



WARTA

H A R W O O D

QUARTER

04
2018

Harwood APPRECIATION NIGHT 2018

HARWOOD CREATES VALUE

WWW.HARWOODTIMBER.COM.MY



VISION

To be a significant contributor to the sustainable development of timber resources and value added industry

MISSION

To deliver satisfactory service to our customers through organizational efficiency, value creation and talent development

VALUES

Integrity
Professionalism
Loyalty
Teamwork
Respect
Caring

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Management & Staff of Harwood Timber Sdn Bhd (HQ & Regional Offices)



HARWOOD

APPRECIATION NIGHT 2018

Harwood Timber staff alongside our subsidiaries, Enrich Essence Sdn Bhd, Harwood Timber Products Sdn Bhd and Giovanni Wood Industries Sdn Bhd have gathered in a special occasion to bid farewell to our General Manager, Tuan Haji Abdul Hadi bin Datuk Haji Abd Kadir.

Harwood Appreciation Night 2018 was organized to remember and appreciate all the hard work and success achieved by Harwood Timber for the past years and to honour Tuan Haji Abdul Hadi as our General Manager, who is leaving the company to join Sarawak Economic Development Corporation (SEDC). All the best, Tuan Haji!





Over 120 staff attended the dinner at Grand Margherita Hotel Kuching with a great atmosphere as the hall was decorated with colourful balloons and tassels bringing out the 'Rock n Roll' theme for the night.

Our Executive Chairman, YBhg Tan Sri Datuk Amar Haji Bujang bin Mohd Nor and wife, YBhg Datuk Sri Puan Sri Hj Dayang Lela Abang Zawawi were the guests of honour for the dinner.

Not to forget, all the Regional Managers from Sarikei, Sibul, Bintulu and Miri who also came all the way to add the joy to the memorable night.

Dressed in their best outfit according to the theme, the night was enlivened by a series of performances by our talented staff be it individually or in a group (by department).



**THE ROCK AND ROLL
VIBE WAS REALLY
HAPPENING THROUGHOUT
THE NIGHT.**





He highlighted that his appointment is not a coincidence but it has shown that Harwood is a good organization from the State government perspective.

He also expressed his utmost gratitude towards all the staff for their support throughout the years which helps the company to make an impact and being recognized in the timber industry.

We are very proud that our GM is moving on to a bigger company. It was a privilege to be given the opportunity to work with an inspiring leader.

To grow, is to move forward. Hence the change he is making, is a good change.

All the best in your future undertakings. You are an inspiration to all of us, a mentor that is hard to be replaced. Thank you for your support and it has been a pleasure working with you.

Tuan Haji Abdul Hadi joined Harwood in 1996 as a planning manager before elevated to Head of Marketing and Business Development Unit.

In 2008, Tuan Haji took over the position as the new general manager of Harwood Timber Sdn Bhd.

Over the past ten years, as General Manager of Harwood Timber Sdn Bhd, Tuan Haji Abdul Hadi has made significant contribution and improvement to the company including the drive for business diversification that bring greater visibility and credibility of Harwood Timber amongst the stakeholders.

In His Speech, he thanked Yang Berbahagia Tan Sri and Harwood Timber for the opportunity and co-operation given to him during his 22-years of service.



Market Outlook

The log prices for local and export market in the 4th quarter 2018 continue to show a mixed volatility trend. Throughout the year 2018, the price of local logs did not show any significant change, while export log prices were largely influenced by the currency exchanges.

Export logs

The price of export logs in this quarter for Miri region recorded a slight decrease between USD10-30/m³ for all log species as compared to the last quarter. As for Sarikei, prices of Meranti and MLH (Hill) had declined USD60/m³ and USD10/m³ respectively.

