

## Sabah TLAS Audit Report Principles 5 & 6

<b>Organisation</b>	SG Trading Sdn. Bhd. 200901008605 (851596-D)	<b>Reference #</b>	GFSSBH 004-706
<b>Contact Person</b>	Mr. Tey Kian Soon (Manager)	<b>Audit Date</b>	13/05/2024
<b>Office Address</b>	Locked Bag 13 – SM 208, 89009 Keningau, Sabah, Malaysia.	<b>Date close out</b>	
<b>Mill Address</b>	Mile 6.5, Apin-Apin, Keningau-Tambunan Road, Sabah, Malaysia.	<b>Telephone</b>	+6016 832 7704
<b>Email</b>	sgdoor2016@gmail.com DFO Keningau:Narbert.Nasly@sabah.gov.my PPW Keningau:Jaime.gampawi@sabah.gov.my	<b>Fax</b>	-
		<b>Approved By</b>	Dr. Kevin Grace

Statements			
Statement of Compliance	GFS 086 WTP		
Issuance Date	20 May 2024	Expiration Date	19 May 2025

Assessment Details	
Company Type	Moulding, Kiln Dry Plant, Exporter, Importer
Scope of Assessment	Sabah TLAS P5-6: JP(S) KG003/11(M01), JP(N) KG003/11(X22), FDS(KG)(E)108/2019(M), FDS(KG)(S)037/2019(M), FDS(KG)(I)014/2019(M)
Product Group	Moulded timber, Wooden Door
Source of Material	Sabah, Malaysia
Species	<i>Dryobalanops spp.</i> (Kapur), <i>Dipterocarpus spp.</i> (Keruing), <i>Shorea spp.</i> (Red seraya, Yellow seraya), <i>Acacia spp.</i> (Acacia), <i>Pinus radiata</i> (Pine), <i>Sapotace sp.</i> (Nyatoh), Other timber (OT).
Lead Assessor	Vanessa Abin
Assessor(s)	Glory Linggou
SFD Staff	David Diosing (ADFO Keningau), Peter Abdullah (PPD Keningau), Herold Petrus (PPD Keningau).

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

SG Trading Sdn. Bhd. (SG Trading) is, on from 30/03/2009, incorporated under the Companies Act 2016 in Kota Kinabalu, Malaysia, with registration # 200901008605 (851596-D). SG Trading produces and trades finished products for local markets and exports them to Peninsular Malaysia.

**Associated Organizations & Subcontractors:**

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

**Description of the Supply Chain:**

From March 2023 to March 2024, SG Trading purchased raw materials from the suppliers as below:

Supplier	License	Raw Material	Location	GFS WTP # STCC #	Overall Risk *
Bumi Timber Sdn. Bhd. (Dm Cergas Sdn. Bhd)	JP(N)SO001/16(X17)	Sawn timber	Keningau	GFS 244 WTP (21/04/2025)	Low
Lusera Sdn. Bhd.	JP(K) KK001/09 (X39)	Sawn timber	Kota Kinabalu	GFS 114 WTP (19/11/2024)	Low
Hoong Yap Manufacturer Sdn. Bhd.	JP(N)KG001/11(X23)	Sawn timber	Keningau	GFS 111 WTP (09/07/2024)	Low
Tropical Timber & Trading (Sabah) Sdn. Bhd.	FDS(KK)(E)053/2019	Sawn timber	Kota Kinabalu	GFS 274 WTP (24/03/2025)	Low
Winpine Timber Sdn. Bhd.	FDS(KG)(I)023/2019	Sawn timber	Keningau	GFS 220 WTP (30/07/2024)	Low

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

**Summary Results:**

(Major gap = 0, Minor gap = 2, Observation = 1)

GAPs: Year 2024				
GAP #	Type	Checklist	Status	Description
001/2024	minor	5.2.1, 5.2.3, 6.1.1, 6.1.2, 6.1.3, 6.1.4	New	<b>May 2024:</b> The current system for purchasing from Sabah TLAS suppliers is not according to the COC procedure.
002/2024	minor	5.2.11 5.2.12	New	<b>May 2024:</b> The current production system is not according to the COC procedure and not traceable to the supplier.

\*Major = Non-Compliance

Observations: Year 2024		
Obs #	Checklist	Description
001-2024	5.1.3 5.2.8	<b>May 2024:</b> Incorrect recording of sawn timber supply volume in the Appendix 7 manual and did not record and submit the carry forward stock for online Appendix 7.

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

**Recommendations**

**SG Trading 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:

**Gap 001/2024 (minor) – Checklist 5.2.1, 5.2.3, 6.1.1, 6.1.2, 6.1.3, 6.1.4:** Purchasing from Sabah TLAS suppliers shall be based on a Purchase Order and reference to Sabah TLAS status according to the COC procedure.

**Gap 002/2024 (minor) – Checklist 5.2.11, 5.2.12:** SG Trading shall ensure that the current production system is in accordance with the COC procedure to ensure traceability from materials receiving to finished goods.

**Observation 001-2024 – Checklist 5.1.3, 5.2.8:** SG Trading shall record carry forward stock for Appendix 7 online submission and record the sawn timber supply volume in Appendix 7 manual correctly.

The next surveillance visit is scheduled for May 2025.

**End of Summary Report**