

**Vision**

Bringing back the natural forest and managing it sustainably

**Core Purpose**

To deliver consistent, predictable and sustainable supplies of quality timber from our NFM and ITP (BASIL) forests

**Core Values**

- Do the Right thing, even though no one is watching;
- Love and respect for self, fellow man and nature;
- Recognise and promote teamwork, and never let your team members down;
- Continuous improvement of self and Sapulut through training and learning and practice "I see, I think and I do";
- Discipline- discipline of self, disciplined thoughts and disciplined action;
- Do ordinary things extraordinarily well;
- Know the rules, and know how to break them properly.

Revised on 28 June 2017

Sabah's forest and timber industries are stuck in a "sunset/under-performing" zone, due to a combination of inconsistent, unpredictable and unsustainable supply of raw materials, and our low position in the economic value chain.

By managing our forest sustainably and investing in the ITC, we in Sapulut are taking up the challenge to turn the tables, to **validate the proposition that the forest and timber industries can be a "sunrise" industry**. We do this by leveraging on our NFM, ITP and ITC to add value to our forest resources, as well as create high-value products from them. This is a road less travelled in Sabah. To achieve this, we need your help- both individually and as a team- to perform your assigned tasks to the highest standard. We stand ready to help and guide you. With this, I look forward to another productive and eventful 2018. **Thank you and all the best.**

By: Mr. Norman Wong, Managing Director

Many thanks to all for a productive 2017.

As I write this, Sapulut is on the way to certification under MC&I (Natural Forest). This means we are performing up to international standards and in accordance to the **Principles and Criteria** specified in the standards.

While being certified means Sapulut is socially and environmentally responsible, it does not mean we are economically viable.

In 2017, we have prepared the stage for take-off, via the following goals and their convergence in our new venture:

1. For our NFM, we are "bringing back the natural forest and managing it sustainably" through RIL harvesting, post-harvest inventory, enrichment planting and silviculture practices.

2. For our ITP, we are planting albizia and laran trees, which will provide a "consistent, predictable and sustainable" supply for plantation timber for our future needs;

3. For our new venture, the Integrated Timber Complex (ITC), we **leverage** on the supply of natural forest and plantation timber by processing on site, to **add value and create high value products** from our timber resources.

The value proposition of Sapulut's ITC can be summarised in Figure 1:

ITC: Value Proposition

<u>Eliminate</u>	<u>Raise</u>
<ul style="list-style-type: none"> <li>• The past practice of selling logs with no value-added;</li> <li>• The dependence on local mills to purchase our plantation timber (which is less desirable than natural forest timber);</li> <li>• The transportation of unprocessed, lower value plantation logs to our customers;</li> </ul>	<ul style="list-style-type: none"> <li>• Freshness, which leads to higher recovery and higher percentage of F/B veneer;</li> <li>• Factory and accommodation standard for better work/living environment, as a means to improve quality of output and workers' mindset;</li> <li>• The road standard to "all-weather" from highway junction to ITC for improved logistics;</li> <li>• Logistic efficiency by shipping goods out in containers;</li> <li>• Collaboration with UMS from wood science stream for future recruitment;</li> <li>• The shelf life of plantation timber by processing on site;</li> <li>• The ability to reach out to a broader range of customers and not limited by geographical location.</li> </ul>
<u>Reduce</u>	<u>Create</u>
<ul style="list-style-type: none"> <li>• <u>Logistic costs</u> by               <ul style="list-style-type: none"> <li>(a) Processing on site;</li> <li>(b) Transporting higher-value, semi-processed products to customers.</li> </ul> </li> <li>• <u>Capital costs</u> by purchasing good condition, second-hand, equipment;</li> <li>• <u>Construction costs</u> by re-using:               <ul style="list-style-type: none"> <li>(a) Shipping containers for conversion into office space;</li> <li>(b) Capital Sawmill wooden buildings for ancillary buildings and canteen.</li> <li>(c) Pre-fabricated steel structures.</li> </ul> </li> <li>• <u>Water costs</u> – by rain water harvesting.</li> <li>• <u>Energy costs</u> – by using waste from timber for fuel in our boilers.</li> </ul>	<ul style="list-style-type: none"> <li>• Raw material supply certainty by linking processing with raw material source;</li> <li>• High value for plantation timber by leveraging its lightweight and fast-growing properties (i.e. using their advantages);</li> <li>• A pathway to manufacturing and using CLT and glulam for building and construction (high-value items).</li> </ul>

Figure 1: The "Eliminate, Reduce, Raise and Create" grid, adapted from "Blue Ocean Shift Beyond Competing" by W. Chan Kim and Renee Mauborgne, pg 226, Hachette Book Group Inc., Sept 2017.

