

Sabah TLAS Audit Report Principles 5 & 6

Organisation	Yang Chuan Trading Sdn. Bhd. 199201000911 (232415-V)	Reference #	GFSSBH 000-613
Contact Person	Jovennder Johnson (Management Representative)	Audit Date	01/02/2024
Office Address	Lot 1, Lorong Buah Duku, Kian Yap Industrial Estate Kolombong, Off Jalan Kolombong, 88450 Kota Kinabalu, Sabah, Malaysia.	Date close out	-
Mill Address	Warehouse: Lot 1, Lorong Buah Duku, Kian Yap Industrial Estate Kolombong, Off Jalan Kolombong, 88450 Kota Kinabalu, Sabah, Malaysia.	Telephone	+6088 425 889
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		Approved By	Dr. Kevin Grace

Statements

Audit Statement #	GFS 263 WTP		
Issuance Date	05 February 2024	Expiration Date	04 February 2025

Assessment Details

Company Type	Importer & Exporter
Scope of Assessment	Sabah TLAS P5-6: FDS(KK)(I)045/2019, FDS(KK)(E)005/2020, FDS(KK)(S)002/2020
Product Group	Sawn timber, plywood & door
Source of Material	Indonesia, Vietnam, China, Peninsular Malaysia & Sabah, Malaysia.
Species	<i>Pinus spp.</i> (Pine), <i>Paraserianthes falcataria</i> (Batai), Other timber (OT), <i>Hevea brasiliensis</i> (Rubber), <i>Populus L.</i>
Lead Assessor	Brandon James
Assessor(s)	Vanessa Abin
FDS Staff	Sharif Affendy (SFD Kota Kinabalu)

Terms of Assessment

The scope of the evaluation is to verify compliance of Yang Chuan Trading 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:

Yang Chuan Trading Sdn. Bhd. (Yang Chuan Trading) is registered in Sabah, Malaysia, with registration #: 199201000911 (232415-V). Yang Chuan Trading imports plywood from Indonesia, Vietnam, China & Peninsular Malaysia and sells it for the Sabah market. Yang Chuan Trading operates a warehouse facility and handles imported material.

Currently, Yang Chuan Trading is in the process of transferring its operations to YC Supplies Sdn. Bhd. (YC Supplies) since 2023. As part of this transition, YC Supplies has registered for Exporter, Importer, and Timber Supplier licenses with the SFD and has been operating under these licenses since August 2023.

The previous assessment was conducted in February 2023 that resulted in 8 gap(s) and 0 observation(s) (Report #: GFSSBH 004-468).

Associated Organizations & Subcontractors:

Yang Chuan Trading does not engage subcontractors to provide or manufacture products.

Description of the Supply Chain:

From December 2022 to December 2023, Yang Chuan Trading & YC Supplies purchased raw materials from the suppliers as below:

Supplier	License	Raw Material	Location	GFS WTP # STCC #	Overall Risk *
PT. Putra Tunas Subur	Not stated	Plywood	Indonesia	LVLK-030-IDN	Low
PT. Sukses Makmur Tiga Enam Tujuh	Not stated	Door	Indonesia	-	High
Phu Cau Investment & Development Joint Stock Company	Not stated	Plywood	Vietnam	-	High
Qingdao Fuluoruisi International	Not stated	Sawn timber, Moulded Door Panel	China	-	High
Ha Anh Service and Import Export Company Limited	Not stated	Plywood	Vietnam	-	High
Lawas Lumber Wood Processing Sdn. Bhd.	STIDC 0005375	Plywood	Sarawak	-	High
PA Door Sdn. Bhd.	Not stated	Door	Selangor	-	High
Es Seng Soon Trading Sdn. Bhd.	Not stated	Plywood	Selangor	-	High
Pin Liong Wood Panel Sdn. Bhd.	Not stated	Indonesian Plywood	Sarawak	-	High
Syarikat Jayaramai Sdn. Bhd. (ML Sabah Trading)	JP(N)SO055/00(B01)R	Sawn timber	Sook	GFS 056 WTP (17/12/2024)	Low
Veisheng Timber Sdn. Bhd.	JP(S)SS001/00(X08)R	Plywood	Sandakan	GFS 105 WTP (16/07/2024)	Low
Kim Guan Impex Sdn. Bhd.	FDS(KK)(I)021/2019	Plywood	Kota Kinabalu	GFS 258 WTP (25/12/2024)	Low
Hevajaya Sdn. Bhd.	JP(T)TW004/08(X04	Sawn timber	Tawau	GFS 131 WTP (03/12/2024)	Low
Mau Seng Timber Sdn. Bhd.	JP(K)KK001/17(X42)	Sawn timber	Kota Kinabalu	GFS 028 WTP (28/05/2024)	Low
Power Timber Sdn. Bhd.	FDS(KK)(S)016/2019	Sawn timber	Kota Kinabalu	GFS 273 WTP (12/03/2024)	Low

