

## Sabah TLAS Audit Report Principles 5 & 6

<b>Organisation</b>	KK Resources Sdn. Bhd. 200701003815 (761813-W)	<b>Reference #</b>	GFSSBH 004-850
<b>Contact Person</b>	Mr. Chua Chin Ann (Director) Ms. Norshahnira Sulaiman (Admin)	<b>Audit Date</b>	24/06/2025
<b>Office Address</b>	Mile 10, Jalan Tuaran Bypass Menggatal, 88450 Kota Kinabalu, Sabah, Malaysia.	<b>Date close out</b>	-
<b>Mill Address</b>	Warehouse: Mile 10, Jalan Tuaran Bypass, Menggatal, 88450 Kota Kinabalu, Sabah, Malaysia.	<b>Telephone</b>	+6016 830 8068
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		<b>Approved By</b>	Dr. Kevin Grace

### Statements

Statement of Compliance	GFS 301 WTP		
Issuance Date	30 June 2025	Expiration Date	29 June 2026

### 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	Drybalanops spp. (Kapur), Shorea spp. (White Seraya, Selangan batu), Other Timber (OT)
Lead Assessor	Auther Itin
Assessor(s)	Sam Shamsul, Observer: Anne Gimbir
SFD Staff	Robert Mijol (SFD HQ)

### Terms of Assessment

The scope of the evaluation is to verify compliance with 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 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:**

KK Resources Sdn. Bhd. (KK Resources) is, on and from 06/02/2007, incorporated under Companies Act 2016, and is registered in Kota Kinabalu, Sabah, Malaysia, with registration #: 200701003815 (761813-W). KK Resources imported plywood from Vietnam and purchased sawn timber from the local market and then sold to the nearby residence.

**Associated Organizations & Subcontractors:**

KK Resources does not engage subcontractor to produce, manufacture products or provide manpower.

**Description of the Supply Chain:**

From May 2024 to May 2025, KK Resources purchased raw materials from the suppliers as below:

Supplier	License	Raw Material	Location	GFS WTP # STCC #	Overall Risk *
OAC Trading Sdn. Bhd.	FDS(KK)(E)030/2019	Sawn Timber	Kota Kinabalu	GFS 200 WTP (19/06/2023)	High
Kilang Papan Hiong Tiong Sdn. Bhd	JP(K)KK003/00(X04)R	Sawn Timber	Kota Kinabalu	GFS 071 WTP (24/11/2025)	Low
Alam Mewah	TRN/2020/4690	Sawn Timber	Kota Kinabalu	-	High
Power Timber Sdn. Bhd.	FDS(KK)(S)016/2019	Sawn Timber	Kota Kinabalu	GFS 273 WTP (28/03/2026)	Low
Sogoraya Sdn. Bhd.	JP(K)KK001/18(M01)	Sawn Timber	Kota Kinabalu	GFS 104 WTP (29/09/2025)	Low
Borneo Greenwood Sdn. Bhd.	FDS(KK)(E)007/2019	Sawn Timber	Kota Kinabalu	GFS 211 WTP (23/03/2026)	Low
Rich Bay Corporation Sdn. Bhd.	FDS(KK)(S)095/2019	Sawn Timber	Kota Kinabalu	GFS 277 WTP (11/05/2026)	Low
Tiong & Chun Enterprise	JP(K)KK006/00(M01)R	Sawn Timber	Keningau	GFS 308 WTP (24/10/2025)	Low
Lee Tat Lee Enterprise Sdn. Bhd.	FDS(KK)(I)002/2021	Plywood	Kota Kinabalu	GFS 290 WTP (25/05/2026)	Low
Yung Lung Trading Sdn. Bhd.	JP(K)KK001/2020(M01)	Sawn Timber	Kota Kinabalu	GFS 272 WTP (25/05/2026)	Low
V Star Import & Export Co. Ltd.	-	Plywood	Vietnam	-	High
Anh Kiet Development Trading & Services Co. Ltd.	AKKK01-202412	Plywood	Vietnam	-	High

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

**Summary Results:**

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

GAPs: Year 2025				
GAP #	Type	Checklist	Status	Description
001/2025	minor	5.3.6	New	<b>June 2025:</b> Work safety training was not conducted for workers.
002/2025	minor	6.4.1	Closed	<b>24 June 2025:</b> No summary of raw material purchased, Finished Goods and sales record. <b>30 June 2025:</b> Summary of raw material purchased, Finished Goods and sales record were established.

\*Major = Non-Compliance

Observations: Year 2025		
Obs #	Checklist	Description
001-2025	5.2.4	<b>June 2025:</b> Removal Pass was not stamped as "Used" by the SFD.
002-2025	6.2.2	<b>24 June 2025:</b>

Observations: Year 2025		
Obs #	Checklist	Description
Addressed		Incomplete documentation for import consignments such as sales contract. <b>30 June 2025:</b> Documentation for import consignments such as sales contract were provided.

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

Recommendations
<p><b>KK Resources 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 5.3.6:</b> KK Resources shall conduct work safety training for workers annually.</p> <p><b>Observation 001-2025 – Checklist 5.2.4:</b> KK Resources and SFD shall ensure that the Removal Pass is stamped as “Used” by the SFD.</p> <p>The next surveillance visit is scheduled for June 2026.</p>

**End of Summary Report**