

Sabah TLAS Audit Report Principles 5 & 6

Organisation	M.Q. Wood Products Sdn. Bhd. 199101002566 (212877-A)	Reference #	GFSSBH 004-727
Contact Person	Mr. Wong Kee Kong (Admin/Account Officer)	Audit Date	27/09/2024
Office Address	Mile 5, Penampang Road, P.O. Box 14385, 88850 Kota Kinabalu, Sabah, Malaysia.	Date close out	-
Mill Address	Lok Kawi Industrial Estate (Phase II), Kota Kinabalu, Sabah, Malaysia.	Telephone	+6088 712 910
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		Approved By	Dr. Kevin Grace

Statements			
Statement of Compliance	GFS 093 WTP		
Issuance Date	30 September 2024	Expiration Date	29 September 2025

Assessment Details	
Company Type	Moulding
Scope of Assessment	Sabah TLAS P5-6: JP(K)KK004/00(M01)R, KON(KKK)016/01(KK), FDS(KK)(S)011/2024(M)
Product Group	Mouldings and S4S
Source of Material	Sabah, Malaysia.
Species	<i>Shorea spp.</i> (Mixed seraya), <i>Pinus spp.</i> (Pine), <i>Sapotaceae spp.</i> (Nyatoh), <i>Intsia palembanica</i> (Merbau), <i>Shorea inappendiculate</i> (Selangan batu), <i>Durio spp.</i> (Durian), <i>Shorea pauciflora</i> (Oba suluk), <i>Azadirachta excelsa</i> (Bawang-bawang)
Lead Assessor	Brandon James
Assessor(s)	Anne G. Grace
SFD Staff	Abu Bakar (PPD KK)

Terms of Assessment
The scope of the evaluation is to verify compliance with M.Q. Wood Products 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:

M.Q. Wood Products Sdn. Bhd. (M.Q. Wood Products) is, on and from 17/07/1991, incorporated under Companies Act 2016, and is registered in Kota Kinabalu, Malaysia, with registration #: 199101002566 (212877-A). M.Q. Wood Products produces moulding and S4S for the local market.

Associated Organizations & Subcontractors:

M.Q. Wood Products does not engage subcontractor to produce and manufacture products.

Description of the Supply Chain:

From April 2023 to August 2024, M.Q. Wood Products purchased raw materials from the suppliers as below:

Supplier	License	Raw Material	Location	GFS WTP # STCC #	Overall Risk *
Lusera Sdn. Bhd.	JP(K)KK001/09(X39)	Sawn timber	Kota Kinabalu	GFS 114 WTP (19/11/2024)	Low
Seratim Sdn. Bhd.	FDS(KK)(E)064/2019	Sawn timber	Kota Kinabalu	GFS 022 WTP (28/05/2024)	Low**
JV Teguh Sdn. Bhd.	FDS(KK)(E)090/2019	Sawn timber	Kota Kinabalu	GFS 195 WTP (22/01/2025)	Low

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

**Materials received before the expiry date is low risk.

Summary Results:

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

GAPs: Year 2024				
GAP #	Type	Checklist	Status	Description
001/2024	minor	5.3.2	New	September 2024: Workers were not registered under COI.

*Major = Non-Compliance

Observations: Year 2024		
Obs #	Checklist	Description
001-2024	5.2.1, 6.1.1, 6.1.2, 6.1.3, 6.1.4	September 2024: The current system for purchasing is not according to the CoC procedure.

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

Recommendations
<p>M.Q. Wood Products 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.</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>Gap 001/2024 (minor) – Checklist 5.3.2: M.Q. Wood Products should register workers under COI as per moulding requirements.</p> <p>Observation 001-2024 – Checklist 5.2.1, 6.1.1, 6.1.2, 6.1.3, 6.1.4: M.Q. Wood Products shall implement purchasing according to the CoC procedure.</p> <p>The next surveillance visit is scheduled for September 2025.</p>

End of Summary Report