## Sabah Log Grading Rules (SLGR) in Sales & Marketing Perspective

With the diminution of the timber resource, the exceptionally large-sized timber, alteration in sales destination and broad changes in trade practices in the timber industry, has remarkably affected the manner in which round logs are presented for grading. Sabah Log Grading Rules (SLGR) 2002 was written as a guide for grading in Sabah, exclusively for round logs prior to their sales for export or the local market. The rules define standards of quality, so that the right of buyers and sellers may be protected. The main concept of SLGR 2002 is **test, grade and calculate** measurement / defects on round logs.

In perspective of marketing and management, attendance of this course exposed the participants to more knowledge on the quantitative and qualitative process of grading logs. By way of illustration, quantitative process will be done using formulae. Each distinct shape and condition of logs have its own discrete formula for volume calculation. In terms of qualitative process, it will be done through visual inspection as well as the quantitative process. For example, based on the clean volume acquired from the calculation, above 40% of clean volume will be directly graded other than merchantable quality and so on.

*Why is this system important?, How can it be helpful?* To answer this question, we must know the **advantages/benefits** in practicing this rules. Based on the SLGR, parts of a tree is categorized into top end branches (residue), main logs, bottom end stump (residue) and buttress (residue). With this rule, different rates of royalty are applicable to different parts of the tree. Apart from that, SLGR is acknowledged as certified grading rule and is known by wide number of wood manufacturing industries throughout the whole Asean Region. Thus, it opens wider and broader market opportunities. Over and above, this grading rule is facilitated by a certified log grader. Doing so, third party support and endorsement from Sabah Forestry Department is enforceable whenever a buyer intends to renege on the grade of logs.

*How can this be complex?, What are the challenges?* For this, let us look into the **disadvantages/challenges**. Having the Sabah Log Grading Rules (SLGR) 2002 implemented to the grading process will generate complexity and strict grading rules which may cause the downgrade of high quality/grade export logs. For example, based on the grading rules by buyer, a certain log have been categorized as an export log quality but with SLGR rules, the log is downgraded into merchantable quality log which is the lowest grade. As for justification to the previous statement, currently different buyers have different rules of grading and mostly the grading is driven by demand of market and customers which is opposite with the SLGR grading rules. In addition, it is a must to have a certified log grader for grading purpose to make it enforceable. Thus leading to more training as well as cost to enlist more professional and authorize log grader with approved certificate. To add that, during the duration of grading, the operation will confront extra time consumed due to more complexity in term of quantitative and qualitative processes

In conclusion, log supplier may use the SLGR rules as a quality control mechanism to ensure production of quality material from logging areas. However, the rules shall not be made used as a determinant and authority on pricing. Actual price determination shall strictly be the right of the buyer and seller, purely on a "willing-buyer-willing seller" basis, in harmony with prevailing marketing principles, without jeopardizing the rules. As quoted before "You don't learn to walk by following rules. You learn by doing it".

~ Prepared by Marketing Department ~

## SFDSB Booth - Heart of Borneo Conference 2017



**Picture 1:** Photo session with the Chief Conservator of Forest Sabah, Datuk Sam Mannan and SFDSB Managing Director Officer Mr. Norman Wong and Mr. Bryant Wong at SFDSB Booth on The Heart of Borneo Conference on 24th–25th October 2017.