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

Summary Results:

(Major gap = 0, minor gap = 6, Observation = 0)

GAPs: Year 2024				
GAP #	Type	Checklist	Status	Description
001/2022	minor	5.2.4	Closed	<p>March 2022: Yang Chuan Trading has not established a documented chain of custody system for TLAS compliance.</p> <p>February 2023: Yang Chuan has yet to establish a documented Chain of Custody system for trading TLAS products.</p> <p>February 2024: Yang Chuan has established a documented Chain of Custody system for trading TLAS products.</p>
002/2022	minor	5.3.2 5.3.7	Closed	<p>March 2022: Yang Chuan Trading has not conducted or maintained records for safety, health and fire training since 2020.</p> <p>February 2023: Yang Chuan Trading did not maintain adequate records of training conducted for warehouse workers.</p> <p>February 2024: Yang Chuan Trading has conducted and maintained adequate records of safety and fire training conducted for warehouse workers.</p>
004/2022	minor	6.2.4	Closed	<p>March 2022: Yang Chuan Trading did not conduct a risk assessment for their suppliers and material imports.</p> <p>February 2023: The risk assessment was incorrect and limited to country risk level only.</p> <p>February 2024: Yang Chuan Trading has conducted the risk assessment correctly for all imported materials.</p>
001/2023	minor	5.2.1 5.2.2 5.2.3	Outstanding	<p>February 2023: Some materials received in the warehouse are not accompanied by a removal pass and the arrival book is incomplete.</p> <p>February 2024: Yang Chuan Trading has yet to ensure that all materials received are accompanied by a removal pass that are stamped as "Used" and the arrival book remains incomplete.</p>
002/2023	minor	5.3.8	Closed	<p>February 2023: No evidence that Yang Chuan Trading conducted fire training for warehouse workers.</p> <p>February 2024: Yang Chuan Trading has conducted fire training for warehouse workers.</p>
003/2023	minor	6.2.3 6.2.8 6.3.1	Outstanding	<p>February 2023: Inconsistent in maintaining the import inspection receipt & the packing list in its office.</p> <p>February 2024: Yang Chuan Trading has yet to consistently maintain all import inspection receipts in its office.</p>
004/2023	minor	6.2.6	Outstanding	<p>February 2023: Inconsistent in maintaining the SFD import license approval in its office.</p> <p>February 2024:</p>

				Yang Chuan Trading has yet to maintain all SFD import license approvals in its office.
005/2023	minor	6.4.1 6.4.2	Outstanding	February 2023: Inconsistent in maintaining import documents from Sarawak. February 2024: Yang Chuan Trading has yet to maintain all import documents for materials received from Sarawak.
001/2024	minor	5.2.7	New	February 2024: Finished goods were traceable to receiving records; however, the receiving records in the warehouse are incomplete.
002/2024	minor	6.4.3	New	February 2024: Yang Chuan could not provide the records of buyers, sales and distribution of timber from Sarawak.

*Major = Non-Compliance

Observations: Year 2024

Obs #	Checklist	Description
-	-	-

Highlights of Close-Out Visit (if applicable)

Date: -

Not applicable

Recommendations

Yang Chuan Trading 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.

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:

Gap 001/2023 (minor) Outstanding – Checklist 5.2.1, 5.2.2, 5.2.3: Yang Chuan Trading shall ensure the materials received are accompanied by a removal pass and the arrival book is complete by including the supplier’s name, volume, species, removal pass and Sabah TLAS status as required. SFD shall ensure all removal passes are stamped as “Used”.

Gap 003/2023 (minor) Outstanding – Checklist 6.2.3, 6.2.8, 6.3.1: Yang Chuan Trading shall maintain all import inspection receipt in its office.

Gap 004/2023 (minor) Outstanding – Checklist 6.2.6: Yang Chuan Trading shall maintain all SFD import license approval in its office.

Gap 005/2023 (minor) Outstanding – Checklist 6.4.1, 6.4.2: Yang Chuan Trading shall maintain all import documents for materials received from Sarawak in its office.

Gap 001/2024 (minor) – Checklist 5.2.7: Yang Chuan Trading shall ensure receiving records and documents associated to receiving of materials are complete and kept in its office.

Gap 002/2024 (minor) – Checklist 6.4.3: Yang Chuan Trading shall ensure records of buyers, sales, and distribution of timber from Sarawak are complete and available in its office.

The next surveillance visit is scheduled for February 2025.

End of Summary Report