Sabah TLAS Audit Report
Principles 5 & 6

Organisation	KK Resources Sdn. Bhd. 200701003815 (761813-W)
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Reference #	GFSSBH 004-981
Audit Date **Date close out**	24/06/2026 -
Telephone	+6016 830 8068
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Approved By	Dr. Kevin Grace

Statements			
Statement of Compliance	GFS 301 WTP		
Issuance Date	29 June 2026	Expiration Date	28 June 2027

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*. (Red seraya, Yellow seraya, Melapi, Selangan batu), *Acacia spp*., *Eucalyptus spp*. *Parashorea spp*. (White Seraya), *Eusideroxylon zwageri* (Belian), Other Timber (OT)
Lead Assessor	Ng Cai Ling
Assessor(s)	Ennald Chin
SFD Staff	Abu Bakar (PPD KK)

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 Sabah, Malaysia, with registration #: 200701003815 (761813-W). KK Resources imported plywood from Vietnam and purchased plywood and sawn timber from the local suppliers and then sold to the nearby residence.

The previous assessment was conducted in June 2025 that resulted in 1 gap(s) and 1 observation(s) (Report #: GFSSBH 004-850).

Associated Organizations & Subcontractors:

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

Description of the Supply Chain:

From June 2025 to June 2026, 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
Alam Mewah	TRN/2020/4690	Sawn timber	Kota Kinabalu	-	High
Sogoraya Sdn. Bhd.	JP(K)KK001/18(M01)	Sawn timber	Kota Kinabalu	GFS 104 WTP (06/07/2026) FDS(SCS)071/2025 (06/07/2026)	Low
Tiong & Chun Enterprise	JP(K)KK006/00(M01)R	Sawn timber	Kimanis	GFS 308 WTP (14/09/2026) FDS(SCS)085/2025 (14/09/2026)	Low
Lee Tat Lee Enterprise Sdn. Bhd.	FDS(KK)(I)002/2021	Plywood	Kota Kinabalu	GFS 290 WTP (24/05/2027) FDS(SCS)033/2025 (24/05/2027)	Low
Tafaco Production And Import Export Joint Stock Company	-	Plywood	Vietnam	-	High
Sentotimber Sdn. Bhd.	JP(N)SO001/25(X65)	Sawn timber	Sook	-	High
Seratim Sdn. Bhd.	FDS(KK)(E)064/2019	Sawn timber	Kota Kinabalu	GFS 022 WTP (14/09/2026) FDS(SCS)087/2025 (14/09/2026)	Low
Jayaramai Sdn. Bhd. (ML Sabah Trading)	JP(N)SO055/00(B01)R	Sawn timber	Sook	GFS 056 WTP (20/04/2027) FDS(SCS)143/2026 (20/04/2027)	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 2026				
GAP #	**Type**	**Checklist**	**Status**	**Description**
001/2025	minor	5.3.6	Outstanding	**June 2025:** Work safety training was not conducted for workers. **June 2026:** Training for work safety was not conducted for workers.
001/2026	minor	5.1.6, 5.2.12	New	**June 2026:** The CoC procedure does not adequately define receiving of materials and Finished Goods at the warehouse.

002/2026	minor	5.2.1, 5.2.3, 5.2.5, 6.1.1, 6.1.2	New	**June 2026:** Inconsistent in issuing Purchase Orders to suppliers that includes Sabah TLAS status of material as per the CoC procedure.
003/2026	minor	6.4.1	New	**June 2026:** Recording for Sabah TLAS status of sawn timber based on Risk Assessment without identification on the Purchase Order was incorrect.

*Major = Non-Compliance

Observations: Year 2026		
Obs #	**Checklist**	**Description**
001-2025 Addressed	5.2.4	**June 2025:** Removal Pass was not stamped as "Used" by the SFD. **June 2026:** Removal pass was stamped as "Used" by the SFD.
001-2026	5.1.3, 5.2.4, 6.1.3	**June 2026:** Arrival records maintained on excel spreadsheets were not available during the assessment thus a back-up or hard copy (arrival book) should be available.

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:
Gap 001/2025 (minor) Outstanding – Checklist 5.3.6: KK Resources shall conduct work safety training for workers annually and when there are new workers.
Gap 001/2026 (minor) – Checklist 5.1.6, 5.2.12: The CoC procedure shall adequately define the receiving of materials and Finished Goods at the warehouse.
Gap 002/2026 (minor) – Checklist 5.2.1, 5.2.3, 5.2.5, 6.1.1, 6.1.2: KK Resources shall use Purchase Orders to purchase materials including identification of Sabah TLAS status as per the CoC procedure.
Gap 003/2026 (minor) – Checklist 6.4.1: Status of sawn timber received shall be recorded correctly based on both Risk Assessment and the status of materials defined on Purchase Orders.
Observation 001-2026 – Checklist 5.1.3, 5.2.4, 6.1.3: Receiving records of materials at the warehouse shall be maintained that can include hardcopies or arrival book.

The next surveillance visit is scheduled for June 2027.

End of Summary Report