**Picture 2:** Picture with Ms. Cynthia Ong, the Executive Director of Forever Sabah.

## SFDSB Study Visit and Training - “I See, I Think and I Do”

### Rainforest Discovery Centre RDC –Study Visit

#### Study Visit – Part 1

#### Rainforest Discovery Centre (RDC)

– By Jeffrey Tendahal

I'm very grateful to the Management for giving me opportunity to be part of the 8 members for a 2 days Study Visit to Sandakan and Telupid. The overall aim of the study visit is to collect and to share good practice and transfer knowledge and experience to implement in Sapulut. Our first Place will be at Rainforest Discovery Centre (RDC) which managed by the Sabah Forestry Department and located within Sepilok Forest Reserve with the main purpose as an environmental education (EE) centre for student and teachers since 1996. But it has opened for public starting year 2007 providing training and organizing EE programs for students, teacher training courses and other environment-related activities to public. RDC has becoming one of the most popular EE centres in Sabah. Upon reaching RDC ticketing counter, we waste no time and head straight to Visitors Building and there we were greeted by Mr. Hubert Petol – the person in-charge of our tour who has been expecting our arrival. We head back down to Gazebo for an introductory briefing conducted by Hubert. As we are in the middle of the briefing, we were interrupted by a flock of trumpeting hornbill sound. In the introductory briefing, Hubert filled us in with more information about RDC.

#### Teacher's Training Course EE Training Course

Their iconic Teacher's Training Course established in the year 1998 and rebranded to become EERace since 2005. It's their homegrown Teachers's Training Course base on EE with a twist of the Amazing Race concept.

#### SEEN(Sabah Environmental Education Network)

SEEN was formed under Environment Protection Department. It acts as an interface between Sabah Forestry and the general public and is a network of people who wanting to work together to enhance EE programs or activities in Sabah which includes some interested government agencies NGO and educational institutions. It is also a pre-requisite for SFM.

Shortly after the briefing we begin our journey under a light rain towards the observation tower through the canopy walk. Passing by their manmade lake, we couldn't help but notice it's as almost had the similar lake scenery found in Sapulut. Be warned though, the canopy walk are not for the faint hearted as the walk way could reach as high as 25 meters above ground at its highest point. Every part of the structure is made of steel and although some mild swaying could be felt, we were assured it is made very sturdy to cater for a large crowd and heavy traffic and it was also designed to be safe for kindergarten -level children. During the canopy walk tour we were surprised when we were told that the forest surrounding lake was actually replanted in the early 1970s. The canopy walk was great and with multiple display panels with tons of information about flora and fauna. It is a very good spotting possibilities and views over the rainforest from high point. Unfortunately we didn't see much wildlife, only a few birds which were too far away to get good photos. On a different day I'm sure it would have been better. Being slightly wet from the rain and a little bit thirsty, we happily accepted the hospitality offer by Hubert to have some light refreshment at their cozy Keruing Café. We bid

our farewell with handing over a token of appreciation on behalf of Sapulut to RDC represented by Mr. Teddy and Mr. Hubert respectively for showing us a great hospitality throughout the tour.

One intriguing thing we learned from RDC is their approach of resolving conflict between the authorities and the Kampung people or local communities by engaging a role play activity between the two parties. This activity will give the 2 sides of the group an opportunity to work through a conflict resolution by swapping the scenario and also practicing their acting skills. Through swapping their role in a role play, each side would be able to see not only the negative aspect in an argument but would also having the opportunity to feel the positive side of a conflict and looking at the issues in a different perspective.

Through strategic role play and preparation, this activity will provide both sides the key social emotional learning ways needed to effectively communicate one side of an argument, as well as the motivation to empathize with the other. The goal here is for both parties regardless of their respective roles to work together to come up with a civil conversation starter and to know the underlying causes of the problems and addressing the problem head-on in a controlled environment as they dig in to their role in acting. Something that our team find very useful and we would love to see this approach being implemented in the local community in Sapulut.



### DRONE Training on 5th-11th December 2017



By: Hue Su Wah

A UAV (unmanned aircraft vehicle) training was conducted in Sandakan with the participants from FSS and ICM departments (5<sup>th</sup> to 11<sup>th</sup> December 2017). UAV is a small radio control aircraft that can aboard camera. Without human pilot onboard, the movement of the aircraft is controlled by the ground based pilot with radio controller and connected to a laptop. The UAV can be programmed and fly independently according to the mission planned after the take-off. Camera onboard able to take photo from the sky with altitude range from 100 to 300 meters. Aerial photo captured using UAV provide ground feature information which play an important role in land use planning, mapping, forest inventory, forest certification and illegal activities detection.



