



## GLOBAL FORESTRY SERVICES

Registered Office: 2446 N. San Gabriel Blvd., Suite #C, Rosemead, CA 91770, USA.  
 Contact Address: C10-6E, Kiara 9, Jalan Kiara 3, Mont Kiara, 50480 Kuala Lumpur, Malaysia  
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## LEGAL VERIFICATION SERVICES

### Sarawak Audit Checklist / Report STLVS Principles 5 & 6

<b>Company</b>	Shin Yang Plywood (Bintulu) Sdn. Bhd. (257938-X)	<b>Reference #</b>	GFSS 021-022a
<b>Contact Person</b>	Alvin Yii / Yiun Chung Huat (MR)	<b>Audit Date</b> <b>Report Date</b>	07 Apr 2017 07 Apr 2017
<b>Office Address</b>	Lot 515, Piasau Industrial Estate, Jalan Datuk Edward Jeli, P.O.Box 1599, 98008 Miri, Sarawak, Malaysia.	<b>Telephone Mr. Yiun HP</b>	+6085 604 599 +6012 878 1366
<b>Mill Address</b>	Lot 813, Block 38, Kemena Industrial Estate, P.O.Box 1899,97010 Bintulu, Sarawak.	<b>Fax</b>	+6085 604 555
<b>Email</b>	alvinyii@shinyang.com.my chyun@shinyang.com.my	<b>Approved By</b>	Dr. Kevin Grace

#### Statements

<b>GFS Audit Statement #</b>	GFS 078 WTP		
<b>Issuance Date</b>	17 April 2017	<b>Expiration Date</b>	18 April 2018

#### Assessment Details

<b>Company Type</b>	Manufacturing
<b>Scope of Assessment</b>	Shin Yang Plywood (Bintulu) Sdn. Bhd.
<b>Product Group</b>	Plywood & Veneer
<b>Source of Material</b>	<b>Verified Legal:</b> Shin Yang Forestry Sdn. Bhd. LPF 0018 and LPF 0019 PEFC certified planted <i>Albizia falcataria</i> and acacia logs, KTS Lumber Sdn. Bhd. FSC Certified planted <i>Acacia mangium</i> ; Zedtee Sdn. Bhd. (Anap Muput FMU, T/4317) PEFC certified mixed tropical hardwood species; Shin Yang Wood System Sdn. Bhd. GFS 163 WTP; Zedtee Plywood Sdn. Bhd. GFS 076 WTP; Forescom Plywood Sdn. Bhd. GFS 077 WTP; Shin Yang Plywood and Laminated Board Sdn. Bhd. GFS 075 WTP; Imported pine from New Zealand.
<b>Species</b>	<b>Planted species:</b> <i>Acacia mangium</i> ; <i>falcataria</i> : <i>Molucca albizia</i> ( <i>Adenanthera falcataria</i> , <i>Albizia falcataria</i> , <i>Paraserianthes falcataria</i> , <i>Falcataria moluccana</i> ); <i>Pinus</i> spp. <b>Natural Forest Species:</b> Mixed tropical hardwoods ( <i>Shorea</i> spp & <i>Dipterocarpus</i> spp.)
<b>Close Out Date</b>	Not applicable
<b>GFS Lead Assessor</b>	Lai Jia Woei
<b>GFS Assessor(s)</b>	-
<b>Others</b>	Mr. Yiun Chung Huat (COC MR / Planning & Production Control), Mr. Aruan Bin Kajim (COC Coordinator & Quality Control)

#### Document Control

GFS-FORM-006-STLVS-3.4	Title: STLVS P5-6 Checklist / Report	Issue: Draft 06	Date: 19 Feb 2017
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### Terms of Assessment

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) 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. Any non-compliance must be formally addressed in accordance to the STLVS auditing manual and prior to issuance of a GFS Audit Statement.

### 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 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.

### Background Information:

Shin Yang Group is registered in Sarawak, Malaysia with both forestry concessions (Forest Timber Licenses and License For Planted Forests / LPF) and several associated production mills in Miri and Bintulu, Sarawak.

This exercise involves office and mill of Shin Yang Plywood (Bintulu) Sdn. Bhd. (257938-X) based in Bintulu, Sarawak. The mill produces plywood that mainly sold to Japan buyers. Shin Yang Plywood (Bintulu) has obtained PEFC Chain of Custody certificate, certificate #: SIRIM-COC-0029 for their products (vener, plywood and Urethane Coated Plywood) with expiry date on 28<sup>th</sup> August 2019.

