

## Sabah TLAS Audit Report Principles 5 & 6

<b>Organisation</b>	Seguntor Sdn. Bhd. 197201000222 (11848-V)	<b>Reference #</b>	GFSSBH 004-729
<b>Contact Person</b>	Tommy Low (Mill Manager)	<b>Audit Date</b>	02/10/2024
<b>Office Address</b>	P.O. Box 1689, 90718 Sandakan, Sabah, Malaysia.	<b>Date close out</b>	-
<b>Mill Address</b>	CL075379832, Jalan Seguntor, Mile 10.5, Off Jalan Labuk, Sandakan, Sabah, Malaysia.	<b>Telephone</b>	+6089 531 488 +6089 531 670
<b>Email</b>	sgtwoodind@gmail.com DFO SDK: Rosli.Siki@sabah.gov.my PPW SDK: Janius.Ebin@sabah.gov.my	<b>Fax</b>	+6089 531 671
		<b>Approved By</b>	Dr. Kevin Grace

### Statements

Statement of Compliance	GFS 138 WTP		
Issuance Date	07 October 2024	Expiration Date	06 October 2025

### Assessment Details

Company Type	Sawmill, Exporter
Scope of Assessment	Sabah TLAS P5-6: JP(S)SS018/00(B01)R, FDS(SS)(S)053/2019(M), FDS(SS)(E)078/2019(M), FDS(SS)(J)007/2019(M)
Product Group	Sawn timber
Source of Material	Sabah, Malaysia.
Species	<i>Dryobalanops spp.</i> (Kapur), <i>Dipterocarpus spp.</i> (Keruing), <i>Shorea inappendiculata</i> (Selangan batu), <i>Koompassia malaccensis</i> (Impas), <i>Parashorea spp.</i> (White seraya), <i>Shorea spp.</i> (Red seraya, Yellow seraya, Melapi), <i>Heritiera simplicifolia</i> (Kembang), <i>Scaphium spp.</i> (Kembang semangkuk), <i>Sapotaceae spp.</i> (Nyatoh), <i>Duabanga moluccana</i> (Magas), <i>Octomeles sumatrana</i> (Binuang), <i>Alstonia spp.</i> (Pulai), <i>Lophopetalum spp.</i> (Perupok), <i>Lithocarpus &amp; Quercus</i> (Mempening), <i>Myristicaceae</i> (Darah-darah), <i>Dillenia spp.</i> (Simpur), <i>Hopea sangal</i> (Gagil), <i>Pterocymbium javanicum</i> (Teletu), <i>Tristaniaopsis merguensis</i> (Pelawan-pelawan), <i>Dyera spp.</i> (Jelutong), <i>Dialium indum</i> (KerANJI), <i>Gluta/Semecarpus/Melanochyla &amp; Swintonia</i> (Rengas), <i>Annonaceae</i> (Pisang-pisang), <i>Azadirachta excels</i> (Bawang-bawang), <i>Mangifera spp.</i> (Assam), <i>Dacryodes &amp; other Burseraceae</i> (Kedondong), <i>Neolamarckia cadamba</i> (Laran), <i>Annonaceae spp.</i> (Karai), <i>Intsia spp.</i> (Merbau), <i>Calophyllum obliquinervium</i> (Bintangor), <i>Eugenia spp.</i> (Obah), <i>Lauraceae</i> (Medang)
Lead Assessor	Glory Linggou
Assessor(s)	Anne G. Grace, Brandon James, Sheanna Kehong
SFD Staff	Ruslan Hj. Ismail (ADFO Sdk), Hassin Pupong (PPD Sdk), Asidi B. Rubin (PPD Sdk)

### Terms of Assessment

The scope of the evaluation is to verify compliance with Seguntor 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:

Seguntor Sdn. Bhd. (Seguntor) is, on and from 22/10/1979, incorporated under Companies Act 2016, and is registered in Kuala Lumpur, Malaysia, with registration #: 197201000222 (11848-V). Seguntor produces sawn timber and exports them to Japan, South Korea, Taiwan and Peninsular Malaysia. Seguntor also provides sawmilling services to the client.

