

MALAYSIAN SUSTAINABLE PALM OIL PUBLIC SUMMARY AUDIT REPORT

CLIENT/COMPANY	LAU LEONG MELAKA REALTY SDN BHD	AUDIT NO.	508/19
ADDRESS	No. 10, Jalan Bendahara, Jalan Chong Thien Vun, 75100 Melaka, MELAKA.		
TYPE OF ASSESSMENT	Main Audit		
GROUP MANAGER	Mr Lau Kuang Lim		
EMAIL ADDRESS	kuanglim_lau@hotmail.com		
WEB PAGE	Nil		
AUDIT STANDARD(S)	MS 2530-3:2013 - Malaysian Sustainable Palm Oil Part 3: General principles oil palm plantations		
AUDIT SCOPE	Provision of 903.38 Ha of Sustainable Oil Palm Plantations.		
AUDIT DATE	21 st & 22 nd November 2019		
PREVIOUS AUDIT DATE	21 st & 22 nd October 2019		
NEXT AUDIT DATE	1 st Surveillance Audit tentatively plan in Jan 2020		
OTHER CERTIFICATION HELD	Nil		
CERTIFICATE VALIDITY	02/03/2020 to 01/03/2025		
AUDITOR TEAM MEMBERS	LEAD AUDITOR	Adnin Aminurrashid Bin Zilah (AAZ)	
	AUDITOR	Aliff Abu Hurairah (AAH)	

***These are your certification details.
Please inform us immediately if amendments are required.***

Audit Conclusion
Based on the documentation reviewed, records sampled, site visit and interview with relevant personnel's during this Stage 2 Audit for MS2530-3:2013 , we conclude that, LAU LEONG MELAKA REALTY SDN BHD has effectively implemented its Malaysian Sustainable Palm Oil system in accordance to the MS 2530-3:2013 requirements inline with the organization procedure & policy for the above mentioned scope.

Recommendation
The audit team has agreed to recommend for LAU LEONG MELAKA REALTY SDN BHD to be awarded with MS 2530-3:2013 Certifications based on existing scope on the conditions that the raised NCRs & OFIs are satisfactorily closed within the stipulated time frame subject to review by Certification Approval Panel (CAP).

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Lead Auditor	Adnin Aminurrashid Bin Zilah	Signature		Date	29/12/2019
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AUDIT OBJECTIVE

The objectives of this audit are as follows:

To evaluate the implementation, including effectiveness of **LAU LEONG MELAKA REALTY SDN BHD** on MS 2530-3:2013 Malaysian Sustainable Palm Oil (MSPO) documentation. It shall include at least the following:

- a. Information and evidence about conformity to all requirements of the applicable management system standard or other normative document;
- b. Performance monitoring, measuring, reporting and reviewing against key performance objectives and targets (consistent with the expectations in the applicable management system standard or other normative document);
- c. The **LAU LEONG MELAKA REALTY SDN BHD** MSPO and performance as regards legal compliance;
- d. Operational control of the **LAU LEONG MELAKA REALTY SDN BHD** processes;
- e. Internal auditing and management review (if applicable);
- f. Management responsibility for the **LAU LEONG MELAKA REALTY SDN BHD** policies;
- g. Links between the normative requirements, policy, performance objectives and targets (consistent with the expectations in the applicable management system standard or other normative document), any applicable legal requirements, responsibilities, competence of personnel, operations, procedures, performance data and internal audit findings and conclusions.

EXECUTIVE SUMMARY

Stage 2 Audit was satisfactorily conducted to evaluate MSPO implementation at **LAU LEONG MELAKA REALTY SDN BHD**. The Organisation area covering 1 estate with the size of 903.38 oil palm planted area,

Stage 2 of MSPO certification was satisfactorily conducted by NIOSH Certification on 21st - 22nd November 2019. NIOSH Certification is a certification body accredited by Standards Malaysia which providing a comprehensive certification services system mainly for management system of occupational safety and health, environment, quality and MSPO for various industries.