However, prices for Kapur, Keruing and Selangan Batu had shown an increase of between USD25/m³ to USD70/m³. In Sarikei region, the price increase ranged between USD25-USD70/m³ for Kapur, Keruing and Selangan Batu species, whereby price for Meranti drops USD60/m³ and USD10/m³ for MLH (Hill). Log prices remained unchanged in Bintulu except for Keruing which was down USD40/m³ as compared to the previous quarter.

As compared to the same period last year, only Sarikei region showed a rise in export logs prices ranging between USD20-70/m³ for Kapur, Keruing and Selangan Batu species.

Meanwhile, log prices for all species had fallen between USD50-USD90/m³ for all regions.

Local logs

The price of local logs (based on species and grades) in this quarter did not show significant changes over the last quarter (3rd quarter 2018) for all regions. For plywood grade, the price increased by RM50/Hton for MLH (Hills and Swamp) in Bintulu, whereby price for Keruing Meranti and Kapur species remained unchanged in Sibul and Sarikei.

The price of logs for sawmill grade had increased between RM20-RM100/Hton for all species in all regions, except for MLH (Hills) which declined by RM60/Hton in Bintulu region.

As compared to the same period last year (4th quarter 2017), the price of logs (sawmill and plywood grade) in this quarter has significantly increased for all species in all regions. For instance, the price of plywood grade logs for both Kapur and Meranti species in Sarikei and Sibul region have improved RM50/Hton, and RM100/Hton for Keruing species in Bintulu region in the same period last year.

Despite the uncertain market situation, the timber prices remain relatively stable and competitive for the local market, with consistent demand from the plywood industry.

Source:

Harwood Timber Regional Offices (Sibul, Sarikei, Bintulu & Miri)

Average Local Price of Logs**(RM per H/Ton C&F Mill)****Period: October- December 2018**

No	Species	Plywood	Sawmill
		RM/Hton	RM/Hton
1	Meranti	Sarikei	Sarikei
	Reg	1350	1220
	SM	1300	1170
	SSM	1250	1120
	BSM	1200	1070
	LG	950	1170
2	Kapur	Sarikei	Sarikei
	Reg	1400	1400
	SM	1350	1350
	SSM	1300	1300
	BSM	1200	1200
	LG	1250	1250
3	Keruing	Sarikei	Sarikei
	Reg	1400	1400
	SM	1350	1350
	SSM	1300	1300
	BSM	1200	1200
	LG	1250	1250
4	MLH (Hill)	Bintulu	
	Reg	1100	900
	SM	1050	850
	SSM	1000	800
	BSM	900	750
	LG	800	650
5	MLH (Swamp)	Bintulu	Bintulu
	Reg	1000	850
	SSM	900	800
	BSM	800	720
	LG	700	570
6	Selangan Batu		Sibu
	Reg	N/A	1650
	SM	N/A	1550
	SSM	N/A	1450
	BSM	N/A	1350
	LG	N/A	1400
7	MGRS		
	Reg	N/A	1175
	SM	N/A	1125
	SSM	N/A	1075
	BSM	N/A	975
	LG	N/A	1000

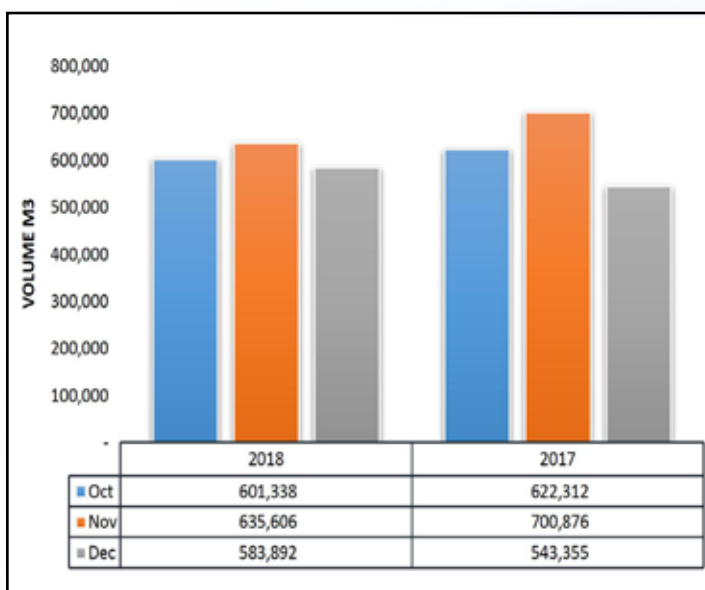
Average Export Price of Logs**(USD Per M³ FOB)****Period: October- December 2018**

