

Sabah TLAS Audit Report Principles 5 & 6

Organisation	Sinora Sdn. Bhd. 197401001920 (019049-H)	Reference #	GFSSBH 004-715
Contact Person	Nur-Iqlima Roslan (Secretary)	Audit Date	20/08/2024
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		Approved By	Dr. Kevin Grace

Statements			
Statement of Compliance	GFS 212 WTP		
Issuance Date	26 August 2024	Expiration Date	25 August 2025

Assessment Details	
Company Type	Sawmill & Plywood Mill, Exporter, Importer
Scope of Assessment	Sabah TLAS P5-6: JP(S)SS001/00(X06)R, FDS(SS)(E)016/2019(M), FDS(SS)(S)018/2019(M), FDS(SS)(I)036/2019(M), FDS(SS)(J)026/2019(M)
Product Group	Plywood
Source of Material	Sabah, Malaysia.
Species	<i>Shorea spp.</i> (Red Seraya, Yellow Seraya), <i>Scaphium spp.</i> (Kembang Semangkuk), <i>Sapotaceae spp.</i> (Nyatoh), <i>Sindora beccariana</i> (Sepetir), <i>Drybalanops spp.</i> (Kapur), <i>Dyera spp.</i> (Jelutong), <i>Duabanga moluccana</i> (Magas), <i>Parartocarpus or Artocarpus spp.</i> (Terap), <i>Dipterocarpus spp.</i> (Keruing), <i>Parashorea spp.</i> (White Seraya), <i>Octomeles sumatrana</i> (Binuang), <i>Nauclea spp. / Neonauclea spp.</i> (Bangkal), <i>Hopea sangal</i> (Gagil), <i>Beccariana spp.</i> (Sepetir), <i>Prerospermum spp.</i> (Bayor), <i>Dialium indum</i> (KerANJI), <i>Alstonia spp.</i> (Pulai), <i>Neolamarckia cadamba</i> (Laran), <i>Sapotaceae spp.</i> (Nyatoh), <i>Pentace spp.</i> (Takalis), <i>Planchonia valida</i> (Putat), <i>Shorea pauciflora</i> (Oba Suluk), <i>Annonaceae spp.</i> (Pisang-pisang), <i>Castanopsis motleyana</i> (Berangan), <i>Albizia spp.</i> , <i>Myristicaceae spp.</i> (Darah-darah), <i>Combretocarpus spp.</i> (Perapat Hutan), and Other timber (OT)
Lead Assessor	Glory Linggou
Assessor(s)	Brandon James, Anis Andrew
SFD Staff	-

Terms of Assessment
The scope of the evaluation is to verify compliance with Sinora 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:

Sinora Sdn. Bhd. (Sinora) is, on from 13/06/1974, incorporated under Companies Act 2016 is registered in Tawau, Malaysia, with registration #: 197401001920 (19049-H). Sinora produces and exports plywood to Japan. Sinora holds a PEFC certification (PEFC #: ICMY-PEFC-COC-T1034088), valid until 08/08/2029.

Associated Organizations & Subcontractors:

Sinora does not engage any other subcontractor to produce or manufacture products.

Priceworth International Berhad changed it's name to Maxland Berhad and has a corporate structure under timber that consists of:

- Sinora Sdn. Bhd.
- Beta Bumi Sdn. Bhd.
- Innora Sdn. Bhd.
- Priceworth Industries Sdn. Bhd. > (Maxland Timber Sdn. Bhd. & Rimbunan Gagah Sdn. Bhd.)

Description of the Supply Chain:

From July 2023 to July 2024, Sinora purchased raw materials from the suppliers as below:

Supplier	License	Raw Material	Location	GFS WTP # STCC #	Overall Risk *
Azam Surianiaga Sdn. Bhd.	SFMLA 02/2018	Round logs	Kota Marudu	GFS 171 LVS (24/03/2025)	Low
Rakyat Berjaya Sdn. Bhd. (Beta Bumi Sdn. Bhd.)	SFMLA 09/97	Round logs	Tongod	GFS 038 LVS (17/09/2024)	Low
TSH Resources Berhad	SFMLA 07/1997	Round logs	Beluran	Non-Compliance	High
Chong Nyet Thiam @ John Chong	JPHTN/FRM 700-2/4/845/19	Round logs	Kinabatangan	Non-Compliance	High
Sinora Sdn. Bhd. (Stumping A)	JP(S)TG 002/06(X21)	Veneer	Tongod	GFS 252 WTP (22/10/2024)	Low
KTS Plantation Sdn. Bhd.	JP(SLK)125/93(CO)	Round logs	Sandakan	Non-Compliance	High**
Maxland Sdn. Bhd. – A, B, C	SFMLA 01/07	Round logs	Deramakot	GFS 009 LVS (21/12/2024)	Low
Francis Bin Madangan & 40 Peserta	JP(STG)006/21(F1)	Round logs	Tongod	Non-Compliance	High

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

**Logs received before the expiry date are considered as low risk.

Summary Results:

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

GAPs: Year 2024				
GAP #	Type	Checklist	Status	Description
001/2024	Minor	5.1.3, 5.2.8	New	August 2024: Incorrect recording of input and log supply in Appendix 3. The manual submission for Appendix 1 and 3 was not submitted to SFD.
002/2024	Minor	5.3.2	New	August 2024: Total foreign workers employed exceeded the quota to hire foreign workers.

*Major = Non-Compliance

Observations: Year 2024		
Obs #	Checklist	Description
001-2024	5.2.4	August 2024: Several removal passes were not stamped as "Used."
002-2024	6.3.2	August 2024: Plywood was exported without a valid export license.

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

Recommendations
<p>Sinora 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 001/2024 (minor) – Checklist 5.1.3, 5.2.8: Sinora shall record the input and log supply volume in Appendix 3 correctly and submit the Appendix 1 & 3 manual to the SFD.</p> <p>Gap 002/2024 (minor) – Checklist 5.3.2: Sinora shall ensure the total of foreign workers does not exceed the JTK quota.</p> <p>Observation 001-2024 – Checklist 5.2.4: Sinora shall ensure all removal passes for export consignments were stamped as “Used.”</p> <p>Observation 002-2024 – Checklist 6.3.2: Sinora and the SFD shall ensure that the export license is valid prior to the export of timber products.</p> <p>The next surveillance visit is scheduled for August 2025.</p>

End of Summary Report