

Sabah TLAS Audit Report Principles 5 & 6

Organisation	KK Resources Sdn. Bhd. 200701003815 (761813-W)	Reference #	GFSSBH 004-633
Contact Person	Mr. Chua Chin Ann (Director) Ms. Shahnira Sulaiman (Admin)	Audit Date	01/04/2024
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		Approved By	Dr. Kevin Grace

Statements

Audit Statement #	GFS 301 WTP		
Issuance Date	08 April 2024	Expiration Date	07 April 2025

Assessment Details

Company Type	Importer
Scope of Assessment	Sabah TLAS P5-6: FDS(KK)(I)030/2019
Product Group	Sawn timber, plywood
Source of Material	Sabah - Malaysia, Vietnam
Species	<i>Drybalanops spp.</i> (Kapur), <i>Shorea spp.</i> (White Seraya, Selangan batu), <i>Selangan Batu</i> , Other Timber (OT).
Lead Assessor	Vanessa Abin
Assessor(s)	Anne Gimbir
FDS Staff	Abu Bakar (PPD KK)

Terms of Assessment

The scope of the evaluation is to verify compliance of KK Resources 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 are 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 of knowledge of GFS.

Background Information:

KK Resources Sdn. Bhd. (KK Resources) was registered in Kota Kinabalu, Malaysia, on 29/01/2024, with registration #: 200701003815 (761813-W). KK Resources imported sawn timber and plywood for the local market.

Associated Organizations & Subcontractors:

KK Resources does not engage other companies as their subcontractors to manufacture products.

Description of the Supply Chain:

From January 2023 to March 2024, KK Resources purchased raw materials from the suppliers as below:

Supplier	License	Raw Material	Location	GFS WTP # STCC #	Overall Risk *
Son Thuy Joint Stock Company	Not stated	Plywood	Vietnam		Low
NWP Industries Sdn. Bhd. (Tiong & Chun Enterprise)	FDS (KK)(E)130/2019	Sawn timber	Papar	GFS 092 WTP (28/05/2024)	Low
Tropical Wood Plantation Sdn. Bhd.	JP(D)PS001/19(B01)	Sawn timber	Pitas	GFS 135 WTP (05/11/2024)	Low
Usaha Sensasi Sdn. Bhd. (Piramid Bumimas Sdn. Bhd)	JP(X)RN002/12(B01)	Sawn timber	Ranau	GFS 068 WTP (10/12/2024)	Low
Power Timber Sdn. Bhd.	FDS(KK)(S)016/2019	Sawn timber	Kota Kinabalu	GFS 273 WTP (21/01/2025)	Low
Alam Mewah	Not stated	Sawn timber	Kota Kinabalu	-	High
Rimbunan Gagah Sdn. Bhd. (Dyna Wawasan Sdn. Bhd.)	JP(S)TD004/19(B01)	Sawn timber	Telupid	Non-Compliance	High

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

Summary Results:

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

GAPs: Year 2024				
GAP #	Type	Checklist	Status	Description
-	-	-	-	-

*Major = Non-Compliance

Observations: Year 2024		
Obs #	Checklist	Description
001-2024	5.3.2, 5.3.7, 5.3.8	March 2024: KK Resources has not conducted work safety and fire training for warehouse workers.

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

Recommendations

KK Resources 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:

Observation 001-2024 – Checklist 5.3.2, 5.3.7, 5.3.8: KK Resources should conduct work safety and fire training annually.

The next surveillance visit is scheduled for April 2025.

End of Summary Report