		SARIKEI	BINTULU	MIRI
No	Species	USD/M ³	USD/M ³	USD/M ³
1	Meranti - Plywood Grade			
	Reg	250	185	310
	SM	215	170	290
	SSM	197	135	270
	LG	137	135	
2	Kapur - Plywood Grade			
	Reg	410	215	360
	SM	350	185	340
	SSM	320	165	290
	LG	289	125	-
3	Keruing - Plywood Grade			
	Reg	385	165	340
	SM	365	155	320
	SSM	300	145	290
	LG	265	120	
4	MLH (Hill) - Plywood Grade			
	Reg	185	115	195
	SM	180	105	175
	SSM	165	95	155
	LG	147	85	
5	Selangan Batu			
	Reg	590	355	520
	SM	565	305	500
	1/3 HOL	525	295	470
	2/3 HOL	325	225	

*Source:**Average Local Price of Logs- Sibul Regional Office,***Bintulu Regional Office,***Note:** *The above are only indicative prices and may vary in accordance with other criteria and market conditions.*

A Review On Harwood Endorsement Activities

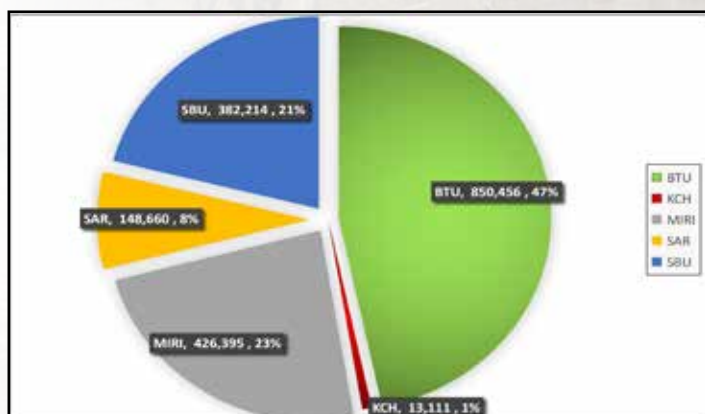
VOLUME OF LOGS ENDORSED AT SOURCE / COLLECTION DISTRIBUTION CENTRE (CDC) (OCTOBER – DECEMBER 2017/2018)



In the fourth quarter of 2018, the total volume of logs endorsed at source / CDC was 1,820,836 m³ which is lower by 2% (1,866,543 m³) in comparison to the same quarter in the previous year.

The volume showed a slight increase from October to November from 601,338 m³ to 635,606 m³. Meanwhile from November to December the volume decreased to 583,892 m³.

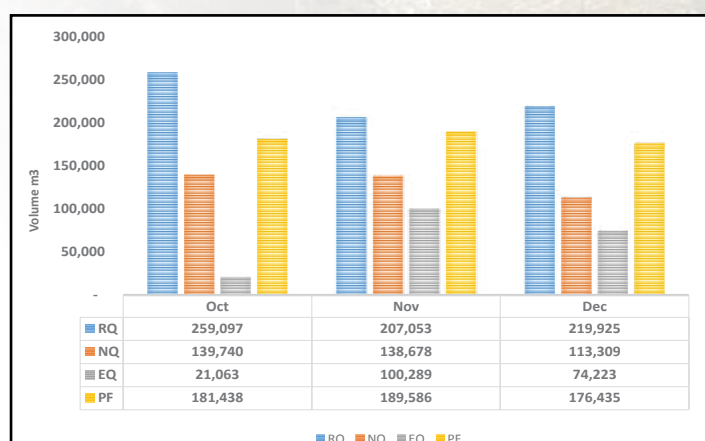
TOTAL ENDORSED VOLUME BY REGION (OCTOBER – DECEMBER 2018)



