

## Sabah TLAS Audit Report Principles 5 & 6

<b>Organisation</b>	Mill: Hap Seng Property Investment Sdn. Bhd. (183641-A) Tenant: Borneo Moulding Sdn. Bhd. (057820-H)	<b>Reference #</b>	GFSSBH 004-424
<b>Contact Person</b>	Hasdianah Massa (Administrative)	<b>Audit Date</b>	08/11/2022
<b>Office Address</b>	Mile 3, Tanjung Batu Laut, P.O. Box 559, 91008 Tawau, Sabah, Malaysia.	<b>Date close out</b>	-
<b>Mill Address</b>	Shed No. 30 & 31, Hap Seng Timber Complex, Tanjung Batu Laut, Tawau, Sabah, Malaysia.	<b>Telephone</b>	+6016 826 6347
<b>Email</b>	caslink.chan@gmail.com	<b>Fax</b>	-
		<b>Approved By</b>	Dr. Kevin Grace

### Statements

<b>Audit Statement #</b>	GFS 159 WTP		
<b>Issuance Date</b>	14 November 2022	<b>Expiration Date</b>	13 November 2023

### Assessment Details

<b>Company Type</b>	Kiln Dry Plant
<b>Scope of Assessment</b>	Sabah TLAS P5-6: JP(T)TW011/00(X22)R
<b>Product Group</b>	Kiln Dried Sawn Timber
<b>Source of Material</b>	Sabah, Malaysia.
<b>Species</b>	<i>Drybalanops spp.</i> (Kapur), <i>Dipterocarpus spp.</i> (Keruing), <i>Koompassia malaccensis</i> (Impas), <i>Parashorea spp.</i> (White seraya), <i>Shorea spp.</i> (Red seraya, Yellow seraya, Melapi, Selangan batu), Sapotaceae (Nyatoh), <i>Eugenia spp.</i> (Obah), Lauraceace (Medang), Lithocarpus & Quercus (Mempening), <i>Planchonia valida</i> (Putat), <i>Hopea sangal</i> (Gagil), <i>Tristaniopsis merguensis</i> (Pelawan-pelawan), <i>Cotylelobium spp.</i> (Resak batu), <i>Dialium indum</i> (KerANJI), <i>Hevea brasiliensis</i> (Rubberwood), OT (Other timber).
<b>Lead Assessor</b>	Glory Linggou
<b>Assessor(s)</b>	Brandon James
<b>FDS Staff</b>	Ag Matnoor Ag Jamil (PPD Tawau)

### Terms of Assessment

The scope of the evaluation is to verify compliance of the Borneo Moulding 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:**

Hap Seng Property Investment Sdn. Bhd. (Hap Seng Property Investment) is registered in Kuala Lumpur, Malaysia, with registration # 183641-A. Hap Seng Property Investment rented their premises (Shed 30 and 31) to Borneo Moulding Sdn. Bhd. (Borneo Moulding) through a tenancy agreement.

Borneo Moulding Sdn. Bhd. is registered in Tawau, Malaysia, with registration # 057820-H. Borneo Moulding does not purchase raw materials. The company only provides kiln dry services to clients (back-to-back services).

The previous assessment was conducted in November 2021 that resulted in 1 gap(s) and 0 observation(s) (Report #: GFSSBH 004-269).

**Associated Organizations & Subcontractors:**

Borneo Moulding does not engage subcontractors to provide kiln dry services.

**Description of the Supply Chain:**

From October 2021 to October 2022, Borneo Moulding received raw materials from the suppliers as below:

Supplier	License	Raw Material	Location	GFS WTP # STCC #	Overall Risk *
Caslink Sdn. Bhd.	JP(T)TW001/17(X49)	Sawn timber	Tawau	GFS 117 WTP (23/10/2023)	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 2022				
GAP #	Type	Checklist	Status	Description
001/2021	Minor	5.2.3	Closed	<b>November 2021:</b> No indication of Sabah TLAS status in the arrival book. <b>November 2022:</b> Borneo Moulding indicated Sabah TLAS status in the arrival book.

\*Major = Non-Compliance

Observations: Year 2022		
Obs #	Checklist	Description
-	-	-

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

Recommendations
<b>Borneo Moulding 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.  The next surveillance visit is scheduled for November 2023.

**End of Summary Report**