report Principles 5 & 6

<b>Organisation</b>	CHK Enterprise Sdn. Bhd. (730837-K)	<b>Reference #</b>	GFSSBH 004-526
<b>Contact Person</b>	Chan Chui Kheng (Director) Kong Vui Kiun (PA to Director) Tsao Nyam Fun (Shipping)	<b>Audit Date</b>	18/07/2023
<b>Office Address</b>	1 <sup>st</sup> Floor, Lot 6, Block A, Shop Lot Bandar Tyng, Mile 5, Jalan Utara, P.O. Box 3393, 90738 Sandakan, Sabah, Malaysia.	<b>Date close out</b>	-
<b>Mill Address</b>	<b>Warehouse:</b> KM 16.8, Off Jalan Labuk, Jalan Lok Yen, CL. 075350980, Sandakan, Sabah, Malaysia.	<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 234 WTP		
<b>Issuance Date</b>	24 July 2023	<b>Expiration Date</b>	23 July 2024

### Assessment Details

<b>Company Type</b>	Exporter
<b>Scope of Assessment</b>	Sabah TLAS P5-6: FDS(SS)(E)045/2019
<b>Product Group</b>	Sawn timber, Moulding (Door/Finger Joint/Door frame), and Plywood
<b>Source of Material</b>	Sabah, Malaysia.
<b>Species</b>	<i>Drybalanops</i> spp. (Kapur), <i>Dipterocarpus</i> spp. (Keruing), <i>Koompassia malaccensis</i> (Impas), <i>Parashorea</i> spp. (White seraya), <i>Shorea</i> spp. (Red seraya, Yellow seraya, Melapi, Selangan batu), Sapotaceae (Nyatoh), <i>Eugenia</i> spp. (Obah), Lauraceae (Medang), Lithocarpus & Quercus (Mempening), <i>Planchonia valida</i> (Putat), <i>Hopea sangal</i> (Gagil), <i>Koompassia excelsa</i> (Mengaris), <i>Tristanopsis merguensis</i> (Pelawan-pelawan), <i>Cotylelobium</i> spp. (Resak batu), <i>Dialium indum</i> (KerANJI), <i>Castanopsis motleyana</i> (Berangan), <i>Magnolia candollii</i> (Chempaka)
<b>Lead Assessor</b>	Sandra George
<b>Assessor(s)</b>	Asraf Mahmud
<b>FDS Staff</b>	Ruslan Ismail (ADFO Sandakan), Ramlan Atan (PPD Sandakan)

### Terms of Assessment

The scope of the evaluation is to verify compliance of CHK Enterprise 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:**

CHK Enterprise Sdn. Bhd. (CHK Enterprise) is registered in Kuala Lumpur, Malaysia, with registration # 730837-K. CHK Enterprise trades sawn timber, moulding and plywood locally and exports to South Korea and Thailand.

The previous assessment was conducted in June 2022 that resulted in 1 gap(s) and 1 observation(s) (Report #: GFSSBH 004-361).

**Associated Organizations & Subcontractors:**

CHK Enterprise engages Megabig Enterprise Sdn. Bhd. (Megamas Plywood Sdn. Bhd.) as their subcontractor to manufacture products. CHK Enterprise is associated with C & H Enterprise. Both companies own the same warehouse to store their products.

**Description of the Supply Chain:**

From June 2022 to June 2023, CHK Enterprise purchased raw materials from the suppliers as below:

Supplier	License	Raw Material	Location	GFS WTP # STCC #	Overall Risk *
C&H Enterprise Sdn. Bhd.	FDS(SS)(I)038/2019	Plywood	Sandakan	GFS 235 WTP (26/06/2023)	Low
Sentorama Sdn. Bhd.	JP(N)SO007/06(B01)	Sawn timber	Sook	GFS 107 WTP (16/04/2024)	Low
Kilang Kayu Lohan Sdn. Bhd.	JP(K)RN005/00(X04)R	Sawn timber	Ranau	GFS 032 WTP (25/12/2023)	Low
Evasetia Sdn. Bhd.	JP(T)TW001/18(E08)	Sawn timber	Tawau	GFS 154 WTP (23/10/2023)	Low
Apeca Sdn. Bhd. (R & N Timber Industries Sdn. Bhd.)	JP(N)KG019/00(X04)R	Sawn timber	Keningau	GFS 118 WTP (07/05/2024)	Low
Sherwood Timber Processing Sdn. Bhd.	JP(T)TW004/00(X02)R	Sawn timber	Tawau	GFS 042 WTP (21/05/2024)	Low
Tawau Kilning & Moulding Sdn. Bhd.	JP(T)TW001/14(X04)	Sawn timber	Tawau	GFS 036 WTP (21/05/2024)	Low
SJ Borneo Sdn. Bhd.	JP(T)TW001/15(X26)	Sawn timber	Tawau	GFS 158 WTP (04/09/2023)	Low
Havisual Sawmill Sdn. Bhd. (Goodvision Trading Sdn. Bhd.)	JP(S)SS001/09(X04)R	Sawn timber	Sandakan	GFS 085 WTP (11/06/2024)	Low
Samawang Sawmill Sdn Bhd.	JP(S)SS001/00(X24)R	Sawn timber	Sandakan	GFS 060 WTP (31/07/2023)	Low
DM Cergas Sdn. Bhd. (Bumi Timber Sdn. Bhd.)	JP(N)SO001/16(X17)	Sawn timber	Keningau	GFS 244 WTP (16/04/2024)	Low
Shua Lui Timber Sdn. Bhd.	JP(N)KG001/16(X53)	Sawn timber	Keningau	GFS 139 WTP (16/04/2024)	Low
Syarikat A. Wood (Fais Trading)	JP(K)RN001/2020(X49)	Sawn timber	Ranau	Non-Compliance	High
Megabig Enterprise Sdn. Bhd. (Megamas Plywood Sdn. Bhd.)	JP(S)SS001/07(X06)	Plywood	Sandakan	GFS 106 WTP (25/09/2023)	Low

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

**Summary Results:**

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

GAPs: Year 2023				
GAP #	Type	Checklist	Status	Description
001/2022	minor	5.3.2 5.3.7	Closed	<b>June 2022:</b> The company has yet to provide training on safety and fire for warehouse workers. <b>July 2023:</b> CHK Enterprise has conducted fire and safety training for workers.

\*Major = Non-Compliance

Observations: Year 2023		
Obs #	Checklist	Description
001-2022 Outstanding	5.3.8	<b>June 2022:</b> Signage for assembly points and safety are unavailable in the warehouse. <b>July 2023:</b> C&H Enterprise has yet to display the safety signage in the warehouse.

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

Recommendations
<p><b>CHK Enterprise Sdn. Bhd.</b> 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.</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><b>Observation 001-2022 – Outstanding – Checklist 5.3.8:</b> CHK Enterprise shall display signage such as “Safety First” and “assembly point.”</p> <p>The next surveillance visit is scheduled for July 2024.</p>

## End of Summary Report