Among the 5 regions, Bintulu recorded the highest volume of logs endorsed for the fourth quarter of 2018 with 850,456 m³, followed by Miri with 426,395 m³, Sibul with 382,214 m³ and Sarikei with 148,660 m³ respectively.

Kuching shows the lowest volume of logs endorsed with an endorsed volume at 13,111 m³ only.

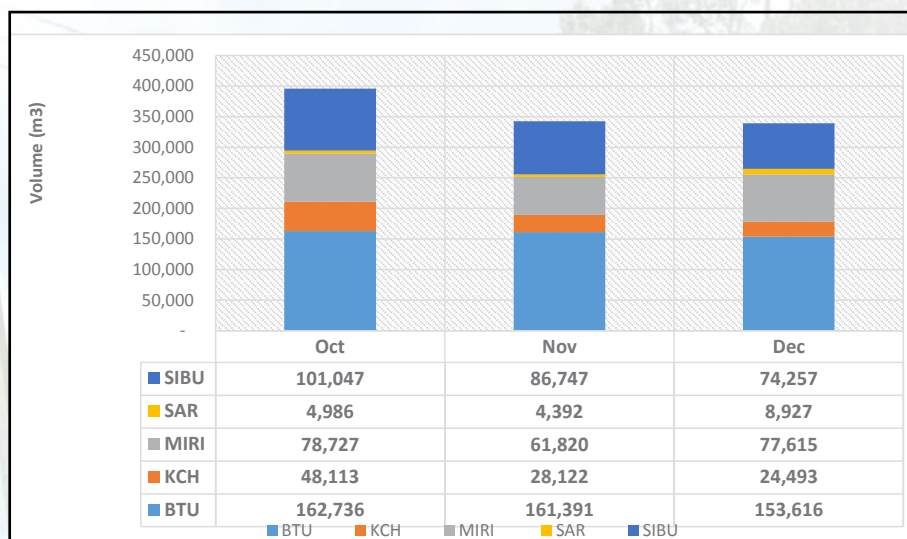
CATEGORIZATION OF ENDORSED LOGS (OCTOBER – DECEMBER 2018)



37% (686,075 m³) of logs endorsed was derived from Reservation Quota logs. Non-Quota Logs 21% (391,727 m³), 11% (195,575 m³) from export and 31% (547,459 m³) from Planted Forest Logs.

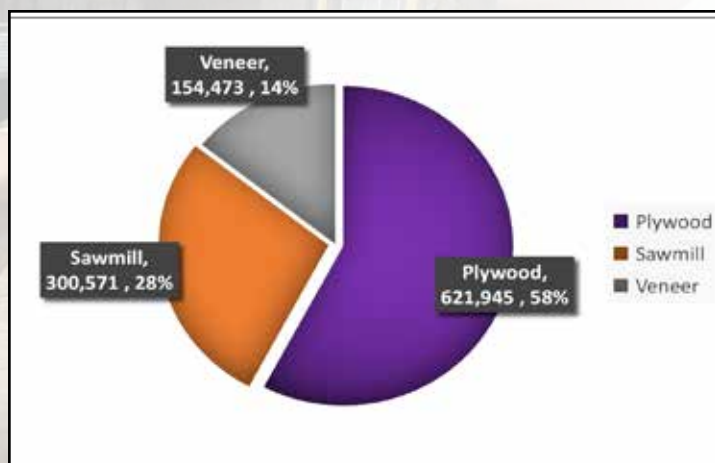
SUMMARY OF LOGS INSPECTED AT MILL (OCTOBER – DECEMBER 2018)

Among the 5 regions, Bintulu recorded the highest volume of logs inspected at mill for the fourth quarter of 2018 with 477,743 m³, followed by Sibul with 262,051 m³, Miri with 218,162 m³, Kuching with 100,728 m³ and lastly Sarikei with 18,305 m³.