## Schedule Waste Management Training

Scheduled waste management training was held by EXTAC Sdn Bhd on 5th-6th of December 2017 at Forestry Complex open hall. Twenty five workers that relevant to the courses were selected to attend which are EIA Unit, Nursery, Workshop, Genset Guard, Blocked Worker, Clinic, MIS, Purchasing and Contractor.

The main objective of this training is to provide a proper training to employees on how to manage scheduled wastes according to regulations. Through this course, employees are able to learn how to label containers accordingly, proper packaging, and suitable storage of Scheduled wastes prior to disposal. Q&A session and certificate presentation was held at the end of the learning process.

From this course the participants learned about the management of scheduled wastes, dangerous of Scheduled Wastes to environment and public health if no proper management and the acts relating to scheduled wastes.



## Engaging With The Industry

On November 14, 2017, a session with the topic of "Engaging with The Industry" have been organized by the Malaysian Timber Industry Board (MTIB) with collaboration from the Sabah Timber Industry Association (STIA), Wood Industry Skills Development Centre (WISDEC) and Kota Kinabalu Polytechnic. It was also attended by representatives from companies directly involved with the wood industry. The objectives for the session is:-

- 1.) Obtain feedback from industry regarding suitable training program under WISDEC Sabah for wood based industry in Sabah for the year 2018
- 2.) To discuss on issues to be addressed in relation to development of timber industry and problems faced

The session began with a welcome speech of the Director of MTIB Sabah Regional, Mr Mazree bin Iman. He informed the industries that there were unutilised fund in the Human Resource Development Fund (HRDF) and this fund, which is now known as pool fund, are to be utilised under the MTIB/WISDEC customized training programs.

Apart from the beneficial information, this session is also an eye opening to the industries whereby the representative from WISDEC briefed about the training programs, incentives and skills enhancement opportunities which WISDEC offered. WISDEC is a development centre under the MTIB and have been providing trainings with related to the wood technology. WISDEC also asks the industry to provide feedback and requests to create a tailored industry-specific course so that the fund can be fully utilized to improve the skills of their employees. Other than that, the Polytechnic's representative also expressed their interest in working closely with these industries to refine the curriculum for their courses which is related to the wood technology and industry. Students from this institution were currently exposed to 60% hand-on-training and 40% on theory. One of the requests from this institution to the company representatives is to receive students who will undergo industrial training for 5 months. This industrial training will be conducted twice a year, in June and December. She also informed that at least 40 students will be doing industrial training in each session. She also invited representatives of companies to come to their institutions for the purpose of sharing technical knowledge and experience to students.



The session ended with a networking lunch and a follow up session will be done in the near future between the MTIB/WISDEC, Polytechnic and the industries.

## A talk on "Is the wood-based industry a sunset industry?"

Universiti Malaysia Sabah - A talk on "Is the wood-based industry a sunset industry?" were shared by our Managing Director, Mr Norman Wong as the Vice President of Timber Association of Sabah (TAS) on the November 02, 2017. He was accompanied by Mr Bryant Wong, our General Manager and Mr Stephen Chaw (TAS). The talk was attended by the 3rd and 4th year students majoring in Technology and Wood Industry.



There are a few of them who believes that wood industry is a sunset industry due to the reality that many factories have closed down and only 4 remaining still on operation. However, a large number of students find that the timber industry has a bright future. This is based on the exchange knowledge and questions raised during the question and answer session. Most students know about the products produced by companies that are directly involved in the timber industry. They have a keen interest in the way of global calculations used by industries and products such as cross laminated timber (CLT) and glulam. They also voiced the industry's future concerns as well as time and financial capabilities to run the downstream industry.

Mr. Bryant also shared about the green building built with wood. Some of them are publishing curiosity about the construction of stacked buildings using wood as they are concerned on the effect of wood-timber as the main material of building construction. Overall, the students are very interested in the timber industry and some of them would like to develop a career in the industry.



