

Sabah TLAS Audit Report Principles 5 & 6

Organisation	Kim Guan Impex Sdn. Bhd. (665123-A)	Reference #	GFSSBH 004-593
Contact Person	Lewis Lew (Manager)	Audit Date	19/12/2023
Office Address	Jalan Undan 5 ½, Off Jalan Tuaran, Inanam, 88450 Kota Kinabalu, P.O Box 867, 89357 Inanam, Kota Kinabalu, Sabah, Malaysia.	Date close out	-
Mill Address	Warehouse: Jalan Undan 5 ½, Off Jalan Tuaran, Inanam, 88450 Kota Kinabalu, P.O Box 867, 89357 Inanam, Kota Kinabalu, Sabah, Malaysia.	Telephone	+6019 852 3215
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		Approved By	Dr. Kevin Grace

Statements

Audit Statement #	GFS 258 WTP		
Issuance Date	26 December 2023	Expiration Date	25 December 2024

Assessment Details

Company Type	Importer, Exporter
Scope of Assessment	Sabah TLAS P5-6: FDS(KK)(I)021/2019, FDS(KK)(E)018/2022, FDS(KK)(S)011/2022
Product Group	Plywood & Blockboard
Source of Material	Indonesia, Vietnam, China and Peninsular Malaysia
Species	Indonesia: <i>Acacia spp.</i> (Acacia), <i>Albizia falcataria</i> (Albizia) Vietnam: <i>Acacia spp.</i> (Acacia) China: <i>Populus spp.</i> (Poplar), <i>Entandrophragma cylindricum</i> (Sapelli) Peninsular Malaysia: <i>Albizia falcataria</i> (Albizia)
Lead Assessor	Brandon James
Assessor(s)	Sandra George
FDS Staff	Robert Mijol (SFM-FLEGT SFD), Abu Bakar (PPD Kota Kinabalu)

Terms of Assessment

The scope of the evaluation is to verify compliance of Kim Guan Impex 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:

Kim Guan Impex Sdn. Bhd. (Kim Guan Impex) is registered in Johor Bahru, Malaysia, with registration # 665123-A. Kim Guan Impex imports plywood and blockboard from Indonesia, Vietnam, China and Peninsular Malaysia for the local market and exports them to Labuan.

The previous assessment was conducted in January 2023 that resulted in 3 gap(s) and 0 observation(s) (Report #: GFSSBH 004-447).

Associated Organizations & Subcontractors:

Kim Guan Impex does not engage other companies as their subcontractors to provide or manufacture products.

Description of the Supply Chain:

From December 2022 to November 2023, Kim Guan Impex purchased products from the suppliers as below:

Supplier	License	Raw Material	Location	GFS WTP # STCC #	Overall Risk *
Xuzhou Jiatai International Trading Co. Ltd	Not stated	Poplar Plywood	China	-	High
PT Wijaya Cahaya Timber	Not stated	Albizia Plywood	Indonesia	VLK 00051	Low
PT Sumber Graha Sejahtera	Not stated	Albizia Plywood	Indonesia	LVLK 003/MUTU/LK-014	Low
PT Sukses Mitra Sejahtera	Not stated	Albizia Plywood	Indonesia	571.SLK.010-IDN	Low
PT Putra Tunas Subur	Not stated	Albizia Plywood	Indonesia	SMART-LK-013	Low
PT Phoenix Agung Pratama	Not stated	Albizia Plywood	Indonesia	-	High
PT Panca Karya Kayoe	Not stated	Albizia Plywood	Indonesia	SMART-LK-021	Low
PT Kayu Lima Sentosa	Not stated	Albizia Plywood	Indonesia	SCS-SVLK-000042	Low
PT Indo Furnitama Raya	Not stated	Albizia Plywood	Indonesia	SGS-ID-VLK-0001	Low
PT Anugerah Raja Rimba	Not stated	Albizia Plywood	Indonesia	SMART-LK-029	Low
Plywood Star Co. Ltd	Not stated	Acacia Plywood	Vietnam	SGSHK-COC-370370	Low
Nhat Nguyet Thanh Co. Ltd	Not stated	Acacia Plywood	Vietnam	-	High
Khang Ninh Wood Company Limited	Not stated	Acacia Plywood	Vietnam	-	High
Giang Phan Company Limited	Not stated	Acacia Plywood	Vietnam	-	High
CV Sinar Sengon Sejahtera	Not stated	Albizia Plywood	Indonesia	LVLK-003/MUTU/LK-169	Low
CV Phoenix Agung Prima	Not stated	Albizia Plywood	Indonesia	BRIK-VLK-029	Low
CV Anugerah Alam Abadi	Not stated	Albizia Plywood	Indonesia	LVLK-003/MUTU/LK-402	Low
An Lam Co. Ltd	Not stated	Acacia Plywood	Vietnam	SGSHK-COC-370207	Low
Combi Trading Sdn. Bhd.	Not stated	Albizia Blockboard	Malaysia	-	High

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

Summary Results:

(Major gap = 0, Minor gap = 3, Observation = 0)

GAPs: Year 2023				
GAP #	Type	Checklist	Status	Description
002/2022	minor	5.3.2	Closed	January 2022:

		5.3.7		No evidence of safety and fire training conducted for 2020 & 2021. January 2023: The training was limited to fire safety and did not include work safety for material handling in the warehouse. Records of fire training were incomplete. December 2023: Kim Guan Impex has conducted a work safety & fire training for warehouse workers.
003/2022	minor	6.2.4	Outstanding	January 2022: No evidence of Risk Assessment has been conducted for imported material. January 2023: Kim Guan Impex has yet to conduct a risk assessment for imported products as per the CoC procedure. December 2023: Inconsistent in assessing risk for suppliers against Risk Assessment Guidelines and Matrix.
001/2023	minor	5.2.7	New	December 2023: Kim Guan Impex incorrectly identified imported materials from several high-risk suppliers as VL on the receiving records.
002/2023	minor	6.1.2 6.1.3	New	December 2023: Kim Guan Impex did not keep the copies of the SFD export approval in its office.

*Major = Non-Compliance

Observations: Year 2023		
Obs #	Checklist	Description
-	-	-

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

Recommendations
<p>Kim Guan Impex 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.</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>Gap 001/2023 (minor) – Checklist 5.2.7: Kim Guan shall identify the imported materials correctly against the Risk Assessment Guidelines and Matrix.</p> <p>Gap 003/2022 (minor) - Checklist 6.2.4: Kim Guan Impex shall identify suppliers correctly against the Risk Assessment Guidelines and Matrix.</p> <p>Gap 001/2023 (minor) - Checklist 6.1.2, 6.1.3: Kim Guan Impex shall keep all copies of SFD export approval documents in its office.</p> <p>The next surveillance visit is scheduled for December 2024.</p>

End of Summary Report