

Sabah TLAS Audit Report Principles 5 & 6

Organisation	CHK Enterprise Sdn. Bhd. 200601011087 (730837-K)	Reference #	GFSSBH 004-728
Contact Person	Chan Chui Kheng (Director) Ms. Kong Vui Kiun (PA) Madam Tsao Nyam Fun (Shipping)	Audit Date	01/10/2024
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Mill Address	Warehouse: KM 16.8, Off Jalan Labuk, Jalan Lok Yen, CL. 075350980, Sandakan, Sabah, Malaysia.	Telephone	+6089 675 198 +6089 670 119 +6016 887 2198
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		Approved By	Dr. Kevin Grace

Statements

Statement of Compliance	GFS 234 WTP		
Issuance Date	07 October 2024	Expiration Date	06 October 2025

Assessment Details

Company Type	Exporter
Scope of Assessment	Sabah TLAS P5-6: FDS(SS)(E)045/2019
Product Group	Sawn timber, Plywood, veneer
Source of Material	Sabah, Malaysia.
Species	<i>Drybalanops spp.</i> (Kapur), <i>Dipterocarpus spp.</i> (Keruing), <i>Koompassia malaccensis</i> (Impas), <i>Parashorea spp.</i> (White seraya), <i>Shorea spp.</i> (Red seraya, Yellow seraya, Melapi, Selangan batu), Sapotaceae (Nyatoh), <i>Eugenia spp.</i> (Obah), Lauraceae (Medang), Lithocarpus & Quercus (Mempening), <i>Planchonia valida</i> (Putat), <i>Hopea sangal</i> (Gagil), <i>Koompassia excelsa</i> (Mengaris), <i>Tristaniopsis merguensis</i> (Pelawan-pelawan), <i>Cotylelobium spp.</i> (Resak batu), <i>Dialium indum</i> (KerANJI), <i>Castanopsis motleyana</i> (Berangan), <i>Magnolia candollii</i> (Chempaka), OT (Other timber)
Lead Assessor	Glory Linggou
Assessor(s)	Anne G. Grace, Brandon James, Sheanna Kehong
SFD Staff	Ramlan Atak (PPD SDK), Asri Awang (PPD SDK)

Terms of Assessment

The scope of the evaluation is to verify compliance with 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 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:

CHK Enterprise Sdn. Bhd. (CHK Enterprise) is, on and from 20/04/2006, incorporated under Companies Act 2016, and is registered in Kuala Lumpur, Malaysia, with registration #: 200601011087 (730837-K). CHK Enterprise sells sawn timber, veneer and plywood locally and exports them to South Korea, USA, Singapore, Peninsular Malaysia, Sarawak, Brunei and Thailand. CHK Enterprise renewed the warehouse license and valid until 31/12/2024.

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 and both own the same warehouse to store their products. However, SFD approved that C & H Enterprise excluded from the Sabah TLAS assessment (Ref. #: JPHTN/SFM800-1/7/2/0(JILID.6)83 dated 23/08/2023).

Description of the Supply Chain:

From June 2023 to September 2024, CHK Enterprise purchased raw materials from the suppliers as below:

Supplier	License	Raw Material	Location	GFS WTP # STCC #	Overall Risk *
Sentorama Sdn. Bhd.	JP(N)SO007/06(B01)	Sawn timber	Sook	GFS 107 WTP (21/04/2025)	Low
Shua Lui Timber Sdn. Bhd.	P(N)KG001/16(X53)	Sawn timber	Keningau	GFS 139 WTP (21/04/2025)	Low
Megabig Enterprise Sdn. Bhd. (Megamas Plywood Sdn. Bhd.)	JP(S)SS001/07(X06)	Sawn timber	Sandakan	GFS 106 WTP (10/09/2024)	Low**
Maju Mapan Trading Sdn. Bhd.	JP(T)TW005/10(X04)	Sawn timber	Tawau	GFS 130 WTP (20/08/2024)	Low**
Rimbunan Gagah Sdn. Bhd. (Dyna Wawasan Sdn. Bhd.)	JP(S)TD004/19(B01)	Sawn timber	Tongod	Non-compliance	High
Sentotimber Sdn. Bhd.	JP(N)SO001/19(X21)	Sawn timber	Sook	-	High
Innora Sdn. Bhd.	JP(S)SS003/06(X04)	Sawn timber	Sandakan	GFS 175 WTP (10/03/2025)	Low

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

**Materials received before the expiry date are low risk.

Summary Results:

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

GAPs: Year 2024				
GAP #	Type	Checklist	Status	Description
-	-	-	-	-

*Major = Non-Compliance

Observations: Year 2024		
Obs #	Checklist	Description
001-2024	5.2.1, 6.1.1, 6.1.2, 6.1.3, 6.1.4	October 2024: The current system for purchasing is not according to the CoC procedure.
002-2024	6.3.1	October 2024: No work safety training was conducted to workers.

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

Recommendations

CHK Enterprise 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 and 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. Action required to close the gap(s)/observation(s) include:

Observation 001-2024 – Checklist 5.2.1, 6.1.1, 6.1.2, 6.1.3, 6.1.4: CHK Enterprise shall implement purchasing according to the CoC procedure.

Observation 002-2024 – Checklist 5.3.6: CHK Enterprise should conduct a work safety training for workers at the warehouse.

The next surveillance visit is scheduled for October 2025.

End of Summary Report