

## Sabah TLAS Audit Report Principles 5 & 6

<b>Organisation</b>	MKK Enterprise (Sole proprietorship)	<b>Reference #</b>	GFSSBH 004-936
<b>Contact Person</b>	Mr. Mun Kuan Kee (Manager)	<b>Audit Date</b>	24/03/2026
<b>Office Address</b>	OAC Trading Sdn. Bhd.: No. 88, Jalan Kitobu Keronggu, 88450 Kota Kinabalu, Sabah, Malaysia.	<b>Date close out</b>	-
<b>Mill Address</b>	Warehouse: OAC Trading Sdn. Bhd.: No. 88, Jalan Kitobu Keronggu, 88450 Kota Kinabalu, Sabah, Malaysia.	<b>Telephone</b>	+6019 810 7252
<b>Email</b>	mkk7252@yahoo.com DFO KK: ZuridahNorfarizan.Jeragan@sabah.gov.my PPW KK: MohdNasir.AgSuman@sabah.gov.my	<b>Fax</b>	-
		<b>Approved By</b>	Dr. Kevin Grace

### Statements

Statement of Compliance	GFS 279 WTP		
Issuance Date	30 March 2026	Expiration Date	29 March 2027

### Assessment Details

Company Type	Importer
Scope of Assessment	Sabah TLAS P5-6: FDS(KK)(I)040/2019
Product Group	Sawn timber
Source of Material	Sabah
Species	OT (Other Timber)
Lead Assessor	Sheanna Kehong, (Acting Lead Auditor) Ng Cai Ling
Assessor(s)	Rachal Jim (UMS Internship)
SFD Staff	De-Almeida G. Y. (PPD Kota Kinabalu)

### Terms of Assessment

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

MKK Enterprise is a sole proprietor; thus, it does not require registering under the Companies Commission of Malaysia (SSM). MKK Enterprise purchases and imports sawn timber for the local market; however, as of the March 2026 assessment, MKK Enterprise has not imported timber or timber products. MKK Enterprise only purchases sawn timber from their main supplier, OAC Trading.

The previous assessment was conducted in March 2025 that resulted in 1 gap(s) and 1 observation(s) (Report #: GFSSBH 004-801).

**Associated Organizations & Subcontractors:**

MKK Enterprise does not engage other companies as their subcontractor to manufacture products. R.M Services handles the import documents for MKK Enterprise.

**Description of the Supply Chain:**

From February 2025 to February 2026, MKK Enterprise 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

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

**Summary Results:**

(Major gap = 0, Minor gap = 1, Observation = 2)

GAPs: Year 2026				
GAP #	Type	Checklist	Status	Description
001/2025	minor	5.3.5	Closed	<b>March 2025:</b> No SOCSO contribution for the director. <b>March 2026:</b> SOCSO contribution was not eligible for one of the employees.
001/2026	minor	6.4.1	New	<b>March 2026:</b> MKK Enterprise has yet to establish monthly summary records for material purchased, and sales.

\*Major = Non-Compliance

Observations: Year 2026		
Obs #	Checklist	Description
002-2025 Addressed	5.3.1, 5.3.2	<b>March 2025:</b> MKK Enterprise has not established an employment agreement for employees. <b>March 2026:</b> MKK Enterprise has established an employment agreement for one of the employees.
001-2026	5.2.1, 5.2.3, 6.1.1, 6.1.2, 6.1.3	<b>March 2026:</b> The current purchasing system is not according to the COC procedure.
002-2026	5.2.4	<b>March 2026:</b> MKK Enterprise did not maintain arrival book/record for materials received.

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

**Recommendations**

**MKK Enterprise** 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 001/2026 (minor) – Checklist 6.4.1:** MKK Enterprise shall establish a monthly summary of material purchased and sales.

**Observation 001-2026 – Checklist 5.2.1, 5.2.3, 6.1.1, 6.1.2, 6.1.3:** MKK Enterprise shall ensure the current purchasing system is according to the COC procedure.

**Observation 002-2026 – Checklist 5.2.4:** MKK Enterprise should maintain arrival book/record for materials received.

The next surveillance visit is scheduled for March 2027.

**End of Summary Report**