



GLOBAL FORESTRY SERVICES

Registered Office: 2446 N. San Gabriel Blvd., Suite #C, Rosemead, CA 91770, USA.
 Contact Address: 33-19-01, Sri Penaga, Jalan Medang Serai, 59100 Kuala Lumpur, Malaysia
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Sarawak Audit Checklist / Report STLVS Principles 5 & 6

Company	Shin Yang Plywood Sdn. Bhd. (242712-T) Shin Yang Laminated Board Sdn. Bhd. (264319-H)	Reference #	GFSS 021-031
Contact Person	Alvin Yii / Jeremiah James Sadasivan / Then Foo Kui	Audit Date	11 March 2019
Office Address	Lot 515, Piasau Industrial Estate, Jalan Datuk Edward Jeli, P.O. Box 1599, 98008 Miri, Sarawak, Malaysia.	Report Date	16 March 2019
Mill Address	Lot 463, Block 1, Kuala Baram Industrial Estate, 98000 Miri, Sarawak.	Telephone	+6085 604 599
Email	alvinyii@shinyang.com.my jeremiah@shinyang.com.my thenfk@shinyang.com.my	Fax	+6085 605 339
		Telephone	+6085 604 513
		Fax	-
		Approved By	Dr. Kevin Grace

Statements

GFS Statement of Compliance #	GFS 075 WTP		
Issuance Date	01 April 2019	Expiration Date	31 March 2020

Assessment Details

Company Type	Manufacturing
Scope of Assessment	Shin Yang Plywood Sdn. Bhd. / Shin Yang Laminated Board Sdn. Bhd. - Miri
Product Group	Plywood, Veneer and Laminated Veneer Lumber (LVL)
Source of Material	Verified Legal: Sarawak licensed area – LPF No. 0017, FTL No. T/3228, FTL No. T/3342 Sarawak licensed areas (Unclassified) – FTLs No. T/0092, T/0112, T/0229, T/9171, T/9075, T/9155, T/9183, T/9009, T/9110, T/9090, OT/9189, LPF No. 0038, LPF No. 0027
Species	<i>Dipterocarpus</i> spp. (Keruing), <i>Dryobalanops</i> spp. (Kapur), <i>Gluta</i> spp. (Rengas hutan), <i>Durio</i> spp. (Durian), <i>Octomeles sumatrana</i> (Binuang), <i>Mangifera</i> spp. (Asam), <i>Beilschmiedia</i> spp. / <i>Litsea</i> spp. / <i>Dehaasia</i> spp. / <i>Phoebe</i> spp. / <i>Magnolia</i> spp. / <i>Nothaphoebe</i> spp. / <i>Ternstroemia</i> spp. / <i>Actinodaphne</i> spp. / <i>Cinnamomum</i> spp. (Medang), <i>Alstonia</i> spp. (Pelai), <i>Artocarpus</i> spp. (Terap), <i>Cratoxylum</i> spp. (Geronggang), <i>Buchanania</i> spp. (Terentang), <i>Scaphium</i> spp. (Kembang semangkuk), <i>Mezzettia</i> spp. (Kepayang babi), <i>Gymnacranthera</i> spp. / <i>Horsfieldia</i> spp. / <i>Knema</i> spp. / <i>Myristica</i> spp. (Kumpang), <i>Sandoricum</i> spp. (Kelampu)
Close Out Date	Not Applicable
GFS Lead Assessor	Franklin Emang
GFS Assessor(s)	Cynthia D. John
Others	Mr. Then Foo Kui (STLVS WTP-COC Management Representative), Mr. Kong Chat Sing (STLVS WTP-COC Engineer), Ms. Caroline Ngau (COC Document Controller), Ms. Florence Faustina (COC Document Controller),

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GFS-FORM-006-STLVS-3.2	Title: STLVS P5-6 Checklist / Report	Issue: v02	Date: 01 Feb 2019
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Mr. Harrison Ngau (Safety & Health Dept.), Ms. Sim Siew Mei (Admin. Dept.),
Mr. Phan Yun Fu (Q.C Dept.), Mr Colin Tubak (Q.C Dept.), Mr Ting Ming
Siong (Production Dept.)

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 of Companies is registered in Sarawak, Malaysia with both forestry concessions (Forest Timber licenses [FTL] and Licensed For Planted Forests [LPF]) and several associated production mills in Miri and Bintulu, Sarawak.

This exercise involves Shin Yang Plywood Sdn. Bhd. (242712-T) & Shin Yang Laminated Board Sdn. Bhd. (264319-H) in Miri, Sarawak. The mills produce plywood and laminated veneer lumber (LVL) that mainly sold to Japan, Taiwan and South Korea.

Shin Yang Plywood Sdn. Bhd. has obtained PEFC Chain of Custody certificate, certificate #: SIRIM-COC-0097 for their products (veneer, plywood and laminated veneer lumber - LVL) with expiry date on 6th November 2019.