During the Closing Meeting held on 22nd November 2019, the overall results of the audit are as follow:

- a. **NIL – Major Nonconformity Report (NCR)**
- b. **ONE (1) – Minor Nonconformity Report (NCR)**
- c. **TWO (2) – Opportunities for Improvement (OFI)**

LAU LEONG MELAKA REALTY SDN BHD. has prepared Corrective Action Plan as respond of raised NCR which date of implementation adequately accepted by Audit Team. The effectiveness of the corrective action for minor NCR will be reviewed on the next surveillance while major NCR satisfactorily reviewed closed.

ASSESSMENT TEAM MEMBER

Lead Auditor	<p>Mr Adnin Aminurrashid Bin Zilah</p> <p>He holds a Diploma in Planting Industry Management from MARA Institute of Technology. He has more than 10-year experiences in oil palm industry and 2 years experiences in sustainability audit and consultancy</p> <p>Currently a MSPO Lead Auditor/Auditor, consultant and a peer reviewer, he has successfully obtained competency of Lead Auditor courses for Malaysian Sustainable Palm Oil (MSPO 2530:2013), Quality Management System (ISO 9001:2015) and Integrated Management System (IMS) in 2017. Involved in MSPO auditing since 2017. Able to speak and understand well both Bahasa Malaysia and English.</p>
Auditor	<p>Mr. Aliff Abu Hurairah</p> <p>He has more than 7-year experiences in oil palm industry during his working services.</p> <p>Currently a MSPO Auditor and consultant, he has successfully obtained competency of Lead Auditor courses for Malaysian Sustainable Palm Oil (MSPO 2530:2013). He attended Integrated Management System (IMS) 2019</p> <p>Involved in MSPO assessment since 2018 and conducting audits for many different companies in Malaysia. Able to speak and understand well both Bahasa Malaysia and English.</p>

AUDIT METHODOLOGY & AUDIT PROGRAMME

The assessment was conducted involving estates under **LAU LEONG MELAKA REALTY SDN BHD**. The minimum manday has been justified as per ABC-OPMC 2 (Audit Duration for CB Operating Oil Palm Management Certification under MSPO scheme). The audit covers documentation review, internal policies and procedures, management system as well as records review in compliance with the audit criteria requirements based on initial review self-questionnaire and Stage 1 Audit assessment, the risk factor medium (1.5) is determined.

The Stage 2 audit assessment has been conducted on sampling based on sampling size $1.5\sqrt{3}$ calculation resulted of 2 sampled estates. The assessment were cover documentation and records review, physical field observation covering all plantation processes, workshop, chemicals store, waste management, boundary & buffer zones, workers housing, stakeholders consultation, interview with internal & external stakeholders, workers and contractors.

SUMMARY AUDIT FINDINGS

During the audit closing meeting held on 22nd November 2019, the overall results of the audit are as follows:

The following items represented positive observations by the audit team:

1. Good preparation for audit
2. Documentation system was systematic and easy to retrieve when requested.

The overall results of the audit are as follows:

- a. **NIL – Major Nonconformity Report (NCR)**
- b. **ONE (1) – Minor Nonconformity Report (NCR)**
- c. **TWO (2) – Opportunities for Improvement (OFI)**

****The grading of nonconformity (Major / Minor) is based on ISO/IEC 17021:2015 guidelines.***

The audit team has satisfactorily verified the corrective action plan provided by the client. The effectiveness on the action plan for the corrective action will be reviewed by NIOSH Certification's auditors during the next surveillance audit.

COMPANY BACKGROUND

LAU LEONG MELAKA REALTY SDN BHD was established officially on 1986. The main activity for this company is cultivation of oil palm. Currently, the company had 8 manpower which is 5 number of foreign worker with various origin mainly Indonesia and Philippines. While the rest 3 manpower is the local staff.

