Sabah TLAS Audit Report
Principles 5 & 6

Organisation	Licensee: Win Kee Timber Enterprise Tenant: Mr. Fong Kin Shak
Contact Person	Fong Kin Shak (Director) Wong Men Guan (Mill Manager)
Office Address	Kg. Kikiran, Pekan Baru Apin-Apin, Peti Surat 94, 89007 Keningau, Sabah.
Mill Address	Kg. Kikiran, Pekan Baru Apin-Apin, Peti Surat 94, 89007 Keningau, Sabah.
Email	-

Reference #	G162-502a
Audit Date **Date close out**	28/11/2018 -
Telephone	+6019 534 7188 (Mr. Fong) +6014 280 6668 (Mr.Wong)
Fax	-
Approved By	Dr. Kevin Grace

Statements			
Audit Statement #	GFS 229 WTP		
Issuance Date	01 January 2019	Expiration Date	31 December 2019

Assessment Details	
Company Type	Sawmill
Scope of Assessment	Sabah TLAS P5 – 6: JP(N)KG001/18(X04)
Product Group	***Not Available*** – No finished products were observed during the assessment.
Source of Material	***Not Applicable*** – No arrival of raw material as of November 2018.
Species	***Not Applicable*** - Mill operation has yet to start.
Lead Assessor	Cynthia D. John
Assessor(s)	Franklin Emang and Priera Bagang
FDS Staff	Hj. Muhd Razali bin Mohammad (SFMO Keningau), RHK Moses Stephen (KPPM Senagang)

Terms of Assessment

The scope of the evaluation is to verify compliance of the Win Kee Timber 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 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:

Win Kee Timber Enterprise (Win Kee Timber) is a sole proprietor hence does not require for registration with Companies Commission Malaysia (SSM). As of November 2018, the mill operation has yet to commence.

Associated Organizations & Subcontractors:

The mill facilities were leased to Mr. Fong Kin Shak (Mr. Fong) for sawn timbers production. The tenancy agreement was recently signed on 1st November 2018 and valid until 31st October 2020.
Mr. Fong is in the midst of setting up the mill facilities (bandsaws, power-line, workers quarters and office).

The previous tenant managed the operation hence the material is not within the audit scope.

Description of the Supply Chain:

In November 2018, Mr. Fong does not receive raw material from the suppliers as below.

Supplier	License	Raw Material	Location	FDS TLAS-CC# (Validity)	GFS Audit Statement (Validity)
-	-	-	-	-	-

Summary Results:

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

GAPs:			
GAP #	**Type**	**Checklist**	**Description**
001/2018	Minor	5.2.4	Mr. Fong lacks a CoC system in respect to the development of the planned production system.
002/2018	Minor	5.3.3	No evidence was observed that the mill has been registered to DOSH.
003/2018	Minor	6.1.2	Tenancy agreement was recently signed on 1st November 2018. The mill operation has yet to commence. Mr. Fong has yet to register as a Mill Contractor as stipulated in the Chief Conservator of Forest Circular, CF 21/2017 Clause (iii); Page 4 (Ref.#: JPHTN/KKH: 100 – 4/1/Jld 3/ (65) dated 26th May 2017).

*Major = Non-Compliance

Status of Outstanding GAPs:				
GAP #	**Type**	**Checklist**	**Status**	**Description**
-	-	-	-	-

Observations:		
OBS #	**Checklist #**	**Description**
-	-	-

Highlights of Close-Out Visit (if applicable)	Date -

Recommendations

Win Kee Timber Enterprise has demonstrated compliance with the Sabah Standard Principles 5-6 for Chain of Custody and is recommended to receive a GFS Audit Statement and Sabah Timber Legality Assurance System Compliance Certificate (TLAS-CC) by FDS.

Minor Gaps identified in this assessment should be addressed before the next surveillance visit. Actions required to close the gaps include:

Gap 001/2018 (Minor) – Checklist 5.2.4: Develop a documented Chain of Custody system as an integral part of the planned production system that includes purchasing Sabah TLAS raw material, receiving and

identification of Sabah TLAS raw material; allocation to a production batch unit; identification and traceability of the production batch unit through finished products and sales of Sabah TLAS products.

Gap 002/2018 (Minor) – Checklist 5.3.3: To register with DOSH as the mill has wood processing facilities and machineries e.g. air receiver, boiler, etc.

Gap 003/2018 (Minor) – Checklist 6.1.2: To register as a Mill Contractor to FDS as stated in the circular CF 21/2017 (Ref.#: JPHTN/KKH: 100 – 4/1/Jld 3/ (65) dated 26th May 2017).

The next surveillance visit is scheduled in November 2019.

End of Summary Report