

Sabah TLAS Audit Report Principles 5 & 6

Organisation	The Manager: Mekaworld Sdn. Bhd. 201401016161 (1092247-D) The Employer: Kilang Papan Pitas Sdn. Bhd. 198901005334 (182639-T)	Reference #	GFSSBH 004-761
Contact Person	Mr. Yip Ho Sheng (Mill Assistant Manager)	Audit Date	10/12/2024
Office Address	4 th Floor, Lot 12, Block A, Warisan Square, P. O. Box 10018, 88800 Kota Kinabalu, Sabah, Malaysia.	Date close out	-
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		Approved By	Dr. Kevin Grace

Statements

Statement of Compliance	GFS 136 WTP		
Issuance Date	16 December 2024	Expiration Date	15 December 2025

Assessment Details

Company Type	Sawmill
Scope of Assessment	Sabah TLAS P5-6: JP(D)PS009/01(B01), KON(DPS)001/19(KK)
Product Group	Sawn timber, sawdust
Source of Material	Sabah, Malaysia
Species	Shorea spp. (Red/Yellow seraya/Melapi), Parashorea spp. (White seraya), Actinodaphne spp. (MD Medang), Dryobalanops spp. (Kapur), Shorea inappendiculate (Selangan batu), Lithocarpus spp. (Mempening), Albizia Falcataria, Annonaceae (Karai), paquium spp. (Nyatoh), Pelawan-pelawan, Dialium indum (KerANJI), Hopea sangal (Gagil), Dipterocarpus spp. (Keruing), Koompassia malaccensis (Impas), Dillenia spp. (Simpoh), Goniiothalamus spp. (Mempisang), Vatica spp. (Resak)
Lead Assessor	Anne G. Grace
Assessor(s)	Brandon James, Teddy Quintin
SFD Staff	Martha @ Hana Manji (ADFO Pitas), Dennes Justin Mark (PPD Pitas), Erik Micheal (PPD Pitas), Raymund Kimlaw (PPD Pitas)

Terms of Assessment

The scope of the evaluation is to verify compliance with Kilang Papan Pitas Sdn. Bhd. (Mekaworld 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:

Kilang Papan Pitas Sdn. Bhd. (Kilang Papan Pitas) is, on and from 01/06/1989, incorporated under Companies Act 2016, and is registered in Kuala Lumpur, Malaysia, with registration #: 198901005334 (182639-T). Mekaworld Sdn. Bhd. (Mekaworld) is, on and from 06/05/2014, incorporated under Companies Act 2016, and is registered in Kota Kinabalu, Malaysia, with registration #: 201401016161 (1092247-D).

Mekaworld has a tenancy agreement for sawn timber production with Kilang Papan Pitas and valid until 31/05/2023; however, no new agreement extended. Mekaworld produced sawn timber for the local market only.

Associated Organizations & Subcontractors:

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

Description of the Supply Chain:

From October 2023 to November 2024, Mekaworld purchased raw materials from the suppliers as below:

Supplier	License	Raw Material	Location	GFS WTP # STCC #	Overall Risk *
Topsure Development Sdn. Bhd. (Mark AK Construction Sdn. Bhd.)	JPHTN(FIIB)DKM-2023/01	Round logs	Kota Marudu	Non-Compliance	High
Rakyat Berjaya Sdn. Bhd. (Waygood Enterprise Sdn. Bhd.)	JP(DPS)010/2023(F1)	Round logs	Pitas	GFS 198 LVS (07/04/2025)	Low
Wong Ann Siong @ Wong On Siong	JPHTN/KM:700/2/5/JL D.19/(60)	Plantation logs	Kota Marudu	-	High
Andohi Bt. Pangajum & 6 Peserta (Brilliant Junction Sdn. Bhd.)	JPHTN/FRM:700-2/4/4/JLD.4/(20)	Round logs	Kota Marudu	-	High

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

Summary Results:

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

GAPs: Year 2024				
GAP #	Type	Checklist	Status	Description
001/2024	minor	5.2.1, 6.1.1, 6.1.2, 6.1.3, 6.1.4	New	December 2024: The current purchasing system is not according to the COC procedure.
002/2024	minor	5.2.11, 5.2.12	New	December 2024: Lack of identification of batch number and Sabah TLAS status from receiving to WIP & Finished Goods as per the CoC procedure.

*Major = Non-Compliance

Observations: Year 2024		
Obs #	Checklist	Description
001-2024	5.1.3, 5.2.8	December 2024: No record of Appendix 1 manual submissions to SFD from September 2022 to September 2023.
002-2024	5.3.6	December 2024: Lack of agenda and training photos.

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

Recommendations

Kilang Papan Pitas Sdn. Bhd. (Mekaworld 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 5.2.1, 6.1.1, 6.1.2, 6.1.3, 6.1.4: Kilang Papan Pitas shall ensure the current purchasing system is according to the CoC procedure.

Gap 002/2024 (minor) – Checklist 5.2.11, 5.2.12: Mekaworld shall identify batch number and Sabah TLAS status for all materials from receiving to WIP and FG as per the CoC procedure.

Observation 001-2024 – Checklist 5.1.3, 5.2.8: Kilang Papan Pitas should record and submit Appendix 7 manual submissions from 2022 to Sep 2023 to the SFD.

Observation 002-2024 – Checklist 5.3.6: Training should include agenda and photo evidence.

The next surveillance visit is scheduled for December 2025.

End of Summary Report