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Sarawak Audit Checklist / Report

STLVS Principles 5 & 6

Company	Linshanhao Plywood (Sarawak) Sdn. Bhd. (180651-X)	Reference #	GFSS 057-009
Contact Person	Liu Chee Kiong (Finance & Administration Manager)	Audit Date	27/08/2020
Office Address	Lot 699, Block 7, Demak Laut Industrial Park, Jalan Bako, 93990 Kuching, Sarawak, Malaysia.	Report Date	28/08/2020
Mill Address	Lot 699, Block 7, Demak Laut Industrial Park, Jalan Bako, 93990 Kuching, Sarawak, Malaysia.	Telephone	+6082 439 119
Email	liuchk@wtk.com.my	Fax	-
		Telephone	+6082 439 229
		Fax	-
		Approved By	Dr. Kevin Grace

Statements			
GFS Statement of Compliance #	GFS 181 WTP		
Issuance Date	01 September 2020	Expiration Date	31 August 2021

Assessment Details	
Company Type	Manufacturing
Scope of Assessment	STLVS P5&6: Desk Assessment
Product Group	Core product, Floor base plywood, secondary products, structural panel, general plywood and concrete panel
Source of Material	Sarawak licensed areas: FTL No. T/3401, FTL No. T/3476, FTL No. T/3081, FTL No. T/3080, FTL No. T/0518, FTL No. T/3064
Species	<i>Durio spp.</i> (Durian), <i>Sindora spp.</i> (Tampar hantu), <i>Mezzettia spp.</i> (Kepayang babi), <i>Shorea spp.</i> (Meranti), <i>Dryobalanops spp.</i> (Kapur), <i>Dyera spp.</i> (Jelutong), <i>Sapotaceae spp.</i> (Nyatoh), <i>Caratoxylum spp.</i> (Geronggang), <i>Castanopsis spp.</i> (Berangan), <i>Gluta/Semecarpus/Melanochyla & Swintonia</i> (Rengas hutan), <i>(Alstonia spp. / Kibatalia spp.</i> (Pelai), <i>Cephalomappa spp.</i> (Arau), <i>Mangifera spp.</i> (Asam), <i>Cinnamomum spp.</i> (Medang), <i>Anisoptera spp.</i> (Mersawa), <i>Artocarpus spp.</i> (Terap), <i>Buchanania spp.</i> (Terentang), <i>Millettia spp.</i> (Kedang belum), <i>Parishia spp.</i> (Upi)
Close Out Date	Not Applicable
GFS Lead Assessor	Franklin Emang
GFS Assessor(s)	-
Others	Mr. Liu Chee Kiong, Mr. Michael Lim Thiam Phong, Mr. Tiong Heu Hing, Mrs. Catrina Tay, Mr. Jeffrey Kiu Shiu Liong

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Terms of Assessment
<p>The scope of the evaluation is to verify compliance of the Company and subcontractors to the criteria within the Sarawak Timber Legality Verification System (STLVS) (v02 dated 29 Jan 2019) Principle 5 - Mill Operations and Principle 6 - Trade and Customs. Compliance is defined when the organization demonstrates that there is no non-compliance to any applicable criteria. Any non-compliance must be formally addressed in accordance to the STLVS auditing manual and prior to issuance of a GFS Audit Statement.</p>

Limitations of Assessment
<p>The information presented in this report is based on documentation and other information presented by the client and observations made during the site verification under the scope of assessment. GFS 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.</p>

Background Information:

Linshanhao Plywood (Sarawak) Sdn. Bhd. (Linshanhao Plywood) is located in Sarawak, Malaysia with registration # 180651-X. Linshanhao Plywood was formed in 1989 as a joint venture between Lin Shan Hao Plywood, Taiwan and Sarawak Timber Industry Development Corporation (STIDC), and is now a wholly owned subsidiary of WTK Holdings Berhad. Apart from timber, the WTK Group is also engaged in the following sectors: palm oil, hotels, insurance, property development, trading, and adhesive tapes manufacture.

The mill manufactures plywood, which it exports mostly to Japan (approx. 90%) and Taiwan (approx. 10%).

The previous assessment was conducted in August 2019 with 1 Gap(s) and 1 Observation(s) (Report #: GFSS 057-005).

Associated Organizations & Subcontractors:

Linshanhao Plywood does not subcontract other mills or companies to manufacture products.

Description of the Supply Chain:

Supplier	License #	Material	Risk Assessment Result	STLVS # Others
Sarawak Timber Industry Development Corporation (STIDC)	FTL No. T/3401	Log	High	-
Interglobal Empire Sdn. Bhd.	FTL No. T/3476	Log	Low	FMC-NF00128 23/07/2025
Limpah Mewah Sdn. Bhd.	FTL No. T/3081	Log	High	-
Ninjas Development Sdn. Bhd.	FTL No. T/3080	Log	High	-
STIDC (Song Logging Co. Sdn. Bhd.)	FTL No. T/0518	Log	High	-
Sut Sawmill (3064) Sdn. Bhd.	FTL No. T/3064	Log	High	-

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Itinerary of Assessment			
Date	Activity	GFS Staff	Mandays
27 August 2020 Thursday	Coordinate in obtaining information from STLVS P5-6 for desk assessment from Samling Plywood (Miri) Sdn. Bhd.	Franklin Emang	1
28 August 2020 Friday	Reporting: GFSS 057-009	Dr. Kevin Grace, Franklin Emang	2
		Total	3

Summary results:

(Major Gap = 0 / Minor Gap = 1 / Observations = 0)

GAPs :				
GAP #	Type	Checklist	Status	Description
003/2019	Minor	6.2.1	Closed	August 2019: Risk assessments were not conducted for First Count Sdn. Bhd., Immense Fleet Sdn. Bhd. and Sarawak Planted Forest Sdn. Bhd. to document STLVS Status. August 2020: The company did not received logs from First Count Sdn. Bhd., Immense Fleet Sdn. Bhd. and Sarawak Planted Forest Sdn. Bhd and were removed from the supplier list.
001/2020	Minor	5.2.8	New	August 2020: The company needs to indicate total input including veneer and use of stock material; not only log input to better reflect actual recovery rate.

**Note: Major Gap = Non-Compliance / Minor Gap = Minor Gap raised can be upgraded to a Major Gap if not adequately addressed by the date of the next surveillance visit.*

Observations		
Obs #	Checklist	Description
001-2019 Addressed	5.3.6	August 2019: Out of 6 extinguishers sampled; 4 were expired in 2018 and 2019 (Expiry dates; 08.08.2018, 29.08.2018, 30.11.2018 and 13.08.2019). August 2020: Linshanhao Plywood monitored and maintained its fire extinguishers.

**Note: Observation raised can be upgraded to a Minor Gap if not adequately addressed by the date of the next surveillance visit.*

Highlights of Close out visit (if applicable)	Dates	-
Not applicable		

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Recommendations

Linshanhao Plywood (Sarawak) Sdn. Bhd. has demonstrated compliance to the Sarawak Standard Principles 5-6 for Chain of Custody and is recommended to receive a GFS Audit Statement and STLVS Certificate of Compliance by STIDC.

Gap(s)/Observation(s) identified in this assessment should be addressed before the next surveillance visit. Action to close the gap(s)/observation(s) include:

Gap 002/2020 (Minor) – Checklist 5.2.8: The company needs provide information on total input including veneer and use of stock material; not only log input to reflect actual recovery rate.

The next surveillance visit will be scheduled in August 2021.

End of Summary Report

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