DETAILS OF PLANTATION UNIT (S)

No		Address	GPS Coordinates	Total Title Area(Ha)
1	Lau Leong Melaka Realty Sdn Bhd	Ladang Sg. Dua, Mukim Chabau Jasin, Melaka Hakmilik No: 22723, 54882, 54883,1775,20300	2.320088 102.460378	692.8661
2	Ho Seng San Realty Sdn Bhd (Chabau)	Lot , 6, 9, 6784, 3143 , , 2593, 2594, 3440 Mukim Tangkak, Johor Hakmilik No: 84639, 84640, 84444, 81952, 81852, 81855, 2542		204.2443
3	Ho Seng San Realty Sdn Bhd (Meriang)	Lot 921, 923, 1167 77000 Jasin, Melaka Hakmilik No:		219.9463
TOTAL				1045.329

MPOB LICENSE DETAILS

No	Estates	MPOB License	Scope of Activity	Hactarage	Expiry Date
1	Lau Leong Melaka Realty Sdn Bhd	502077102000	Menjual dan Mengalih FFB	623.40	1/08/2019 – 31/07/2020
2	Ho Seng San Realty Sdn Bhd	501726502000	Menjual dan Mengalih FFB	128.63	1/08/2019 – 31/07/2020
3	Ho Seng San Realty Sdn Bhd	502256102000	Menjual dan Mengalih FFB	84.00	1/10/2019 – 30/09/2020

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AREA AND FFB PRODUCTION

		PLANTED AREAS					Total Title Area (Ha)
No	Estates	Immature Area (Ha) 0-3 YRS	Mature Area (Ha) >3 YRS	Total Planted Areas (Ha)	Conservation Area (HBV, Steep Land, etc.) Ha	Others (Building, Line sites, Etc.) Ha	
1	Lau Leong Melaka Realty Sdn Bhd		624.40	624.40	-	69.4661	692.8661
2	Ho Seng San Realty Sdn Bhd		207.98	207.98	-	-3.7357	204.2443
3	Ho Seng San Realty Sdn Bhd	-	71.00	71.00	-	148.9463	219.9463
	TOTAL		903.38	903.38	-	214.6767	1117.0567

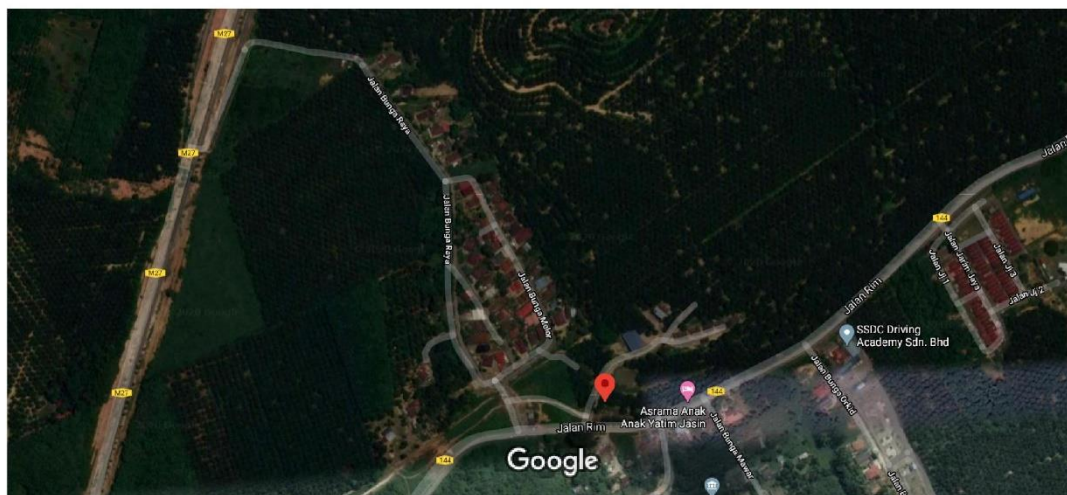
No	Division	Planted Ha	FFB Production Previous FY2018 (Mt)	FFB Production Forecast Y2019 (Mt)	Actual FFB Production As At 30 th Sept. 2019 (Mt)
1	Lau Leong Melaka Realty Sdn Bhd	623.40	11901.79	N/A	7732.31
2	Ho Seng San Realty Sdn Bhd	207.98	5338.62	N/A	4571.23
3	Ho Seng San Realty Sdn Bhd	71.00	459.92	N/A	440.04
		902.38	17,700.33		12743.58

