

## Sabah TLAS Audit Report Principles 5 & 6

<b>Organisation</b>	Kilang Papan KK Assan Sdn. Bhd. 198301008774 (104025-W)	<b>Reference #</b>	GFSSBH 004-763
<b>Contact Person</b>	Mr. Jude S. Arambala (Manager)	<b>Audit Date</b>	12/12/2024
<b>Office Address</b>	Lot 131 & 132, Block O, Lorong Plaza Permai 4, Alamesra, Sulaman-Coastral Highway, 88400 Kota Kinabalu, Sabah, Malaysia.	<b>Date close out</b>	-
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		<b>Approved By</b>	Dr. Kevin Grace

### Statements

Statement of Compliance	GFS 062 WTP		
Issuance Date	16 December 2024	Expiration Date	15 December 2025

### Assessment Details

Company Type	Sawmill & moulding, Kiln Dry Plant, Wood Preservation Plant, Importer, Exporter
Scope of Assessment	Sabah TLAS P5-6: JP(D)KM030/00(X04)R, JP(D)KM062/00(X22)R, JP(D)KM001/03(X07), FDS(KM)(E)002/2020(M), FDS(KM)(I)009/2019(M), FDS(KM)(S)066/2019(M)
Product Group	Sawn timber & moulded timber
Source of Material	Sabah – Malaysia, Vietnam
Species	Acacia mangium (Acacia), Hevea brasiliensis (Rubberwood), Cocos nucifera (Coconut), Albizia falcataria (Batai)
Lead Assessor	Brandon James
Assessor(s)	Sheanna Kehong, Teddy Quintin, Anne G. Grace
SFD Staff	Beatrice Joseph (ADFO PPD KM), Rosemary Er (PPD KM), Mohd Hafizyam (PPD KM), Rubin (PPD KM), Dzulkifli Ismail (PPD KM)

### Terms of Assessment

The scope of the evaluation is to verify compliance with Kilang Papan KK Assan 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 KK Assan Sdn. Bhd. (Kilang Papan KK Assan) is, on and from 09/07/1983, incorporated under Companies Act 2016, and is registered in Kota Kinabalu, Malaysia, with registration #: 198301008774 (104025-W). Kilang Papan KK Assan produces sawn timber, mouldings and finger joint and exports them to Japan, China and Singapore. Their local sales limited to residents nearby.

### Associated Organizations & Subcontractors:

Kilang Papan KK Assan does not engage subcontractor to produce, manufacture products or provide manpower. Agensi Pekerjaan Utara Sdn. Bhd. handles documentation for foreign workers and R.M services handled documents for export.

### Description of the Supply Chain:

From October 2023 to November 2024, Kilang Papan KK Assan purchased raw materials from the suppliers as below:

Supplier	License	Raw Material	Location	GFS WTP # STCC #	Overall Risk *
Lim Yui Foh	JPHTN/KM700-2/5/JLD.19/(11)	Plantation logs	Kota Marudu	-	Low
Biddy Balinggi	JPHTN/KM700-2/5/JLD/19/(17)	Plantation logs	Kota Marudu	-	Low
Sudiah Kodou	JPHTN/KM700-2/5/JLD.19/(21)	Plantation logs	Kota Marudu	-	Low
Jaliau Tail	JPHTN/KM700-2/5/JLD/18/(92)	Plantation logs	Kota Marudu	-	Low
Heroman Gitas & Albert Gitas	JPHTN/KB:700-2/5/51(4)	Plantation logs	Kota Belud	-	Low
Dauni Bin Darusin & 2 Peserta	JPHTN/KB700-2/5/48(7)4/9/2023	Plantation logs	Kota Belud	-	Low
Prennelly Binti Osiun	JPHTN/KDT:800-4/2/4 JLD.3/(8)	Plantation logs	Kudat	-	Low
Ginol Kimpang	JPHTN/KM:700-2/5/JLD.19/(31)	Plantation logs	Kota Marudu	-	Low
Sodomon Bin Lingguan	JPHTN/KB:700-2/5/53/8	Plantation logs	Kota Belud	-	Low
Mapangking B. Maruidui	JPHTN/KDT:800-4/2/4/JLD.3(11)	Plantation logs	Kudat	-	Low
Jusmen Masaeil	JPHTN/KDT:800-4/2/4/JLD.14/(21)	Plantation logs	Kudat	-	Low
Jusmari Masasil	JPHTN/KDT:800-4/2/3/JLD.14(21)	Plantation logs	Kudat	-	Low
Nahalan Binti Sadai	JPHTN/KDT:800-4/2/3/JLD.14(25)	Plantation logs	Kudat	-	Low
Inandaran Binti Mohiza	JPHTN/KDT:800-4/2/4/JLD.3/(31)	Plantation logs	Kudat	-	Low
Ansin Bin Odilok	JPHTN/KDT:800-4/2/4/JLD.3/(26)	Plantation logs	Kudat	-	Low
Wandak Bin Jawatan	JPHTN/KDT:800-4/2/4/JLD.3/(83)	Plantation logs	Kudat	-	Low
Yung That Yu @ Rolant	JPHTN/KM:700-2/5/JLD.19/(41)	Plantation logs	Kota Marudu	-	Low
Modumin Saulli	JPHTN/KM:700-2/5/JLD.19/(44)	Plantation logs	Kota Marudu	-	Low
Buaan Binti Mogupin	JPHTN/KDT:800-4/2/4/JLD.3/(96)	Plantation logs	Kudat	-	Low
Jasli Mutias	JPHTN/KM:700-2/JLD.19/(48)	Plantation logs	Kota Marudu	-	Low
Jasni B. Metawi	JPHTN/KDT:800-2/5/JLD.19/(48)	Plantation logs	Kudat	-	Low
Juanis Mogusi @ Magusi	JPHTN/KM:700-4/2/4/JLD.19/(54)	Plantation logs	Kota Marudu	-	Low
Wong Ann Siong	JPHTN/KM:700-2/5/JLD.19/(60)	Plantation logs	Kota Marudu	-	Low

