

## Sabah TLAS Audit Report Principles 5 & 6

<b>Organisation</b>	Licensee: Win Kee Timber Enterprise (Sole proprietorship) Tenant: Pemborong KF Maju (Sole proprietorship)	<b>Reference #</b>	GFSSBH 004-720
<b>Contact Person</b>	Mr. Fong Kin Shak (Director)	<b>Audit Date</b>	12/09/2024
<b>Office Address</b>	Kg. Kikiran, Pekan Baru Apin-Apin, Peti Surat 94, 89007 Keningau, Sabah, Malaysia.	<b>Date close out</b>	-
<b>Mill Address</b>	Kg. Kikiran, Pekan Baru Apin-Apin, Peti Surat 94, 89007 Keningau, Sabah, Malaysia.	<b>Telephone</b>	+6014 280 6668
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		<b>Approved By</b>	Dr. Kevin Grace

### Statements

Statement of Compliance	GFS 229 WTP		
Issuance Date	17 September 2024	Expiration Date	16 September 2025

### Assessment Details

Company Type	Sawmill
Scope of Assessment	Sabah TLAS P5-6: JP(N)KG001/18(X04), KON(NKG)006/18(KK)
Product Group	Wooden pallet
Source of Material	Sabah, Malaysia
Species	Rejected log: Hevea brasiliensis (Rubber wood) & mixed species
Lead Assessor	Anne G. Grace
Assessor(s)	Anis Andrew
SFD Staff	Clarice Alliun (ADFO), Georgey M (PPD KGU)

### Terms of Assessment

The scope of the evaluation is to verify compliance with Win Kee Timber Enterprise (Pemborong KF Maju) 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:**

Win Kee Timber Enterprise is a sole proprietor. Hence, does not require registration with Companies Commission Malaysia.

Win Kee Timber Enterprise has a tenancy agreement, leases its premises and mill facilities to Pemborong KF Maju (wholly owned by Mr. Fong Kin Shak) for production to produce wooden pallets from rejected logs or wood waste, which are sold locally.

**Associated Organizations & Subcontractors:**

Pemborong KF Maju does not engage subcontractor to produce, manufacture products or provide manpower.

**Description of the Supply Chain:**

From June 2023 to July 2024, Pemborong KJ Maju purchased raw materials from the suppliers as below:

Supplier	License	Raw Material	Location	GFS WTP # STCC #	Overall Risk *
Veracity Corporation Sdn. Bhd.	JP(N)KG001/00(X02)R	Wood core	Keningau		
Taya Bawamat	JPHTN/TNM700-2/5/1/JLD17-262	Rubberwood	Sook	-	Low
Rining B. Mansih	JPHTN/TNM700-2/5/1/JLD17-262	Rubberwood	Tenom	-	Low
Tinah Binti Hassan	JPHTN/KGU700-2/5/2/JLD38-102	Rubberwood	Keningau	-	Low
Chung Tze Ye	JPHTN/TNM700-2/5/1/JLD21-92	Rubberwood	Sook	-	Low
Chin Vui Hiung	JPHTN/TNM700-2/5/1/JLD.20(67)	Rubberwood	Tenom	-	Low
Tony Ambikin	JPHTN/TNM700-215/1/JLD10,20(71)	Rubberwood	Tenom	-	Low
Alaysius@Alexus B. Paulus	JPHTN/KGU700-2/5/2/JLD.38/58	Rubberwood	Keningau	-	Low
Rima Bin Jonpu	JPHTN/KGU700-2/5/2/JLD.38/66	Rubberwood	Keningau	-	Low
Giung Binti Tinggang	JPHTN/KGU700-2/5/2/JLD.38/74	Rubberwood	Keningau	-	Low
Vincena Binti Lingungud	JPHTN/KGU700-2/5/2/JLD.38/80	Rubberwood	Keningau	-	Low
Asin Sabio	Not stated	Rubberwood	Sook	-	Low

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

**Summary Results:**

(Major gap = 0, Minor gap = 2, Observation = 3)

GAPs: Year 2024				
GAP #	Type	Checklist	Status	Description
001/2024	minor	5.2.7, 5.2.11, 5.2.12	New	<b>September 2024:</b> Inconsistent in implementing the CoC system for traceability.
002/2024	minor	5.2.9	New	<b>September 2024:</b> Expired tenancy agreement and Pemborong KF Maju has no mill contractor to operate the sawmill.

\*Major = Non-Compliance

Observations: Year 2024		
Obs #	Checklist	Description
001-2024	5.1.2, 5.2.8	<b>September 2024:</b> Appendix 1 & 7 manual submissions were not submitted to the SFD.
002-2024	5.2.1, 6.1.1, 6.1.2, 6.1.3, 6.1.4	<b>September 2024:</b> The current system for purchasing is not according to the COC procedure.
003-2024	5.3.7	<b>September 2024:</b> PPE record was not developed and maintained.

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

Recommendations
<p><b>Win Kee Timber Enterprise (Pemborong KF Maju)</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 001/2024 (minor) – Checklist 5.2.7, 5.2.11, 5.2.12:</b> Pemborong KF Maju shall follow the CoC procedure for traceability.</p> <p><b>Gap 002/2024 (minor) – Checklist 5.2.9:</b> Win Kee Timber Enterprise should have a valid tenancy agreement with Pemborong KF Maju and Pemborong KF Maju should register as a mill contractor since they're operating the mill under the tenancy agreement.</p> <p><b>Observation 001-2024 – Checklist 5.1.2, 5.2.8:</b> Pemborong KF Maju should submit June 2023 to Aug 2024 manual submissions for Appendix 1 &amp; 7 to the SFD.</p> <p><b>Observation 002-2024 – Checklist 5.2.1, 6.1.1, 6.1.2, 6.1.3, 6.1.4:</b> Pemborong KF Maju should follow the CoC procedure by using Purchase Orders to purchase materials.</p> <p><b>Observation 003-2024 – Checklist 5.3.7:</b> Win Kee Timber Enterprise should develop and maintain record of PPE issued to workers.</p> <p>The next surveillance visit is scheduled for September 2025.</p>

**End of Summary Report**