

## Sabah TLAS Audit Report Principles 5 & 6

<b>Organisation</b>	Kilang Kayu Lohan Sdn. Bhd. (173680-M)	<b>Reference #</b>	GFSSBH 004-588
<b>Contact Person</b>	Adrena Kok (MR)	<b>Audit Date</b>	07/12/2023
<b>Office Address</b>	Lot B-2-5, 2nd Floor Block B, Taipan 1, Inanam, 88450 Kota Kinabalu, Sabah, Malaysia.	<b>Date close out</b>	-
<b>Mill Address</b>	Kampung Bongkud, 89300 Ranau, Sabah, Malaysia.	<b>Telephone</b>	+6088 879 855
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		<b>Approved By</b>	Dr. Kevin Grace

### Statements

<b>Audit Statement #</b>	GFS 032 WTP		
<b>Issuance Date</b>	11 December 2023	<b>Expiration Date</b>	10 December 2024

### Assessment Details

<b>Company Type</b>	Sawmill, Moulding
<b>Scope of Assessment</b>	Sabah TLAS P5-6: JP(K)RN005/00(X04)R, FDS(RN)(S)020/2022(M), KON(KRN)017/01(KK)
<b>Product Group</b>	Sawn timber
<b>Source of Material</b>	Sabah, Malaysia.
<b>Species</b>	<i>Shorea inappendiculata</i> (Selangan batu), <i>Lithocarpus</i> & <i>Quercus</i> (Mempening), <i>Shorea pauciflora</i> (Oba suluk), <i>Drybalanops spp.</i> (Kapur), <i>Dipterocarpus spp.</i> (Keruing), <i>Parashorea spp.</i> (White seraya), <i>Shorea spp.</i> (Red seraya, Yellow seraya), Other Timber (OT)
<b>Lead Assessor</b>	Sandra George
<b>Assessor(s)</b>	Glory Linggou, Tommy Olui
<b>FDS Staff</b>	Suib Basri (DFO Ranau), Denver J. Joingin (PPD Ranau), Mohd Yusrie A. Miji (PPD Ranau), Ainna Paulus (PPD Ranau)

### Terms of Assessment

The scope of the evaluation is to verify compliance of Kilang Kayu Lohan 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:**

Kilang Kayu Lohan Sdn. Bhd. (Kilang Kayu Lohan) is registered in Kuala Lumpur, with registration # 173680-M. Kilang Kayu Lohan produces and trades sawn timber for the local market.

The previous assessment was conducted in December 2022 that resulted in 0 gap(s) and 2 observation(s) (Report #: GFSSBH 004-441).

**Associated Organizations & Subcontractors:**

Kilang Kayu Lohan does not engage other companies as their subcontractors to provide or manufacture products.

**Description of the Supply Chain:**

From November 2022 to November 2023, Kilang Kayu Lohan purchased raw materials from the suppliers as below:

Supplier	License	Raw Material	Location	GFS WTP # STCC #	Overall Risk*
TSH Resources Berhad	SFMLA 07/1997	Round log	Beluran	Non-Compliance	High
Nik Mohd Nadzri Bin Nik Zawawi & 35 Peserta (Hartawan Dimaju Sdn. Bhd.)	JPHTN/FRM700-2/4/1/921/12	Round log	Pitas	Non-Compliance	High
Pemegang Amanah Tanah Rizab Kediaman Anak Negeri Kg. Ogan, Labuk Sugut, Beluran (Krismega Sdn. Bhd./Milik Ria Sdn. Bhd.)	JP(SBN)008/2021 (F1)	Round log	Beluran	Non-Compliance	High
Chong Nyet Thiam @ John Chong (Win Win Contractor)	JPHTN/FRM 700-2/4/1/845/9	Round log	Kinabatangan	Non-Compliance	High
Francis Bin Madangan & 40 Peserta (Sahabat Jayasama Sdn. Bhd.)	JP(STG)006/2021 (F1)	Round log	Keningau	Non-Compliance	High
KTS Plantation Sdn. Bhd.	JP(SLK)125/93(C O)	Round log	Beluran	GFS 012 LVS (14/05/2024)	Low
Azam Surianiaga Sdn. Bhd.	SFMLA 02/2018	Round log	Kota Marudu	GFS 171 LVS (12/03/2024)	Low
Rakyat Berjaya Sdn. Bhd. (Waygood Enterprise Sdn. Bhd.)	JP(DPS)007/2021 (F1)	Round log	Pitas	GFS 198 LVS (03/04/2024)	Low
Rakyat Berjaya Sdn. Bhd. (Kinetic Journey Sdn. Bhd.)	SFMLA 09/97	Round log	Tongod	GFS 130 LVS (03/09/2024)	Low
Joaz Enterprise Sdn. Bhd.	JP(STG)003/2022 (F1)	Round log	Tongod	GFS 200 LVS (15/10/2024)	Low
Koperasi Polis Kompenan Sabah (Koposa)	2B308355	Round log	Telupid	-	High
Junaidi Awang & 45 Peserta	2B308350	Round log	Sandakan	-	High

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

**Summary Results:**

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

GAPs: Year 2023				
GAP #	Type	Checklist	Status	Description
-	-	-	-	-

\*Major = Non-Compliance

Observations: Year 2023		
Obs #	Checklist	Description
001-2022 Addressed	5.2.2	<p><b>December 2022:</b> The removal pass from the assessed compliant supplier under Sabah TLAS P1-4 was not stamped as "Sabah TLAS CC" by SFD.</p> <p><b>December 2023:</b> All removal pass for log received from Sabah TLAS P1-4 compliant were stamped as "Sabah TLAS CC" by the SFD.</p>

Observations: Year 2023		
Obs #	Checklist	Description
002-2022 Addressed	5.2.3	<p><b>December 2022:</b> Sabah TLAS status for Azam Surianiaga was identified as non-TLAS for material received in June 2022, which was documented compliant (GFSSBH 003-118) in March 2022.</p> <p><b>December 2023:</b> Logs received from Azam Surianiaga were correctly identified as Sabah TLAS in the Log arrival book.</p>

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

Recommendations
<p><b>Kilang Kayu Lohan 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>The next surveillance visit is scheduled for December 2024.</p>

**End of Summary Report**