### Associated Organizations & Subcontractors:

Shin Yang Group is associated to Shin Yang Plywood (Bintulu) Sdn. Bhd., which are involved processing plywood and veneer products in Bintulu. The Shin Yang group also has 2 plywood mills in Bintulu and 2 mills in Miri, Sarawak:

- Shin Yang Plywood Sdn. Bhd. – Mill in Miri, Sarawak.
- Shin Yang Laminated Board Sdn. Bhd. - Mill in Miri, Sarawak.
- Zedtee Plywood Sdn. Bhd. – Mill in Bintulu, Sarawak.
- Forescom Plywood Sdn. Bhd. – Mill in Bintulu, Sarawak.

### Description of the Supply Chain:

Shin Yang Plywood (Bintulu) Sdn. Bhd. purchases raw material (logs) from Shin Yang Timber License and LPF areas within Sarawak; about 60% comes from Shin Yang concession areas while other logs are purchased from local suppliers. Approved VL suppliers list last updated in November 2016 are as follows:

Source	License #	Total Area (ha)	License Expiry	Risk Assessment
Zedtee Sdn. Bhd. (Anap Muput)	T/4317	83,535	18 Feb 2068	PEFC/MTCS Certified FMC 0006

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Logging contractor: Zedtee Plywood Sdn. Bhd.				Expiry: 24 July 2019
Shin Yang Forestry Sdn. Bhd.	LPF 0018	15,261.00	18 Nov 2059	PEFC/MTCS Certified Penyuan Forest Plantation Management Unit LPF 18 (Part of Coupe AT1 – AT3, AT4(I) and AT(II)) 15,261.00 ha - Acacia & Albizia logs FPMC 0004 Expiry 20 October 2019
	LPF 0019	11,946.00	18 Nov 2059	PEFC/MTCS Certified Masama Forest Plantation Management Unit LPF 19 (Coupe 1 to 5) 11,946 ha - Acacia & Albizia logs FPMC 0003 Expiry 11 August 2019
Shin Yang Wood System Sdn. Bhd.				GFS 163 WTP (Product: Mixed Tropical Hardwood veneer) with expiry 31 January 2021
Zedtee Plywood Sdn. Bhd.				GFS 076 WTP (Product: Veneer & Plywood) with expiry 17 <sup>th</sup> May 2020
Forescom Plywood Sdn. Bhd.				GFS 077 WTP (Product: Veneer & Plywood) with expiry 17 <sup>th</sup> May 2020
Shin Yang Plywood and Laminated Board Sdn. Bhd.				GFS 075 WTP (Product: Veneer & Plywood) with expiry 17 <sup>th</sup> May 2020
KTS Lumber Sdn. Bhd. KTS Logs Marketing Sdn. Bhd.				FSC Certified: SGS-COC-010145, SGS-CW-010145 with expiry 09 March 2019 Low Risk: Acacia mangium logs
Sojitz New Zealand Ltd.				FSC Certified: SGS-COC-006192 with expiry: 17 <sup>th</sup> May 2019. Low Risk: Radiata Pine Dried Veneer

Sales market mainly includes Japan (90%), Australia, Canada, South Korea, Taiwan and India.

### Itinerary of Assessment

Date	Activity	GFS Auditors	Mandays
04 Apr 2017 Tue	Travelling to Bintulu	Lai Jia Woei	
05 Apr 2017 Wed	Surveillance audit to Zedtee Plywood Sdn. Bhd.	Lai Jia Woei	1
06 Apr 2017 Thu	Surveillance audit to Forescom Plywood Sdn. Bhd.	Lai Jia Woei	1
07 Apr 2017 Fri	Surveillance audit to Shin Yang Plywood Sdn. Bhd.	Lai Jia Woei	1
08 Apr 2017 Sat	Travelling back to Sandakan Reporting	Lai Jia Woei	3
		<b>Total</b>	<b>6</b>

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### Summary results:

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

#### GAPs: 7 April 2017

GAP #	Type	Checklist	Description
-	-	-	-

*\*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.*

#### Status of Outstanding GAPs: November 2016

GAP #	Type	Checklist	Status	Description
-	-	-	-	-

*(Note: gaps issued current / outstanding shall be stated in both tables)*

#### Observations

Obs #	Checklist	Description
001	5.2.5	Shin Yang Plywood (Bintulu) shall update the existing procedures to include STLVS standard.

*\*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.

#### Recommendations

Shin Yang Plywood (Bintulu) 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.

The next surveillance visit is scheduled in April 2018.

## End of Summary Report

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