

Sabah TLAS Audit Report Principles 5 & 6

Organisation	Sublessor: Ho Lian Sawmill Sdn. Bhd. 197901005906 (50190-T) Sublessee: Sen Rong Wood Sdn. Bhd. 201601028745 (1199684-V)	Reference #	GFSSBH 004-721
Contact Person	Mr. Lee Yoon Kim (General Manager)	Audit Date	13/09/2024
Office Address	P.O. Box 160, 89008 Keningau, Sabah, Malaysia.	Date close out	-
Mill Address	Mile 3, Masak Road, Ulu Patikang, P.O. Box 1738, 89008 Keningau, Sabah, Malaysia.	Telephone	+6019 852 1211
Email	senrongwood2016@gmail.com DFO Keningau: Narbert.Nasly@sabah.gov.my PPW Keningau: Jaime.Gampawi@sabah.gov.my	Fax	-
		Approved By	Dr. Kevin Grace

Statements

Statement of Compliance	GFS 089 WTP		
Issuance Date	17 September 2024	Expiration Date	16 September 2025

Assessment Details

Company Type	Sawmill, Moulding, Chip mill/Wood Pellets Mill, Kiln Dry Plant, Wood Preservation Plant, Exporter
Scope of Assessment	Sabah TLAS P5-6: J(N)KG001/18(X66), JP(N)KG001/17(X22), JP(N)KG001/17(X07), KON(N)KG01/18(X66), FDS(KG)(S)062/2019(MT), FDS(KG)(E)095/2019(MT)
Product Group	Sawn timber
Source of Material	Sabah, Malaysia.
Species	Hevea brasiliensis (Rubberwood)
Lead Assessor	Anne G. Grace
Assessor(s)	Anis Andrew
SFD Staff	Charlene Billy (SFD HQ), Narbert Nasly (PPD KGU), Georgey M (PPD KGU)

Terms of Assessment

The scope of the evaluation is to verify compliance with Ho Lian Sawmill Sdn. Bhd. (Sen Rong Wood 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:

Ho Lian Sawmill Sdn. Bhd. (Ho Lian Sawmill) is, on from 29/08/1979, incorporated under Companies Act 2016 is registered in Keningau, Malaysia, with registration #: 197901005906 (50190-T).

Sen Rong Wood Sdn. Bhd. (Sen Rong Wood) is, on from 25/08/2016, incorporated under Companies Act 2016 is registered in Kota Kinabalu, Malaysia, with registration #: 201601028745 (1199684-V).

Ho Lian Sawmill (sublessor) has a tenancy agreement with Sen Rong Wood (sublessee) for an initial period of 15 years, commencing from 01/10/2016. Ho Lian Sawmill is responsible for paying licensing regarding the sawmill and has no operations. Sen Rong Wood has its own workers, produces sawn timber from the rubberwood smallholders through the contractors and exports them to China.

Associated Organizations & Subcontractors:

Sen Rong Wood does not engage any subcontractor to produce or manufacture products. Agensi Pekerjaan MNK Sdn. Bhd. handles foreign workers' documentation.

Description of the Supply Chain:

From June 2023 to July 2024, Sen Rong Wood purchased raw materials from the suppliers (contractors) as below:

Supplier	License	Raw Material	Location	GFS WTP # STCC #	Overall Risk *
EI Enterprise	Not stated	Rubberwood	Keningau	-	Low
Timber Rich Enterprise	Not stated	Rubberwood	Tenom	-	Low
89 Enterprise	Not stated	Rubberwood	Tenom	-	Low
SM Berjaya	Not stated	Rubberwood	Sook	-	Low
GJ Enterprise	Not stated	Rubberwood	Tenom	-	Low
Emho Enterprise	Not stated	Rubberwood	Keningau	-	Low

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

Summary Results:

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

GAPs: Year 2024				
GAP #	Type	Checklist	Status	Description
-	-	-	-	-

*Major = Non-Compliance

Observations: Year 2024		
Obs #	Checklist	Description
001-2024	5.2.4, 5.2.5	September 2024: The Sabah TLAS status was not stated as per the CoC procedure.
002-2024	5.2.1, 6.1.1, 6.1.2, 6.1.3, 6.1.4	September 2024: The current system for purchasing has no Purchase Order.

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

Recommendations

Ho Lian Sawmill Sdn. Bhd. (Sen Rong Wood 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:

Observation 001-2024 – Checklist 5.2.4, 5.2.5: Sen Rong Wood should identify Sabah TLAS status in the arrival book, from receiving through the finished goods.

Observation 002-2024 – Checklist 5.2.1, 6.1.1, 6.1.2, 6.1.3, 6.1.4: Sen Rong Wood should use a Purchase Order to purchase rubberwood from the contractor supplying the rubberwood.

The next surveillance visit is scheduled for September 2025.

End of Summary Report