

## Sabah TLAS Audit Report Principles 5 & 6

<b>Organisation</b>	Focus Lumber Berhad 198901011405 (188710-V)	<b>Reference #</b>	GFSSBH 004-708
<b>Contact Person</b>	Ling Hao Wen (Director) Cindy Yapp Wan Fong (Account Clerk)	<b>Audit Date</b> <b>Date close out</b>	15/05/2024
<b>Office Address</b>	12A, Jalan Teluk Likas, P. O. Box 576, 88856 Kota Kinabalu, Sabah, Malaysia.	<b>Telephone</b>	+6016 835 8628
<b>Mill Address</b>	Mile 3, Jalan Masak, Kampung Ulu Patikang, Locked Bag 13 SM-88, 89009 Keningau, Sabah, Malaysia.	<b>Fax</b>	+6088 393 169
<b>Email</b>	focuskk@focuslumber.com.my focuskgu@focuslumber.com.my DFO Keningau:Narbert.Nasly@sabah.gov.my PPW Keningau:Jaime.gampawi@sabah.gov.my	<b>Approved By</b>	Dr. Kevin Grace

Statements			
Statement of Compliance	GFS 122 WTP		
Issuance Date	20 May 2024	Expiration Date	19 May 2025

Assessment Details	
Company Type	Plywood mill, Kiln Dry Plant, Exporter, Importer
Scope of Assessment	Sabah TLAS P5-6: JP(N)KG002/00(X01)R, JP(N)KG003/06(X22), FDS(KG)(E)001/2020(M), FDS(KG)(I)028/2019(M), FDS(KG)(S)064/2019(M)
Product Group	Veneer, Plywood, Joint Board, Laminated Veneer Lumber
Source of Material	Sabah, Malaysia.
Species	<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), <i>Sapotaceae</i> sp. (Nyatoh), <i>Eugenia</i> spp. (Obah), <i>Lauraceae</i> sp. (Medang), <i>Planchonia valida</i> (Putat), <i>Hopea sangal</i> (Gagil), <i>Koompassia excelsa</i> (Mengaris), <i>Tristaniopsis merguensis</i> (Pelawan-pelawan), <i>Cotylelobium</i> spp. (Resak batu), <i>Dialium indum</i> (KerANJI), <i>Castanopsis motleyana</i> (Berangan), <i>Neolamarckia cadamba</i> (Laran), <i>Octomeles sumatrana</i> (Binuang), <i>Duabanga</i> sp. (Magas), Other timber (OT)
Lead Assessor	Vanessa Abin
Assessor(s)	Glory Linggou
SFD Staff	Clarice Alun (ADFO Keningau), Donny Jailis (PPD Keningau), Davey Jewin (PPD Keningau), Herold Petrus (PPD Keningau)

Terms of Assessment
The scope of the evaluation is to verify compliance with Focus Lumber Berhad 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:**

Focus Lumber Berhad (Focus Lumber Berhad) is, on from 30/10/1989 incorporated under the Companies Act 2016 in Kota Kinabalu, Malaysia, with registration #: 198901011405 (188710-V). Focus Lumber Berhad produces veneer, plywood, joint board and laminated veneer lumber for the local market and exports them to Japan, Taiwan, Korea, Canada, Hong Kong and USA.

**Associated Organizations & Subcontractors:**

Focus Lumber Berhad does not engage subcontractor to produce, manufacture products or provide manpower.

**Description of the Supply Chain:**

From March 2023 to March 2024, Focus Lumber Berhad purchased raw materials from the suppliers as below:

Supplier	License	Raw Material	Location	GFS WTP # STCC #	Overall Risk *
Asok Bin Sarah @ Pusarah	JP(NKG)002/2023(F1)	Round logs	Keningau	GFS 201 LVS (10/12/2024)	Low
Bornion Timber Sdn. Bhd.	SFMLA 03/97	Round logs	Sook	GFS 054 LVS (06/08/2024)	Low
Andaun Bin Tangkap & 11 Peserta	JP (NTM) 003/2020 (F1)	Round logs	Tenom	Non-Compliance	High
TSH Resources Berhad	SFMLA 07/1997	Round logs	Beluran	Non-Compliance	High
JD Salarong Sdn. Bhd.	JP(NNN) 005/2020(F1)	Round logs	Nabawan	Non-Compliance	High
Kuinsin Bin Ambilit	JPHTN/FRM 700-2/4/1/876/3	Round logs	Sipitang	-	

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

**Summary Results:**

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

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> Focus Lumber did not issue a Purchase Order identifying Sabah TLAS material in accordance with the COC procedure.

\*Major = Non-Compliance

Observations: Year 2024		
Obs #	Checklist	Description
001-2024	5.1.2	<b>May 2024:</b> Kiln dry plant license has expired.
002-2024	5.2.4 5.2.5	<b>May 2024:</b> Inconsistent stamping of Sabah TLAS CC on the removal pass.

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

**Recommendations**

**Focus Lumber Berhad** 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, 5.2.2, 6.1.1, 6.1.2, 6.1.3, 6.1.4:** Focus Lumber shall issue a Purchase Order identifying Sabah TLAS material linking to receiving and production in accordance with the COC procedure.

**Observation 001-2024 – Checklist 5.1.2:** The SFD shall expedite the renewal of kiln dry plant license as required.

**Observation 002-2024 – Checklist 5.2.3, 5.2.4, 5.2.5:** SFD shall correctly stamp Sabah TLAS CC on the removal pass.

The next surveillance visit is scheduled for May 2025.

**End of Summary Report**