### Associated Organizations & Subcontractors:

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

### Description of the Supply Chain:

From May 2023 to September 2024, Seguntor 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 logs	Beluran	Non-Compliance	High
Rakyat Berjaya Sdn. Bhd. (Kinetic Journey Sdn. Bhd.)	SFMLA 09/97	Round logs	Tongod	GFS 130 LVS (03/09/2024)	Low**
Sunggang Binti Apong & 50 Peserta (Privilege Capital Sdn. Bhd.)	JPHTN/FRM 700-2/4/1/840/16	Round logs	Kudat	Non-compliance	High
Sri Bumi Plantation Sdn. Bhd.	JP(SBN)001/2022(F1)	Round logs	Beluran	-	High
Joaz Enterprise Sdn. Bhd.	JP(STG)003/2022(F1)	Round logs	Tongod	GFS 200 LVS (15/10/2024)	Low
Lebihasil Sdn. Bhd. – A, B, C	SFMLA 01/2005	Round logs	Deramakot	GFS 007 LVS (22/10/2024)	Low
Arunamari Estate Sdn. Bhd.	JPHTN/FRM 700-2/4/1/JLD.6/27-(2B461643)	Round logs	Beluran	-	High
Asian Forestry Company (Sabah) Sdn. Bhd.	SFMLA 01/2021 (FMU 2 – Paitan)	Round logs	Paitan	GFS 162 LVS (08/10/2024)	Low
Rakyat Berjaya Sdn. Bhd. (Waygood Enterprise Sdn. Bhd.)	JP(DPS)010/2023(F1)	Round logs	Pitas	GFS 198 LVS (07/04/2025)	Low
Timberwell Berhad	SFMLA 06/97	Round logs	Kota Marudu	GFS 002 LVS (25/12/2024)	Low
Francis Bin Madangan & 40 Peserta (Sahabat Jayasama Sdn. Bhd.)	JP(STG)006/2021(F1)	Round logs	Tongod	Non-Compliance	High
Koperasi Polis Komponen Sabah (KOPOSA)	2B308356	Round logs	Telupid	-	High
KTS Plantation Sdn. Bhd.	JP(SLK)125/93(CO)	Round logs	Sandakan	Non-Compliance	High
Ang Hong Swee (JS Emeralds Sdn. Bhd.)	JPHTN(FIIB)DPS-2023/02	Round logs	Pitas	Non-Compliance	High
Azam Surianiaga Sdn. Bhd.	SFMLA 02/2018	Round logs	Kota Marudu	GFS 171 LVS (24/03/2025)	Low
Pemegang Amanah Tanah Rizab Kediaman Anak Negeri Kg. Ogan, Labuk Sugut, Beluran (Krismega Sdn. Bhd.)	JP(SBN)008/2021(F1)	Round logs	Beluran	Non-Compliance	High
Junaidi Awang & 45 Peserta	2B308352	Round logs	Tongod	-	High
Chong Nyet Thiam @ John Chong (Win Win Contractor)	JPHTN/FRM 700-2/4/1/845/9	Round logs	Kinabatangan	Non-Compliance	High

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

\*\*Materials received before the expiry date is considered low.

### Summary Results:

(Major gap = 0, Minor gap = 1, Observation = 3)

GAPs: Year 2024				
GAP #	Type	Checklist	Status	Description
001/2024	minor	5.3.7, 5.3.8	New	<b>October 2024:</b> No PPE distribution record.

\*Major = Non-Compliance

Observations: Year 2024		
Obs #	Checklist	Description
001-2024	5.1.3	<b>October 2024:</b> Inconsistent in calculating the log carry forward stock for several months in Appendix 1.
002-2024	5.2.1, 6.1.1, 6.1.2, 6.1.3, 6.1.4	<b>October 2024:</b> The current system for purchasing is not according to the CoC procedure.
003-2024	5.3.2	<b>October 2024:</b> One worker was not registered under COI.

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

Recommendations
<p><b>Seguntor 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>Gap 001/2024 (minor) – Checklist 5.3.6, 5.3.7, 5.3.8:</b> Seguntor shall address issues raised by DOSH by generating PPE distribution record.</p> <p><b>Observation 001-2024 – Checklist 5.1.3:</b> Seguntor shall calculate the log carry forward stock correctly.</p> <p><b>Observation 002-2024 – Checklist 5.2.1, 6.1.1, 6.1.2, 6.1.3, 6.1.4:</b> Seguntor shall implement purchasing according to the CoC procedure.</p> <p><b>Observation 003-2024 – Checklist 5.3.2:</b> Seguntor should register all workers under COI as stipulated in the sawmill requirements.</p> <p>The next surveillance visit is scheduled for October 2025.</p>

**End of Summary Report**