

## 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 004-573
<b>Contact Person</b>	Hasdianah Massa (Administrative)	<b>Audit Date</b>	07/11/2023
<b>Office Address</b>	P.O. Box No. 62423, 91034 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 DFO Tawau:Nooridayu.MohdAyub@sabah.gov.my	<b>Fax</b>	-
		<b>Approved By</b>	Dr. Kevin Grace

### Statements

<b>Audit Statement #</b>	GFS 159 WTP		
<b>Issuance Date</b>	13 November 2023	<b>Expiration Date</b>	12 November 2024

### Assessment Details

<b>Company Type</b>	Kiln Dry Plant
<b>Scope of Assessment</b>	Sabah TLAS P5-6: JP(T)TW011/00(X22)R, KON(TTW)034/01(KK)
<b>Product Group</b>	Sawn Timber
<b>Source of Material</b>	Sabah, Malaysia.
<b>Species</b>	<i>Drybalanops</i> spp. (Kapur), <i>Dipterocarpus</i> spp. (Keruing), <i>Koompassia malaccensis</i> (Impas), <i>Parashorea</i> spp. (White seraya), <i>Shorea</i> spp. (Red seraya, Yellow seraya, Melapi, Selangan batu), Sapotaceae (Nyatoh), <i>Eugenia</i> spp. (Obah), Lauraceae (Medang), Lithocarpus & Quercus (Mempening), <i>Planchonia valida</i> (Putat), <i>Hopea sangal</i> (Gagil), <i>Tristaniopsis merguensis</i> (Pelawan-pelawan), <i>Cotylelobium</i> spp. (Resak batu), <i>Dialium indum</i> (KerANJI), <i>Hevea brasiliensis</i> (Rubberwood), OT (Other timber)
<b>Lead Assessor</b>	Sandra George
<b>Assessor(s)</b>	Aleeza Ho, Vanessa Abin
<b>FDS Staff</b>	Zulhazrey Rasli (PPD Tawau)

### Terms of Assessment

The scope of the evaluation is to verify compliance of 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. Borneo Moulding sdn. Bhd. (Borneo Moulding) is registered in Tawau, Malaysia, with registration # 057820-H. Borneo Moulding does not purchase raw materials and only provides kiln dry services to its only client, Caslink Sdn. Bhd.

Hap Seng Property Investment rented their premises (Shed 30 and 31) to Borneo Moulding through a new tenancy agreement dated 01/09/2023.

The previous assessment was conducted in November 2022 that resulted in 0 gap(s) and 0 observation(s) (Report #: GFSSBH 004-424).

**Associated Organizations & Subcontractors:**

Borneo Moulding does not engage other companies as their subcontractors to provide or manufacture products.

**Description of the Supply Chain:**

From October 2022 to October 2023, Borneo Moulding received raw materials from the supplier for kiln dried services 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) materials & products.

\*\*Raw materials received before the expiry date are low risk.

**Summary Results:**

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

GAPs: Year 2023				
GAP #	Type	Checklist	Status	Description
001/2023	minor	5.1.1	New	<b>November 2023:</b> There is no evidence that Borneo Moulding paid the mill contractor license.

\*Major = Non-Compliance

Observations: Year 2023		
Obs #	Checklist	Description
-	-	-

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

Recommendations
<p><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.</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:  <b>Gap 001/2023 (minor) – Checklist 5.1.1:</b> Borneo Moulding shall pay the license renewal fee to SFD as required.</p> <p>The next surveillance visit is scheduled for November 2024.</p>

**End of Summary Report**