

## Sabah TLAS Audit Report Principles 5 & 6

<b>Organisation</b>	Kilang Papan Hiong Tiong Sdn. Bhd. 199401039971 (325658-U)	<b>Reference #</b>	GFSSBH 004-751
<b>Contact Person</b>	Mr. Sia Mee Kuong (Manager)	<b>Audit Date</b>	19/11/2024
<b>Office Address</b>	11.2 KM, Jalan Tuaran, Inanam, 88815 Kota Kinabalu, Sabah, Malaysia.	<b>Date close out</b>	-
<b>Mill Address</b>	11.2 KM, Jalan Tuaran, Inanam, 88815 Kota Kinabalu, Sabah, Malaysia.	<b>Telephone</b>	+6088 429 822
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		<b>Approved By</b>	Dr. Kevin Grace

Statements			
Statement of Compliance	GFS 071 WTP		
Issuance Date	25 November 2024	Expiration Date	24 November 2025

Assessment Details	
Company Type	Sawmill & Moulding Mill, Wood Preservation Plant, Kiln Dry Plant, Importer, Exporter
Scope of Assessment	Sabah TLAS P5-6: JP(K)KK003/00(X04)R, JP(K)KK010/00(X07)R, JP(K)KK020/00(X22)R, FDS(KK)(S)001/2020(M), FDS(KK)(E)003/2020(M), FDS(KK)(I)001/2020(M)
Product Group	Moulding, doors
Source of Material	Sabah and Sarawak - Malaysia
Species	Sabah: <i>Drybalanops</i> spp. (Kapur), <i>Shorea inappendiculata</i> (Selangan batu), <i>Shorea</i> spp. (Red seraya), <i>Sapotaceae</i> spp. (Nyatoh), Other timber (OT) Sarawak: Mixed Light Hardwood (MLH)
Lead Assessor	Glory Linggou
Assessor(s)	Evelyn Chong
SFD Staff	Abu Bakar (PPD Kota Kinabalu)

Terms of Assessment
The scope of the evaluation is to verify compliance with Kilang Papan Hiong Tiong 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:

Kilang Papan Hiong Tiong Sdn. Bhd. (Kilang Papan Hiong Tiong) is, on and from 02/12/1994, incorporated under Companies Act 2016, and is registered in Kota Kinabalu, Sabah, Malaysia, with registration #: 199401039971 (325658-U). Kilang Papan Hiong Tiong produces mouldings for the local market and exports to China.

### Associated Organizations & Subcontractors:

Kilang Papan Hiong Tiong does not engage other company as their subcontractors to provide sawmilling services or manpower and manufacturing products.

### Description of the Supply Chain:

From July 2023 to October 2024, Kilang Papan Hiong Tiong purchased raw materials from the suppliers as below:

Supplier	License	Raw Material	Location	GFS WTP # STCC #	Overall Risk *
Sing Kie Mee Carpentry Sdn. Bhd.	STIDC 0001407	Sawn Timber	Sarawak	-	High
Kilang Kayu Lohan Sdn. Bhd.	JP(K)RN005/00(X04)R	Sawn Timber	Ranau	GFS 032 WTP (10/12/2024)	Low
Power Timber Sdn. Bhd.	FDS(KK)(S)016/2019	Sawn Timber	Kota Kinabalu	GFS 273 WTP (21/01/2025)	Low
Hoong Yap Manufacturer Sdn. Bhd. (Wawasan Jayajuta Sdn. Bhd.)	JP(N)KG001/11(X23)	Sawn Timber	Keningau	GFS 111 WTP (16/09/2025)	Low
Seratim Sdn. Bhd.	FDS(KK)(E)064/2019	Sawn Timber	Kota Kinabalu	GFS 022 WTP (27/10/2025)	Low
Usaha Sensasi Sdn. Bhd. (Piramid Bumimas Sdn. Bhd.)	JP(K)RN002/12(B01)	Sawn Timber	Ranau	GFS 068 WTP (10/12/2024)	Low
JV Teguh Sdn. Bhd.	FDS(KK)(E)090/2019	Sawn Timber	Kota Kinabalu	GFS 195 WTP (22/01/2025)	Low
Lusera Sdn. Bhd.	JP(K)KK001/09(X39)	Sawn Timber	Kota Kinabalu	GFS 114 WTP (19/11/2024)	Low
Irama Ramai Sdn. Bhd.	JP(N)KG.001/12(X04)	Sawn Timber	Keningau	GFS 110 WTP (13/10/2025)	Low
Sharikat Sri-Arjuna Sdn. Bhd.	JP(K)SG021/01(B01)	Sawn timber	Sipitang	GFS 267 WTP (17/12/2024)	Low
Tropical Wood Plantation Sdn. Bhd.	JP(D)PS001/19(B01)	Sawn timber	Kota Marudu	GFS 135 WTP (05/11/2024)	High*
C & H Enterprise	FDS(SS)(I)038/2019	Plywood	Sandakan	GFS 235 WTP (23/07/2024)	High*

\*GFS risk evaluation is based on the risk matrix for Sabah TLAS (VL) materials & products. Materials purchased prior to expiration of the GFS WTP Statement of Compliance is considered Sabah TLAS.

### Summary Results:

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

GAPs: Year 2024				
GAP #	Type	Checklist	Status	Description
001/2024	minor	5.1.3	New	<b>November 2024:</b> Incorrect recording of carry forward in Appendix 7.
002/2024	minor	5.2.1, 6.1.1, 6.1.2, 6.1.3, 6.1.4	New	<b>November 2024:</b> The current purchasing system is not according to the COC system.

\*Major = Non-Compliance

Observations: Year 2024		
Obs #	Checklist	Description
001-2024	6.2.2	<b>November 2024:</b> Sales Contracts do not adequately define products quantity volume or Sabah TLAS status.
002-2024	6.3.3	<b>November 2024:</b> Discrepancy between Borang EIS volume with SFD Export Approval License, invoice, Removal Pass and Packing list.

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

Recommendations
<p><b>Kilang Papan Hiong Tiong 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>Gap 001/2024 (minor) – Checklist 5.1.3:</b> Kilang Papan Hiong Tiong shall record the carry forward stock in Appendix 7 correctly.</p> <p><b>Gap 002/2024 (minor) – Checklist 5.2.1, 6.1.1, 6.1.2, 6.1.3, 6.1.4:</b> Kilang Papan Hiong Tiong shall ensure the current purchasing system is according to the CoC procedure.</p> <p><b>Observation 001-2024 – Checklist 6.2.2:</b> Sales Contracts need to define products quantity volume and Sabah TLAS status.</p> <p><b>Observation 002-2024 – Checklist 6.3.3:</b> Kilang Papan Hiong Tiong shall ensure the volume is correct in all export documents.</p> <p>The next surveillance visit is scheduled for November 2025.</p>

**End of Summary Report**