

## Sabah TLAS Audit Report Principles 5 & 6

<b>Organisation</b>	Apeca Sdn. Bhd. (142086-P) R & N Timber Industries Sdn. Bhd. (1121125-X)	<b>Reference #</b>	GFSSBH 004-495
<b>Contact Person</b>	Lee Siew Yin (Document Controller)	<b>Audit Date</b>	03/05/2023
<b>Office Address</b>	P.O. Box 2199, 89008 Keningau, Sabah, Malaysia.	<b>Date close out</b>	-
<b>Mill Address</b>	Kg. Suan, Mile 5, Nabawan Road, Locked Bag 13, SM-163, Keningau, Sabah, Malaysia.	<b>Telephone</b>	+6019 8020 199 +6087 332 773
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		<b>Approved By</b>	Dr. Kevin Grace

### Statements

<b>Audit Statement #</b>	GFS 118 WTP		
<b>Issuance Date</b>	08 May 2023	<b>Expiration Date</b>	07 May 2024

### Assessment Details

<b>Company Type</b>	Sawmill / Kiln Dry Plant / Wood Preservation / Exporter
<b>Scope of Assessment</b>	Sabah TLAS P5-6: JP(N)KG019/00(X04)R, JP(N)KG001/18(X22) & JP(N)KG001/18(X07)
<b>Product Group</b>	Sawn timber
<b>Source of Material</b>	Sabah, Malaysia.
<b>Species</b>	Natural Logs: <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>Alstonia spp.</i> (Pulai), <i>Myristicaceae</i> (Darah-darah), <i>Dillenia spp.</i> (Simpur), <i>Hopea sangal</i> (Gagil), <i>Dialium indum</i> (KerANJI), <i>Annonaceae spp.</i> (Karai, Pisang-pisang), <i>Calophyllum obliquinervium</i> (Bintangor), <i>Eugenia spp.</i> (Obah), <i>Lauraceae</i> (Medang), <i>Cotylelobium spp.</i> (Resak batu), <i>Shorea pauciflora</i> (Oba suluk), <i>Cratoxylum arborescens</i> (Serungan), <i>Castanopsis motleyana</i> (Berangan), <i>Sindora beccariana</i> (Sepetir), <i>Terminalia subspathulata</i> (Talisai), <i>Planchonia valida</i> (Putat), <i>Pentace spp.</i> (Takalis), <i>Koompassia excelsa</i> (Mengaris) Plantation Logs: <i>Hevea brasiliensis</i> (Rubberwood)
<b>Lead Assessor</b>	(Acting) Varenus Untomon
<b>Assessor(s)</b>	Sandra George, Brandon James
<b>FDS Staff</b>	Clarice V. Alliu (ADFO Keningau), Donny Jailis (PPM Ansip/Dalit), Peter Abdullah (PPM Ansip/Dalit)

### Terms of Assessment

The scope of the evaluation is to verify compliance of Apeca Sdn. Bhd. (R & N Timber Industries 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:**

Apeca Sdn. Bhd. (Apeca) is registered in Kota Kinabalu, Malaysia, with registration # 142086-P.  
R & N Timber Industries Sdn. Bhd. (R & N Timber Industries) is registered in Kota Kinabalu, Sabah, with registration # 1121125-X.

R & N Timber Industries bought Apeca on 19/10/2017 and started operations on 02/05/2018 by operating the mill under Apeca with respect to the mill licenses. R & N Timber Industries produces sawn timber for the local market and exports it mainly to China.

The previous assessment was conducted in May 2022 that resulted in 0 gap(s) and 1 observation(s) (Report #: GFSSBH 004-346).

**Associated Organizations & Subcontractors:**

R & N Timber Industries does not engage other companies as their subcontractors to provide or manufacture products.

**Description of the Supply Chain:**

From April 2022 to April 2023, R & N Timber Industries purchased raw materials from the suppliers as below:

Supplier	License	Raw Material	Location	GFS WTP # STCC #	Overall Risk *
Bornion Timber Sdn. Bhd.	SFMLA 03/97	Round Logs	Sook	GFS 054 LVS (07/08/2023)	Low
Sapulut Forest Development Sdn. Bhd.	SFMLA 04/97	Round logs	Tibow	GFS 025 LVS (10/07/2023)	Low
Andiwang Buntor	JPHTN/TNM 700-2/5/1/JLD.19(79)	Rubberwood	Tenom	-	Low
Sumindal Bin Rundayong	JPHTN/TNM 700-2/5/1/JLD.19(91)	Rubberwood	Tenom	-	Low
Maidin Bin Andimol	JPHTN/KGU 700-2/5/2/JLD.37/12	Rubberwood	Keningau	-	Low
Chun Nyin On	JPHTN/TNM 700-2/5/1 JLD.1(107)	Rubberwood	Tenom	-	Low
En. Kolong Datuk Pamiang	JPHTN/SO 700-2/5/1/JLD.16/64	Rubberwood	Sook	-	Low
Fung Fu Tzn	JPHTN/KGU 700-2/5/2/JLD37/40	Rubberwood	Keningau	-	Low
Anam B. Itei	JPHTN/TNM 700-2/5/1/JLD.19/115	Rubberwood	Tenom	-	Low
James Deni Kara	JPHTN/SO 700-2/5/1/JLD.16/88	Rubberwood	Sook	-	Low
Saibin Mokong	JPHTN/SO 700-2/5/1/JLD.6/115	Rubberwood	Sook	-	Low
Pn. Tham Chew Yee	JPHTN/TNM 700-2/5/2/JLD.20(27)	Rubberwood	Tenom	-	Low
Azmi @ Rayner B. Balok	JPHTN/SO 700-2/5/1/JLD.20(19)	Rubberwood	Sook	-	Low
Moryanti B. Mutang	JPHTN/TNM 700-2/5/1/JLD/20(37)	Rubberwood	Tenom	-	Low
Jahim Usop	JPHTN/SO 700-2/5/1/JLD/17/26	Rubberwood	Sook	-	Low
Janim Raiman	JPHTN/SO 700-2/5/1/JLD/17/27	Rubberwood	Sook	-	Low

Note: \*GFS risk evaluation is based on the risk matrix for Sabah TLAS (VL) material & 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	5.1.2	<p><b>May 2022:</b> Incorrect calculation of C/F stock for natural logs.</p> <p><b>May 2023:</b> R &amp; N Timber Industries has correctly recorded the carry forward stock in Appendix 1 for natural logs.</p>

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

Recommendations
<p><b>Apeca Sdn. Bhd. (R &amp; N Timber Industries 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 May 2024.</p>

**End of Summary Report**