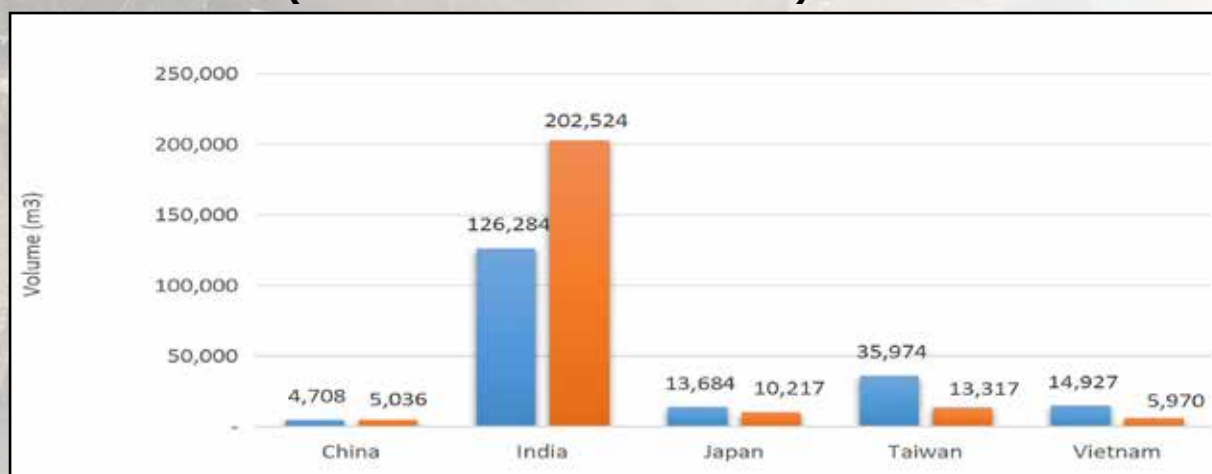


CATEGORIZATION OF INSPECTED LOGS AT MILL (OCTOBER – DECEMBER 2018)

58% (621,945 m³) of logs inspected were Plywood logs, followed by Sawmill logs at 28% (300,571 m³) and Veneer at 14% (154,473 m³).



EXPORT LOGS VOLUME TO MAJOR DESTINATIONS (OCTOBER – DECEMBER 2018)



Total logs exported in the fourth quarter 2018 was 195,577 m³ which shows a decline of 17% compared to the same quarter in 2017.

Among the 5 main importing countries, 64% (126,284 m³) of logs were exported to India, followed by Taiwan with 18% (35,974 m³), Vietnam with 8% (14,927 m³), Japan with approximately 7% (13,684 m³) and China with 3% (4,708 m³).

Significant events

Sports Tournament in conjunction with STIDC 45th Anniversary

In conjunction with STIDC 45th Anniversary, Harwood Timber participated in a series of sports tournaments organized by STIDC, which are Futsal, Badminton and Ten-Pin Bowling. Among the other agencies participated in the sports tournament were Forest Department, Ministry of Urban Development and National Resources (MUDeNR), Sarawak Timber Association, Tanjung Manis Development, Sarawak Forestry Corporation and few others.

Futsal Tournament

Harwood contingent participated in futsal tournament that was held at Kingsport Centre, Miri on 6th October 2018.

Harwood's men and women had won the first runner up for both categories (Right picture).



Bowling Tournament

Ten-pin bowling tournament was held at Megalanes, Batu Kawa on 13th October 2018. For women category, Harwood's women team had the first runner up while the men team won the consolation prize (Left picture).

