

## Sabah TLAS Audit Report Principles 5 & 6

<b>Organisation</b>	Khaspermata Sdn. Bhd. 198101011040 (0077167-U)	<b>Reference #</b>	GFSSBH 004-717
<b>Contact Person</b>	Mr. Kim Tae Hyoung (Manager)	<b>Audit Date</b>	30/08/2024
<b>Office Address</b>	Mile 3, Tanjung Batu Laut, 91000 Tawau, Sabah, Malaysia.	<b>Date close out</b>	-
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		<b>Approved By</b>	Dr. Kevin Grace

Statements			
Statement of Compliance	GFS 063 WTP		
Issuance Date	02 September 2024	Expiration Date	01 September 2025

Assessment Details	
Company Type	Sawmill, Plywood, Veneer, Moulding, Blockboard, Chipmill, Wood Pellet Mill, KD Plant, Exporter
Scope of Assessment	Sabah TLAS P5-6: JP(T)TW001/18(X65), JP(T)TW006/11(X22), FDS(TW)(E)043/2019(M), FDS(TW)(S)036/2019(M)
Product Group	Veneer, sawn timber, plywood, Laminated Veneer Lumber, wood pellet
Source of Material	Sabah, Malaysia.
Species	Dipterocarp spp. (Keruing), Parashorea spp. (White seraya), Shorea spp. (Red seraya, Yellow seraya, Melapi), Heritiera simplicifolia (Kembang), Scaphium spp. (Kembang semangkuk), Shorea johorensis (Seraya majau) Shorea slootenii (Seraya kepong kasar), Sapotaceae spp. (Nyatoh), Shorea pauciflora (Oba suluk), Neolamarckia cadamba (Laran), Duabanga moluccana (Magas), Octomeles sumatrana (Binuang), Alstonia spp. (Pulai), Annonaceae spp. (Karai), Eugenia spp. (Obah), Sindora beccariana (Sepetir), Lauraceae (Medang), Planchonia valida (Putat), Lithocarpus & Quercus (Mempening), Myristicaceae (Darah-darah), Dillenia spp. (Simpoh), Cotylelobium spp. (Resak batu), Cratoxylum arborescens (Serungan), Pentace spp. (Takalis), Dyera spp. (Jelutong), Hopea sangal (Gagil), Macaranga spp. (Sedaman), Prerospermum (Bayor), Dialium indum (KerANJI), Castanopsis motleyana (Berangan), Anisoptera spp. (Pengiran)
Lead Assessor	Glory Linggou
Assessor(s)	Brandon James, Anis Andrew, Anne Gimbir
SFD Staff	-

Terms of Assessment
The scope of the evaluation is to verify compliance with Khaspermata 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:**

Khaspermata Sdn. Bhd. (Khaspermata) is, on from 21/10/1981, incorporated under Companies Act 2016 is registered in Kuala Lumpur, Malaysia, with registration #: 198101011040 (77167-U). Khaspermata produces sawn timber for use within the mill. The company exports plywood and wood pellets to South Korea and Japan. The company is certified under FSC, Certificate Code # SCS-COC-003797, with an expiry date of 20/06/2026 and PEFC, Certificate #: SIRIM-PEFC-COC-00236 expires on 02/09/2025.

**Associated Organizations & Subcontractors:**

Khaspermata does not engage subcontractor to produce, manufacture products or provide manpower.

**Description of the Supply Chain:**

From May 2023 to Aug 2024, Khaspermata purchased raw materials from the suppliers as below:

Supplier	License	Raw Material	Location	GFS WTP # STCC #	Overall Risk *
Benta Wawasan Sdn. Bhd. (Timjadi Sdn. Bhd.)	JP(TKA)12/96(CON) TWU05/2021 BW9/00	Round logs	Kalabakan	GFS 055 LVS (21/01/2025)	Low
Kalabakan Borneo Resources Sdn. Bhd.	SFMLA 04/2018 TWU04/22	Round logs	Serudong	-	High
Pesona Majukaya Sdn. Bhd. (Usahawan Borne Greenwood)	SFMLA 01/2018 TWU01/21	Round logs	Serudong	Non-Compliance	High
Rakyat Berjaya Sdn. Bhd. (Hormat Jadi Sdn. Bhd.)	SFMLA 09/97(CON) TWU01/15 YT1/13	Round logs	Kalabakan	Non-Compliance	High
Sapulut Forest Development Sdn. Bhd.	SFMLA 04/97	Round logs	Tibow	Non-Compliance	High
Top Quantum Sdn. Bhd.	SFMLA 01/2009 TWU 14/17	Round logs	Serudong	GFS 025 LVS (09/07/2025)	Low
Rakyat Berjaya Sdn. Bhd. (Mega Wakid Sdn. Bhd.)	SFMLA 09/97(CON) TWU17/11 YT4/08	Round logs	Kalabakan	GFS 071 LVS (18/06/2025)	Low
Rakyat Berjaya Sdn. Bhd. (Waygood Enterprise Sdn. Bhd.)	JP(DPS)006/2021(F1)	Round logs	Sandakan	GFS 163 LVS (18/06/2025)	Low

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

**Summary Results:**

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

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	<b>August 2024:</b> The current system for purchasing from suppliers is not according to the COC procedure.

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

**Recommendations**

**Khaspermata 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:** Khaspermata shall ensure the current purchasing system is according to the COC procedure.

The next surveillance visit is scheduled for August 2025.

**End of Summary Report**