

## Sabah TLAS Audit Report Principles 5 & 6

<b>Organisation</b>	Kinabalu Supreme Sdn. Bhd. 199501028503 (357709-P)	<b>Reference #</b>	GFSSBH 004-815
<b>Contact Person</b>	Mr. David Ling Nai Chuang (Director)	<b>Audit Date</b>	10/04/2025
<b>Office Address</b>	Mile 6, Jalan Apas, Tawau, Sabah, Malaysia.	<b>Date close out</b>	-
<b>Mill Address</b>	Mile 6, Jalan Apas, Tawau, Sabah, Malaysia.	<b>Telephone</b>	+6010 982 7275
<b>Email</b>	Info.kinabalusupreme@gmail.com DFO Tawau: Nooridayu.MohdAyub@sabah.gov.my PPW Tawau: MohdArapa.Lamuda@sabah.gov.my	<b>Fax</b>	-
		<b>Approved By</b>	Dr. Kevin Grace

<b>Statements</b>			
Statement of Compliance	GFS 174 WTP		
Issuance Date	14 April 2025	Expiration Date	13 April 2026

<b>Assessment Details</b>	
Company Type	Sawmill & Moulding
Scope of Assessment	Sabah TLAS P5-6: JP(T)TW001/2020(X04)
Product Group	Sawn timber
Source of Material	Sabah, Malaysia.
Species	Dipterocarpus (Keruing), Shorea pauciflora (Red Seraya), Shorea domatiosa (Selangan Batu), Eusideroxylon zwageri (Belian)
Lead Assessor	Sheanna Kehong
Assessor(s)	Jick Miki, Auther Itin, Anne G. Grace
SFD Staff	-

<b>Terms of Assessment</b>
The scope of the evaluation is to verify compliance with Kinabalu Supreme 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.

<b>Limitations of Assessment</b>
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:**

Kinabalu Supreme Sdn. Bhd. (Kinabalu Supreme) is, on and from 04/09/1995, incorporated under Companies Act 2016, and is registered in Kota Kinabalu, Sabah, Malaysia, with registration #: 199501028503 (357709-P). Kinabalu Supreme is renting parcel of lands together with the building for 3 years expiring on 05/04/2026. Kinabalu Supreme produced sawn timber and purchased sawn timber and sells them to the surrounding residents.

**Associated Organizations & Subcontractors:**

Kinabalu Supreme does not engage subcontractor to produce, manufacture products or provide manpower.

**Description of the Supply Chain:**

From January 2024 to February 2025, Kinabalu Supreme purchased raw materials from the suppliers as below:

Supplier	License	Raw Material	Location	GFS WTP # STCC #	Overall Risk *
Havisual Sawmill Sdn.Bhd.	JP(S)SS 001/09(X04)	Round logs	Sandakan	GFS 085 WTP (06/10/2025)	Low
Sangkil Makmur Sdn.Bhd.	JP(T) TW 001/14(X20)	Round Logs & Sawn timber	Tawau	GFS 152 WTP (26/01/2026)	Low
Tsen Piang Kong	JPHTN700.2/0/JLD-13/15	Mahogany Round Logs	Tawau	-	High
Bountiful Returns (Sukses Jadi)	JP(T)KA001/14/X04	Sawn timber	Kalabakan	GFS 115 WTP (13/01/2026)	Low
Rimbunan Gagah Sdn Bhd	JP(S)TD004/19(B01)	Sawn timber	Telupid	Non-Compliance	High
DM Cergas Sdn Bhd	JP(N)SO001/16(X17)	Sawn timber	Keningau	GFS 244 WTP (21/04/2025)	Low
Seratim Sdn Bhd	FDS(KK)(E)064/2019	Sawn timber	Kota Kinabalu	GFS 022 WTP (2/10/2025)	Low

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

**Summary Results:**

(Major gap = 0, Minor gap = 4, Observation = 1)

GAPs: Year 2025				
GAP #	Type	Checklist	Status	Description
001/2025	minor	5.1.2	New	<b>April 2025:</b> Mill contractor expired since 2024.
002/2025	minor	5.1.3	New	<b>April 2025:</b> The data entries for log supply and sawn timber supply were inaccurately recorded in both the manual and online submission along with CF log stock.
003/2025	minor	5.2.1, 6.1.1, 6.1.2, 6.1.3	New	<b>April 2025:</b> The purchasing is not according to the CoC procedure.
004/2025	minor	5.3.6	New	<b>April 2025:</b> No work safety training was conducted.

\*Major = Non-Compliance

Observations: Year 2025		
Obs #	Checklist	Description
001-2025	5.3.2	<b>April 2025:</b>

Observations: Year 2025		
Obs #	Checklist	Description
		JTK license was not available.
002-2025 Addressed	6.4.1	<b>10 April 2025:</b> Kinabalu Supreme did not maintain the summary record for materials received, FG and Sales. <b>11 April 2025:</b> Kinabalu Supreme maintained the summary for material purchased, Finished Goods and Sales Records.

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

Recommendations
<p><b>Kinabalu Supreme 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 001/2025 (minor) – Checklist 5.1.2:</b> Kinabalu Supreme should ensure mill contractor is renewed on time.</p> <p><b>Gap 002/2025 (minor) – Checklist 5.1.3:</b> Kinabalu Supreme should ensure that the data entries for log supply and sawn timber are accurately recorded. It is also recommended that HQ provide a proper calculation for the discrepancies and carry forward log stocks.</p> <p><b>Gap 003/2025 (minor) – Checklist 5.2.1, 6.1.1, 6.1.2, 6.1.3:</b> Kinabalu Supreme shall ensure the purchasing is according to the CoC procedure.</p> <p><b>Gap 004/2025 (minor) – Checklist 5.3.6:</b> Work safety training should be conducted annually.</p> <p><b>Observation 001-2025 – Checklist 5.3.2:</b> Kinabalu Supreme should ensure permits are available.</p> <p>The next surveillance visit is scheduled for April 2026.</p>

## End of Summary Report