Badminton Tournament

1st & 2nd September 2018 – Harwood retained its championship title by defeating other agencies in the badminton tournament that was held 2 days in a row at Badminton Thumb Up Hall, Sibü.



Contribution of 40 sets of al-Quran to Year 6 students from Sekolah Kebangsaan Kampung Melayu, Kota Samarahan



On 8th November 2018, Harwood contributed 40 sets of Al-Quran to Year 6 students from Sekolah Kebangsaan Kampung Melayu, Kota Samarahan in conjunction with program of Khatam al-Quran. The contribution had been presented by our YBhg Executive Chairman of HTSB to the School's Principal, Puan Kamisah Binti Keram.

Tree Planting Program by Pustaka Negeri Sarawak

Harwood Timber Sdn Bhd (HTSB) has participated in tree planting program organized by Sarawak State Library (PUSTAKA) on 19th of November 2018.

HTSB has contributed 10 unit of Kelampayan tree for the said event. Also present during the program was YBhg. Tan Sri Datuk Amar (Dr.) Haji Hamid Bugo, Chairman of PUSTAKA Management Board.



Non-Timber Forest Products (NTFP) 2018 Carnival

Third edition of Non-Timber Forest Products (NTFP) Carnival hosted by Sarawak Forestry Department was held at Kuching Waterfront from 22nd until 26th November 2018. Harwood took part as a secretariat was also involved in the 5 days exhibition.



Back to School Project 2018

Harwood took the initiative to help those poor and underprivileged students by introducing Back to School Project 2018. This year, we managed to contribute school supplies through donation collected from Harwood Timber, Harwood's staff and the public which include bags, shoes, uniforms and stationeries for 15 students from SK Kampung Melayu Samarahan.

ISO 9001:2015 - Surveillance Audit

Surveillance Audit was carried out by SIRIM QAS International Sdn Bhd from 12th until 14th December 2018 at HQ and Miri Regional office. The Team Audit was led by En. M.A. Kadir Johari and assisted by En Iskahaarrudin Ahmad. The scope of certification covers the following services; Log Endorsement Shipping and Land transportation Administration Inspection of Logs for Export. There was no Non-Conformance Report (NCR) issued and SIRIM QAS was satisfied that Harwood had complied with the ISO 9001:2015 standard.



Directory Of Services

FINANCE AND INVESTMENT DEPARTMENT

Encik Ong Lip Kheng	Deputy General Manager	Tel: 082-414589 (Ext.112) Mobile: 016-864 4105
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MARKETING AND BUSINESS DEVELOPMENT DEPARTMENT

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Encik Husini Bisuni	Manager	Tel: 082-414589 (Ext.126) Mobile: 019-864 4106

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MANAGEMENT INFORMATION SYSTEM DEPARTMENT

Puan Hajah Noraskin Haji Mohd Din	Assistant General Manager	Tel: 082-414589 (Ext.108) Mobile: 016-863 4103
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ADMINISTRATION AND HUMAN RESOURCE DEPARTMENT

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Puan Hajah Aslihah Hj. Ariff	Manager	Tel: 082-414589 (Ext.111) Mobile: 019-889 6030

CORPORATE AFFAIRS AND COMPLIANCE UNIT

Puan Sharifah Arfiah Said Ismail	Acting Manager	Tel: 082-414589 (Ext.106) Mobile: 016-890 5396
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REGIONAL MANAGERS

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Encik Idil bin Pak	Regional Manager (Sibu)	Tel: 084-341 380 Mobile: 019-887 3908
Encik Abdul Halim Edon	Acting Reg. Manager (Bintulu)	Tel: 086-336 912 Mobile: 019-887 3920
Encik Mohd Izzat Syafiq Abdullah	Executive In-Charge (Sarikei)	Tel: 084-655 314 Mobile: 019-887 3901

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