Associated Organizations & Subcontractors:

Shin Yang Group is associated with Zedtee Plywood Sdn. Bhd., which is involved in processing plywood and veneer produced in Bintulu. The list of Shin Yang Group of Companies in Miri & Bintulu, Sarawak:

- Zedtee Plywood Sdn. Bhd. – Mill in Tatau, Bintulu, Sarawak.
- Forescom Plywood Sdn. Bhd. – Mill in Bintulu, Sarawak.
- Shin Yang Plywood (Bintulu) Sdn. Bhd. – Mill in Bintulu, Sarawak.

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Description of the Supply Chain:

Shin Yang Plywood Sdn. Bhd. & Shin Yang Laminated Board Sdn. Bhd. (**Shin Yang Plywood & Shin Yang Laminated Board**) purchase raw material (logs and veneers) from the various suppliers as listed below:

Supplier	License #	Material type	Species	Risk Assessment
Shin Yang Forestry Sdn. Bhd.	LPF 0017	Logs	<i>Acacia spp.</i> <i>Albizia spp.</i>	PEFC/MTCS Certified Kejin Long Lama Forest Plantation Management Unit LPF 0017 (Part of Coupe 1A – 3A and 6A) 28,093.35 ha FPMC 00114 Expiry date on 2 February 2020
Shin Yang Trading Sdn Bhd	FTL No. T/3228	Logs	Natural forest	GFS 058 LVS Expiry date on 31 January 2020 Risk assessment: Medium risk country & low risk operational
Shin Yang Industries (Bintulu) Sdn. Bhd	FTL No. T/3342	Logs	Natural forest	GFS 073 LVS Expiry date on 24 July 2019 Risk assessment: Medium risk country & low risk operational
Pentarch Forest Pty. Ltd.	NA	Logs	Planted <i>Eucalyptus spp</i>	PEFC Certified: PEFC-COC 684417 with expiry date on 3 rd April 2020. Low Risk: Australia / planted <i>Eucalyptus spp</i>
Sojitz New Zealand Ltd.	NA	Veneer	Planted Radiata Pine	FSC Certified: SGS-COC-006192 with expiry date on 17 th May 2019. Low Risk: New Zealand / Planted Radiata Pine
Palm Trade Chile Limitada	Chile / Brazil	Veneer	Eucalyptus spp.	FSC Certified: SKH-COC-000521 with expiry date on 31 st March 2022. Risk assessment: Low risk Country & Species (veneer – Eucalyptus & Pine)

Itinerary of Assessment

Date	Activity	GFS Auditors	Mandays
11 March 2019 Monday	STLVS P5-6 surveillance audit to Shin Yang Plywood Sdn. Bhd. & Shin Yang Laminated Board Sdn Bhd in Miri	Franklin Emang Cynthia D. John	2
12 March 2019 Tuesday	Travel to Bintulu from Miri	Franklin Emang Cynthia D. John	0
13 March 2019 Wednesday	STLVS P5-6 surveillance audit to Zedtee Plywood Sdn. Bhd. in Bintulu	Franklin Emang Cynthia D. John	2
14 March 2019 Thursday	STLVS P5-6 surveillance audit to Shin Yang Plywood (Bintulu) Sdn. Bhd. in Bintulu	Franklin Emang Cynthia D. John	2
15 March 2019 Friday	STLVS P5-6 surveillance audit to Forescom Plywood Sdn. Bhd. in Bintulu	Franklin Emang Cynthia D. John	2
16 March 2019 Saturday	Reporting: GFSS 021-031 Shin Yang Plywood Sdn. Bhd. & Shin Yang Laminated Board Sdn Bhd GFSS 021-032 Zedtee Plywood Sdn. Bhd. GFSS 021-033 Shin Yang Plywood (Bintulu) GFSS 021-034 Forescom Plywood Sdn. Bhd.	Dr. Kevin Grace Franklin Emang Cynthia D. John	4
		Total	12

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Summary results:

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

GAPs :				
GAP #	Type	Checklist	Status	Description
001/2018	Minor	5.2.5	Closed	<p>March 2018: The CoC procedures have not been updated to reflect the requirement for STIDC permits and recording of the log transfer from the log yard into a specific production unit.</p> <p>March 2019: The CoC procedures have been revised to reflect the requirements for STIDC permits and recording the log transfer from the log yard into a specific production unit (Ref.#: SYP-LB/STLVS/PRO/003 – Purchasing and SYP-LB/STLVS/PRO/004 – Production Process (both are revision # 2)).</p>
002/2018	Minor	6.3.4	Closed	<p>March 2018: Shin Yang Plywood used natural forest species from LPF No. 0017 that has been verified as low risk based on the planted timber and PEFC certification.</p> <p>March 2019: Procedure on the purchasing section has been revised, issued on 21 November 2018. Logs from LPF No. 0017 used for STLVS production (MO# SYP(M)/19/0112 (A) were identified from ID# LR/19/0071 in Log Receiving Report) as planted Albizia species.</p>

**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
-	-	-

**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
<p>Shin Yang Plywood Sdn. Bhd. & Shin Yang Laminated Board 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.</p> <p>The next surveillance visit will be scheduled in March 2020.</p>

End of Summary Report

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