Sabah TLAS Audit Report
Principles 5 & 6

Organisation	Kilang Papan KK Assan Sdn. Bhd. 198301008774 (104025-W)
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Reference #	GFSSBH 004-900
Audit Date **Date close out**	04/12/2025 -
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Approved By	Dr. Kevin Grace

Statements			
Statement of Compliance	GFS 062 WTP		
Issuance Date	08 December 2025	Expiration Date	07 December 2026

Assessment Details	
Company Type	Sawmill, 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, finger joint
Source of Material	Sabah – Malaysia
Species	*Acacia mangium* (Acacia), *Hevea brasiliensis* (Rubberwood)
Lead Assessor	Ennald Chin
Assessor(s)	Sheanna Kehong
SFD Staff	Beatrice Joseph (ADFO 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, Sabah, 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.

The previous assessment was conducted in December 2024 that resulted in 5 gap(s) and 1 observation(s) (Report #: GFSSBH 004-763).

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 handles documents for export.

Description of the Supply Chain:

From December 2024 to December 2025, Kilang Papan KK Assan purchased raw materials from the suppliers as below:

Supplier	License	Raw Material	Location	GFS WTP # STCC #	Overall Risk *
Jorlly Eging	JPHTN/KM:700-3/31JLD.2(127)	Rubberwood	Kota Marudu	-	Low
Rambitan Galut	JPHTN/KM:700-3/3/1JLD.2/(176)	Rubberwood	Kota Marudu	-	Low
Stephen Duasa	JPHTN/KM:700-3/3/1 JLD.2/(145)	Rubberwood	Kota Marudu	-	Low
Mariana Majinau	JPHTN/KM:700-3/3/1 JLD.2/(163)	Acacia	Kota Marudu	-	Low
Mokijin Morusunsun	JPHTN/PTS:700-3/7/2/4 JILID.4/73	Acacia	Pitas	-	Low
George Paulai	JPHTN/KM:700-3/3/1 JLD.2/(15)	Rubberwood	Kota Marudu	-	Low
Gontinah Adun	JPHTN/KM:700-3/3/1 JLD.2/(62)	Acacia	Kota Marudu	-	Low
Lingkop Bin Pandong	JPHTN/KM:700-3/3/1 JLD.2/(6)	Rubberwood	Kota Marudu	-	Low
Naning Anggah	JPHTN/KM:700-3/3/1 JLD.1/(72)	Rubberwood	Kota Marudu	-	Low
Baragangon Kogiu	JPHTN/KM:700-3/3/1 JLD.1/(89)	Rubberwood	Kota Marudu	-	Low
Minul Romonban	JPHTN/PTS:700-3/7/2/4 JLD 4/5	Rubberwood	Pitas	-	Low
Mariah Majipun	JPHTN/KM:700-3/3/1 JLD.1/(74)	Rubberwood	Kota Marudu	-	Low
Jelon Masakup	JPHTN/KM:700-3/3/1 JLD.1/(53)	Rubberwood	Kota Marudu	-	Low
Nuis Yungou	JPHTN/KM:700-3/3/1 JLD.1/(74)	Rubberwood	Kota Marudu	-	Low
Dukim Gumping	JPHTN/KM:700-3/3/1 JLD.1/(47)	Rubberwood	Kota Marudu	-	Low
Wong Tze Vook	JPHTN/KDT:800-4/2/3 JILID.14/32	Acacia	Kudat	-	Low

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

Summary Results:

(Major gap = 0, Minor gap = 6, Observation = 2)

GAPs: Year 2025				
GAP #	**Type**	**Checklist**	**Status**	**Description**
001/2024	minor	5.1.3	Outstanding	**December 2024:** 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. **December 2025:** Kilang Papan KK Assan has not rectified Appendix 1 for 09/2023, CF Apr to Oct 2024 for manual and online and Appendix 7 for 06/2024 manual and online submission. Inconsistent in recording sawn timber stock CF for Appendix 1 manual and online submission for Oct & Nov 2024 and volume for

				07/2025 in Appendix C manual and online submission.
002/2024	minor	5.1.6 6.4.2	Outstanding	**December 2024:** 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. **December 2025:** The CoC procedure for administration was not revised to include 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	Closed	**December 2024:** Inadequate records for purchasing raw material. **December 2025:** Kilang Papan KK Assan uses Purchase Order to purchase materials.
004/2024	minor	5.2.6, 5.2.7 5.2.11, 5.2.12	Outstanding	**December 2024:** Lack of identification of batch number and Sabah TLAS status of materials from receiving to WIP & FG as per the CoC procedure. **December 2025:** Identification of batch number and Sabah TLAS status of materials from receiving to WIP & FG was not according to the CoC procedure.
005/2024	minor	5.3.1, 5.3.2	Outstanding	**December 2024:** Foreign worker's work permit has expired. **December 2025:** Work permit for foreign workers was expired and JTK license was expired.
001/2025	minor	5.3.5	New	**December 2025:** Inconsistent in SOCSO/EPF registration and monthly contributions for local and foreign workers.
002/2025	minor	6.4.1	New	**December 2025:** Summary of raw material purchased, Finished Goods and sales records based on Sabah TLAS status were not established.

*Major = Non-Compliance

Observations: Year 2025		
Obs #	**Checklist**	**Description**
001-2024 Outstanding	5.3.6	**December 2024:** No work safety training. **December 2025:** No training on work safety and fire was conducted for workers in 2025.
001-2025	5.2.3, 5.2.4, 5.2.5	**December 2025:** Risk Assessment was not conducted for material received and materials received were not identified with Sabah TLAS status.

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

Recommendations
Kilang Papan KK Assan 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: **Gap 001/2024 (minor) Outstanding – Checklist 5.1.3:** Kilang Papan KK Assan shall record volume and CF correctly in the Appendix 1 & 7 manual and online submission. **Gap 002/2024 (minor) Outstanding – Checklist 5.1.6, 6.4.2:** Kilang Papan KK Assan should include Administration procedure for legal compliance (permits, labour, environment, etc.), purchasing, maintenance of records for raw material, production & sales / export based on TLAS status and retention time to a minimum of 5 years. **Gap 004/2024 (minor) Outstanding – Checklist 5.2.6, 5.2.7, 5.2.11, 5.2.12:** 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. **Gap 005/2024 (minor) Outstanding – Checklist 5.3.1, 5.3.2:** Kilang Papan KK Assan shall ensure all work permits and JTK license are valid. **Gap 001/2025 (minor) – Checklist 5.3.5:** Kilang Papan KK Assan shall ensure all workers are registered and contributed under EPF and SOCSO as stipulated in the EPF and SOCSO requirements. **Gap 002/2025 (minor) – Checklist 6.4.1:** Kilang Papan KK Assan shall establish summary of raw material purchase, Finished Goods and sales records based on Sabah TLAS status. **Observation 001-2024 Outstanding – Checklist 5.3.6:** Work safety and fire training needs to be conducted annually. **Observation 001-2025 – Checklist 5.2.3, 5.2.4, 5.2.5:** Risk Assessment should be conducted for materials received from the supplier and status of materials received be identified in the Arrival Book. The next surveillance visit is scheduled for December 2026.

End of Summary Report