LOCATION AND MAP

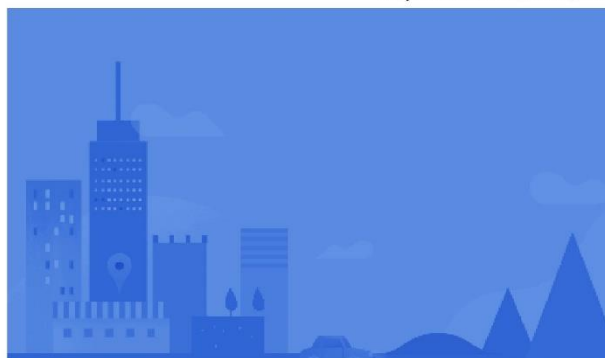
2/14/2020

2°19'12.3"N 102°27'37.4"E - Peta Google

2°19'12.3"N 102°27'37.4"E



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2°19'12.3"N 102°27'37.4"E

2.3220088, 102.460378



Arah



Simpan



Berdekatan



Hantar ke
telefon anda



Kongsi



77000 Jasin, Melaka



8FC6+25 Jasin, Melaka

[https://www.google.com/maps/place/2°19'12.3"N+102°27'37.4"E/@2.322157,102.4595304,745m/data=!3m1!1e3!4m5!3m4!1s0x0:0x0!8m2!3d2.3220088...](https://www.google.com/maps/place/2°19'12.3) 1/1

STAKEHOLDER LIST

Ladang Asahan – Sime Darby

Balai Polis Asahan

Yara International

Majlis Perbandaran Jasin

Malaysia Palm Oil Board

Tey Brothers Trading

Bomba Asahan

Jabatan Kesihatan Jasin

Jabatan Pertanian Jasin

Siang Huat Plantation

Kampung Rim

Review and follow-up on previous audit findings

All findings raised during the previous audit found has been addressed adequately. All NCR has been verified accordingly.

Stakeholders Consultation Session

Stakeholder consultation began with notification of **a month prior of** upcoming assessment by official letter to identified stakeholders. Emails, phone call and official letter were sent to applicable interested stakeholders. Audit team then visited some stakeholders to obtain positive / negative information or any issues in connection with **LAU LEONG MELAKA REALTY SDN BHD**. It was started with a slide presentation by NIOSH Certification Sdn. Bhd. explaining about the objectives of the MSPO certification scheme and purpose of stakeholder consultation. Agenda of discussion including legal compliance, environmental protection, biodiversity conservation, safety & social responsibility and development of community. No major adverse issue been raised as consulted during the audit: Among stakeholders attended the session:

- a. Balai Polis Asahan
- b. MPOB
- c. Health Department Jasin
- d. Tay Brothers Trading
- e. Representative of Workers (2 Workers)
- f. Representative from Kampung Rim

All positive and negative inputs from stakeholders has been discussed with management of **LAU LEONG MELAKA REALTY SDN BHD** with proper justification and adequate action plan by the management team to address the issue.



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Others

Nil

Disclaimer

NIOSH Certification provides services which are designed to determine whether the referenced Management System of the client:

- a) complies with the relevant (mentioned) Standard; and
- b) has been properly implemented and maintained.

Audits are based on random sampling techniques and non conformances may exist which did not become apparent during the audit.

NIOSH Certification does not provide any advice on compliance with any legislation, regulation, or standards. All audit reports and other documentation provided by NIOSH Certification, are given in good faith and in reliance on the accuracy and completeness of the information provided by the client. No responsibility is accepted to any third party that may rely in whole or in part on the content of this report, to the extent permitted by Law.

- End of Audit Report -