

## Sabah TLAS Audit Report Principles 5 & 6

<b>Organisation</b>	Es Eng Soon Trading Sdn. Bhd. 198501005915 (138357-D)	<b>Reference #</b>	GFSSBH 004-629
<b>Contact Person</b>	Ms. Chin Kim Hwang (Smart Link Manager)	<b>Audit Date</b>	19/03/2024
<b>Office Address</b>	KK Office: Smart Link Logistics Sdn. Bhd.: DBKK 2A, Lot 12 Realton Industrial Park, Jalan Burung Keleto, Inanam Laut, 88450 Kota Kinabalu, Sabah, Malaysia. KL Office: No. 7, Jalan PPU 3, Taman Perindustrian Puchong Utama, 47100 Puchong, Selangor, Malaysia.	<b>Date close out</b>	-
<b>Mill Address</b>	-	<b>Telephone</b>	+6016 825 8328 +6088 383 699
<b>Email</b>	biz@smartlinklogistics.com DFO KK: Aglsmail.AgTuah@sabah.gov.my PPW KK: MohdNasir.AgSuman@sabah.gov.my	<b>Fax</b>	+6088 385 688
		<b>Approved By</b>	Dr. Kevin Grace

### Statements

<b>Audit Statement #</b>	GFS 278 WTP		
<b>Issuance Date</b>	25 March 2024	<b>Expiration Date</b>	24 March 2025

### Assessment Details

<b>Company Type</b>	Importer
<b>Scope of Assessment</b>	Sabah TLAS P5-6: FDS(KK)(I)048/2019
<b>Product Group</b>	Plywood
<b>Source of Material</b>	Vietnam
<b>Species</b>	<i>Acacia spp.</i> (Acacia), <i>Eucalyptus spp.</i> (Eucalyptus), <i>Styrax spp.</i> (Kemenyan), <i>Pine spp.</i> (Pine), Other timber (OT)
<b>Lead Assessor</b>	Vanessa Abin (Acting Lead)
<b>Assessor(s)</b>	Glory Linggou
<b>FDS Staff</b>	-

### Terms of Assessment

The scope of the evaluation is to verify compliance of Es Eng Soon Trading 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:**

Es Eng Soon Trading was established in 1975 started as a family-owned business in hardware retailing for carpenter material supplies. Es Eng Soon Trading Sdn. Bhd. (Es Eng Soon Trading) is located in Selangor and registered with the SSM in Kuala Lumpur, Malaysia, with registration #: 198501005915 (138357-D).

Es Eng Soon Trading imports plywood from Vietnam. The imported plywood is directly shipped from Vietnam to local buyers.

The previous assessment was conducted in March 2023 that resulted in 2 gap(s) and 0 observation(s) (Report #: GFSSBH 004-481).

**Associated Organizations & Subcontractors:**

Es Eng Soon Trading is associated with Es Eng Soon (Johor) Sdn. Bhd., Es Eng Soon (Melaka) Sdn. Bhd., and Es Eng Soon (J) Sdn. Bhd.

Eng Soon Trading engages R.M Services Sdn. Bhd. as its agent to handle documentation for import activities.

**Description of the Supply Chain:**

From February 2023 to February 2024, Es Eng Soon Trading purchased raw materials from the suppliers as below:

Supplier	License	Raw Material	Location	GFS WTP # STCC #	Overall Risk *
Cong Ty Co Phan Xuat Nhap Khau	-	Plywood	Vietnam	-	High
H and G Import Export Co., Ltd	-	Plywood	Vietnam	-	High

Note: \*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	
001/2022	minor	5.2.4	Closed	<p><b>April 2022:</b> The company has not established a documented chain of custody system in respect to TLAS compliance and imports of timber products.</p> <p><b>March 2023:</b> Es Eng Soon Trading has not established and documented a Chain of Custody (COC) system for import and trading activities.</p> <p><b>March 2024:</b> Es Eng Soon Trading established and maintained the CoC procedures.</p>	
002/2022	minor	6.2.4	Closed	<p><b>April 2022:</b> The company did not conduct a risk assessment for importing plywood from suppliers.</p> <p><b>March 2023:</b> Es Eng Soon Trading has yet to conduct a risk assessment for imported plywood from suppliers.</p> <p><b>March 2024:</b> Es Eng Soon Trading has conducted the risk assessment for imported plywood from suppliers.</p>	

\*Major = Non-Compliance

Observations: Year 2024		
Obs #	Checklist	Description
001-2024	5.2.2	<b>March 2024:</b> Removal passes were not stamped as "Used" by SFD.
002-2024	6.3.3	<b>March 2024:</b> The volume in removal pass is inconsistent with the import documents.

<b>Highlights of Close-Out Visit (if applicable)</b>	<b>Date: -</b>
Not applicable	

Recommendations
<p><b>Es Eng Soon Trading 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:</p> <p><b>Observation 001-2024 - Checklist 5.2.2:</b> SFD, Es Eng Soon and the agent shall ensure removal passes are stamped as "Used."</p> <p><b>Observation 002-2024 – Checklist 6.3.3:</b> SFD and Es Eng Soon Trading shall ensure that the volume in removal pass is consistent with the import documents.</p> <p>The next surveillance visit is scheduled for March 2025.</p>

**End of Summary Report**