

Sabah TLAS Audit Report Principles 5 & 6

Organisation	CHK Enterprise Sdn. Bhd. (730837-K)	Reference #	GFSSBH 004-044
Contact Person	Chan Chui Kheng (Director) Kong Vui Kiun (PA to Director) Tsao Nyam Fun (Shipping)	Assessment Date	15/05/2019
Office Address	Office: 1 st Floor, Lot 6, Block A, Shop Lot Bandar Tyng, Mile 5, Jalan Utara, P.O.Box 3393, 90738 Sandakan, Sabah, Malaysia. Warehouse: KM 16.8, Off Jalan Labuk, Jalan Lok Yen, CL. 075350980, Sandakan, Sabah, Malaysia.	Date close out	-
Mill Address	-	Telephone	+6089 675 198 +6089 670 119 +6016 887 2198
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		Approved By	Dr. Kevin Grace

Statements

Audit Statement #	GFS 234 WTP		
Issuance Date	01 June 2019	Expiration Date	31 May 2020

Assessment Details

Company Type	Trading office and Exporter
Scope of Assessment	CHK Enterprise Sdn. Bhd.
Product Group	Sawn timber and Plywood
Source of Material	Sabah, Malaysia.
Species	Mixed species
Lead Assessor	Lai Jia Woei
Assessor(s)	-
FDS Staff	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 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 with Companies Commission of Malaysia (SSM) on 20th April 2006 in Kuala Lumpur, with the registration number 730837-K. The company exports plywood to West Malaysia, Singapore, Australia, Thailand, India, Korea, Bahrain, Qatar, United Arab Emirates (UAE).

Associated Organizations & Subcontractors:

CHK Enterprise is associated to C & H Enterprise that involved in timber trading and also an importer of wood products.

CHK Enterprise engages Megabig Enterprise Sdn. Bhd. (Megamas Plywood Sdn. Bhd.), which is a Sabah TLAS verified manufacturer as their subcontractor to manufacture products.

Description of the Supply Chain:

From 2018 to April 2019, CHK Enterprise purchased raw materials from the suppliers as below:

Supplier	License	Raw Material	Location	FDS TLAS-CC (Expiry Date)	GFS Audit Statement # (Expiry Date)
C & H Enterprise	FDS(SS)(I)073/2017(M)	Plywood	Sandakan	-	-
Megabig Enterprise (Megamas Plywood SB.)	JP(S)SS001/07(X06)	Plywood	Sandakan	FDS(SCS)075/2018 (31/07/2019)	GFS 106 WTP (31/07/2019)
Sentorama Sdn. Bhd.	JP(N)SO007/06(B01)	Sawn timber	Sook	FDS(SCS)089/2018 (31/08/2019)	GFS 107 WTP (31/08/2019)
Kilang Kayu Lohan Sdn. Bhd.	JP(K)RN005/00(X04)R	Sawn timber	Ranau	FDS(SCS)050/2018 (30/04/2019)*	Non Compliance
Yung Chen Wood Industry Sdn. Bhd.	JP(S)SS001/00(X19)R	Sawn timber	Ranau	FDS(SCS)004/2018 (31/01/2019)*	GFS 058 WTP (31/05/2020)
Priceworth Industries Sdn. Bhd.,	JP(S)SS001/00(X29)R	Sawn timber	Sandakan	FDS(SCS)061/2018 (28/02/2019)**	-
Innora Sdn. Bhd.,	JP(S)SS003/06(X04)R	Sawn timber	Sandakan	FDS(SCS)058/2018 (31/05/2019)	GFS 175 WTP (31/05/2019)
Mai Shang Sdn. Bhd.	-	Sawn timber	Sandakan	***	***
Sherwood Timber Processing Sdn. Bhd. (Megah Jadi Sdn. Bhd.)	JP(T)TW004/00(X02)R	Sawn timber	Tawau	Non Compliance	Non Compliance
Kawati Sdn. Bhd.***	-	Sawn timber	Sandakan	-	-
Ivory Bay Sdn. Bhd.***	PG/SDK 03/2010	Sawn timber	Sandakan	-	-
Rightway Corporation Sdn. Bhd.	JP(S)SS001/00(X51)R	Sawn timber	Sandakan	**	**
Selama Untung Sdn. Bhd.***	-	Sawn timber	Sandakan	-	-
Timbers Chapter SB (Unikarya Trading SB)	JP(N)SO001/11(X42)	Sawn timber	Sook	FDS(SCS)119/2018 (31/12/2019)	GFS 207 WTP (31/12/2019)
Winpine Timber Sdn. Bhd.	FDS(KG)(I)022/2017	Sawn timber	Keningau	FDS(SCS)096/2018 (30/09/2019)	GFS 220 WTP (30/09/2019)
Pantas Megajaya Sdn. Bhd.,	JP(N)KG002/17(X62)	Sawn timber	Keningau	Non Compliance	Non Compliance

Note: * FDS to update their website.

** No operation.

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

Summary Results:

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

GAPs:				
GAP #	Type	Checklist	Status	Description
001/2019	Minor	5.2.1	New	The issuance of Removal Passes from the subcontractor's mill to Sabah Port did not reflect the actual transportation routes used for the wood products to be exported.

*Major = Non-Compliance

Obs #	Checklist	Description
-	-	-

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

Recommendations
<p>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 Audit Statement and STCC from FDS.</p> <p>Gap identified in this assessment should be addressed before the next surveillance visit. Action required to close the gap includes:</p> <p>Gap 001/2019 (minor) – Checklist 5.2.1: Removal Pass shall be issued in accordance with the actual transportation needs.</p> <p>The next surveillance visit is scheduled in March 2020.</p>

End of Summary Report