

Sabah TLAS Audit Report Principles 5 & 6

Organisation	Landlord: Auro Industries Sdn. Bhd. 198501009303 (141753-X) Tenant: Tiong & Chun Enterprise (Sole proprietor)	Reference #	GFSSBH 004-737
Contact Person	Mr. Wong See Ming (Director - Auro Industries)	Audit Date	21/10/2024
Office Address	P.O. Box 362, 89608 Papar, Kota Kinabalu, Sabah, Malaysia.	Date close out	-
Mill Address	56 KM, Jalan Kimanis-Beaufort Highway, Kimanis, Sabah, Malaysia.	Telephone	+6010 943 0968
Email	aini@auro.com.my DFO KK: Aglsmail.AgTuah@sabah.gov.my PPW KK: MohdNasir.AgSuman@sabah.gov.my	Fax	-
		Approved By	Dr. Kevin Grace

Statements

Statement of Compliance	GFS 092 WTP		
Issuance Date	28 October 2024	Expiration Date	27 October 2025

Assessment Details

Company Type	Sawmill, Moulding, KD Plant, Wood Preservation Plant, Exporter
Scope of Assessment	Sabah TLAS P5-6: JP(K)KK006/00(M01)R, JP(K)KK024/00(X22)R, JP(K)KK002/01(X07), JP(K)KK001/07(B01), FDS(KK)(E)130/2019(M), FDS(KK)(S)093/2019(M)
Product Group	Sawn timber, finger joint, moulded timber
Source of Material	Sabah, Malaysia
Species	Hevea brasiliensis (Rubberwood), Tectona grandis (Teak), Drybalanops spp. (Kapur), Dipterocarpus spp. (Keruing), Shorea inappendiculata (Selangan batu), Parashorea spp. (White seraya), Shorea spp. (Red seraya, Yellow seraya) Heritiera simplicifolia (Kembang), Sapotaceae spp. (Nyatoh), Shorea pauciflora (Oba suluk), OT (Other timber)
Lead Assessor	Brandon James
Assessor(s)	Anne G. Grace
SFD Staff	Shahrulizam (PPD Papar)

Terms of Assessment

The scope of the evaluation is to verify compliance with Auro Industries 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:

NWP Industries Sdn. Bhd. (NWP Industries) is, on and from 06/07/1985, incorporated under Companies Act 2016, and is registered in Kuala Lumpur, Malaysia, with registration #: 198501009303 (141753-X). The company changed its name to Auro Industries Sdn. Bhd. (Auro Industries) on 12/10/2023. Auro Industries provided moulding services to Bagusimbol and Auro Industries exports their products and Bagusimbol's products to Singapore and South Korea. Tiong & Chun Enterprise is a sole proprietorship; thus, it was not required to register with the SSM.

The two-year tenancy agreement with Tiong & Chun Enterprise dated 18/10/2022, allowing Tiong & Chun Enterprise to rent the sawmill for the specified period, is still under NWP Industries.

Associated Organizations & Subcontractors:

Auro Industries does not engage subcontractor to produce, manufacture products or provide manpower. RM Services as its agent handles export documents.

Description of the Supply Chain:

From April 2023 to October 2024, Auro Industries has not purchased raw materials and only provided moulding services to Bagusimbol.

Supplier	License	Raw Material	Location	GFS WTP # STCC #	Overall Risk *
-	-	-	-	-	-

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

Summary Results:

(Major gap = 0, Minor gap = 2, Observation = 3)

GAPs: Year 2024				
GAP #	Type	Checklist	Status	Description
001/2024	minor	5.1.3	New	October 2024: The calculation of the monthly log carry forward stock from May 2022 onwards is incorrect.
002/2024	minor	5.2.6, 5.2.7, 5.2.11, 5.2.12	New	October 2024: No identification of the batch number & status in WIP and FG as per CoC procedure.

*Major = Non-Compliance

Observations: Year 2024		
Obs #	Checklist	Description
001-2024	5.1.4	October 2024: Organization structure does not identify the Management Representative.
002-2024	5.3.8	October 2024: No chemical, noise and evaluation trainings were prepared.
003-2024	6.1.4	October 2024: No work order against the moulding service.

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

Recommendations

Auro Industries 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) – Checklist 5.1.3: Auro Industries should calculate the carry forward stock correctly and get guidance from the SFD.

Gap 002/2024 (minor) – Checklist 5.2.6, 5.2.7, 5.2.11, 5.2.12: Auro Industries must follow the procedure for Moulding by identify a batch production unit # and TLAS status from raw material through packaging.

Observation 001-2024 – Checklist 5.1.4: Auro Industries should have an organization structure reflecting the Management Representative.

Observation 002-2024 – Checklist 5.3.8: Auro Industries should prepare chemical, noise and evaluations as per DOSH.

Observation 003-2024 – Checklist 6.1.4: Auro Industries needs to identify a work order against the customer service order.

The next surveillance visit is scheduled for October 2025.

End of Summary Report