Leonard Jubile	JPHTN/KM:700-2/5/JLD.19/(71)	Plantation logs	Kota Marudu	-	Low
Mokajin Marusunsun & 4 Peserta	JPHTN/PTS:700-3/7/2/4/127	Plantation logs	Pitas	-	Low
Diana Bte Menggong	JPHTN/KDT:800-4/2/4/JLD.3(105)	Plantation logs	Kudat	-	Low
Hasna Binti Asat	JPHTN/KDT:800-4/2/4 JLD.3(107)	Plantation logs	Kudat	-	Low
Pong Tzu Phin	JPHTN/KDT:800-4/2/4 JLD.3(109)	Plantation logs	Kudat	-	Low
Felix Kuasi	JPHTN/KM:700-2/5/JLD.19/(67)	Plantation logs	Kota Marudu	-	Low
Mongulingki Binti Magupin	JPHTN/KDT:800-4/2/4/JLD.3/(103)	Plantation logs	Kudat	-	Low
Benito Binti Lagang	JPHTN/KDT:800-4/2/4/JLD.3/(112)	Plantation logs	Kudat	-	Low
Madun B. Gutong	JPHTN/KM:700-4/2/4/JLD.3(97)	Plantation logs	Kota Marudu	-	Low
Georgiana Stephen	JPHTN/KM:700-2/10/JLD.19(114)	Plantation logs	Kota Marudu	-	Low
Manipok Bin Pengasip	JPHTN/PTS:700-3/7/2/4/170	Plantation logs	Pitas	-	Low
Dana Maziyah Engcong	JPHTN/KM:700-3/3/1(21)	Plantation logs	Pitas	-	Low
Robin Gumpil	JPHTN/KM:700-3/3/1/(30)	Plantation logs	Kota Marudu	-	Low
Chong Fatt Khoo @ Chong Gatt Kho	JPHTN/KM:700-3/3/1/(42)	Plantation logs	Kota Marudu	-	Low
Sikau B. Pakizik	JPHTN/KDT:800-4/2/4/JLD.3(138)	Plantation logs	Kudat	-	Low
Memo Wood Vn Company Limited, Vietnam	Not stated	Blockboard	Vietnam	-	High

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

### Summary Results:

(Major gap = 0, Minor gap = 5, Observation = 1)

GAPs: Year 2024				
GAP #	Type	Checklist	Status	Description
001/2024	minor	5.1.3	New	<b>December 2024:</b> Discrepancy of input and output between online and manual submission for Appendix 1 & 7, and sawn timber C/F stock between online and manual submission for Appendix 1.
002/2024	minor	5.1.6 6.4.2	New	<b>December 2024:</b> The CoC procedure for administration lacks clear reference to legal permits and requirements, purchasing raw material, maintenance of records of raw material, production, sales in relation to TLAS status and retention time of records.
003/2024	minor	5.2.1, 6.1.1, 6.1.2, 6.1.3, 6.1.4	New	<b>December 2024:</b> Inadequate records for purchasing raw material.
004/2024	minor	5.2.11, 5.2.12	New	<b>December 2024:</b> Lack of identification of batch number and Sabah TLAS status of materials from receiving to WIP & FG as per the CoC procedure.
005/2024	minor	5.3.1, 5.3.2	New	<b>December 2024:</b> Foreign worker's work permit has expired.

\*Major = Non-Compliance

Observations: Year 2024		
Obs #	Checklist	Description
001-2024	5.3.6	<b>December 2024:</b> No work safety training

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

Recommendations
<p><b>Kilang Papan KK Assan 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 KK Assan shall record all data consistently and correctly in the Appendix 1 &amp; 7 and submit the revised Appendix monthly.</p> <p><b>Gap 002/2024 (minor) – Checklist 5.1.6, 6.4.2:</b> Kilang Papan KK Assan Administration procedure needs to include legal compliance (permits, labour, environment, etc.), purchasing, maintenance of records for raw material, production &amp; sales / export based on TLAS status.</p> <p><b>Gap 003/2024 (minor) – Checklist 5.2.1, 6.1.1, 6.1.2, 6.1.3, 6.1.4:</b> Purchasing records should be maintained, traceable to supplier and Sabah TLAS status through a purchase order / receipt document.</p> <p><b>Gap 004/2024 (minor) – Checklist 5.2.11, 5.2.12, 6.1.4:</b> Kilang Papan KK Assan shall identify batch number and Sabah TLAS status for all materials from receiving to WIP and FG as per the CoC procedure.</p> <p><b>Gap 005/2024 (minor) – Checklist 5.3.1, 5.3.2:</b> Kilang Papan KK Assan shall ensure all work permits are valid.</p> <p><b>Observation 001-2024 – Checklist 5.3.6:</b> Work safety training should be conducted annually.</p> <p>The next surveillance visit is scheduled for December 2025.</p>

**End of Summary Report**