**Picture 1:** Our Managing Director, Mr. Norman Wong receiving a souvenir book from Dr. Liew.

**Picture 2:** A group photo with Dr. Liew, Mr Chaw and the students of the faculty.

**Picture 3:** Visiting the Wood Technology Laboratory at UMS

**Picture 4:** Technology and Wood Industry Student that have attended the talk.

## Sapulut Sport & Recreation Club (KK) Charity Visit

By: SSRC (KK Office)

On December 2<sup>nd</sup>, 2017, Sapulut Sport and Recreation Club (KK Office) organized a charity visit to Kg. Magkupa, Kota Marudu, Sabah. From this programme, the SSRC (KK) has visited three (3) families which is considered less fortunate by the JKKK of Village. The donation including used clothes, basic needs (such as cooking oil, salt, sugar, etc) and cash money. The programme was organized to encourage staff to join more communities event in future.



Picture from left: a) Mr. Kinsum house condition, b) SSRC(KK) interview session with JKKK and Mr. Kinsum, c) Foods and clothes received by Mr. Yurui Yakim, d) Interview session with Mr. Yurui Yakim, e) Donation received by Matangin Bt. Balagu along with her husband.

## Fascinating Fact About Durian Flower

Did anyone eat Durian flower before? This is an eye-opening dish for people outside Sarawak. In Chinese is called Liu lian hua (榴蓮花).

The genus *Durio* has about 30 species of which 19 are native to Borneo. The flowers blossom in the evening and at night, all flower parts fall to the ground except the pistil. Do not pluck the flowers but wait for them to fall on its own. The flowers are pollinated by fruit bats (*Eonycteris spelea*). Usually people in Sarawak collect durian flowers very early in the morning, as early as 5 am because the flowers will turn yellow and appear less fresh under the hot sun.

The edible stamen bundles consists of many fused and branched filaments having numerous anthers. Each filament within bundles is fused at its base. The pistil consists of an orange stigma at the end and an ovary at its base. At night, all flower parts fall to the ground except the pistil with an orange stigma.

Harvesting durian flowers is fun but

have to be careful with all the insect bites. Durian flowers season falls on the month of August or September. They appear suddenly in the markets and disappear within one week. For those who seldom go to markets, they might miss the durian flower season and have to wait for the next season to come. They come and go in a hurry and not easy to catch them in time. Three months after the durian flower season will be the durian fruit season. Durian flowers do not taste and smell like durian fruits. They are crunchy with a tinge of fragrance and sweetness.

Picking durian flowers is a tedious job. A heap of flowers may take hours to finish picking. That is why they are not served in restaurants here in Sarawak. During peak seasons of durian flowers, some fast food cafes, including the vegetarian cafes, do sell durian flowers in curry or sambal

belacan.

Durian flowers cannot be cooked right away. There is a tedious process to be done before cleaning the flowers. Do not wash the flowers immediately after collecting from the gardens. First task to complete is to remove the anthers from the stamens. Just wipe off the anthers from the stamens with finger tips. Discard all the flower parts except the stamens and the creamy yellow petals. Failure to wipe off the anthers completely from the filaments will end up a slimy dish instead of a crunchy one. Next step is to blanch the durian flowers, then rinse thoroughly, drain them and keep in the fridge. It can last for about 3-5 days in the fridge. Can we keep it in the freezer? No, unless you want the flowers to turn rubbery and tasteless. It tastes best on the same day of the harvest.



Recipe - Sambal Belacan in Durian Flower

### Ingredients

- 20-30 belacan – (can be replaced by 2-3 tsp of miso)
- 3 dried chillies – minced (OR 1 tsp of chili powder)
- 2 tsp curry powder
- 3 shallots – sliced (optional for Buddhist and Hari Krishna vegetarians)
- 3 stalks of lemon grass (serai) – crushed
- 300 g picked durian flowers – blanched and rinsed under the tap
- 1/2 tsp mushroom powder
- 13 tbs of oil (more or less)

### Method

- Blend the shallots, belacan, chillies and curry powder together. Add water to form a paste.
- Fry the belacan paste until fragrant.
- Add in the durian flowers and serai.
- Stir fry for a while and add some water.
- The last step is to add the mushroom powder and salt to taste.

Article Source : <http://www.malaysiavegetarianfood.com>

## Malaria Info !!

Malaria is a life-threatening disease. It's typically transmitted through the bite of an infected *Anopheles* mosquito. Infected mosquitoes carry the *Plasmodium* parasite. When this mosquito bites you, the parasite is released into your bloodstream. Once the parasites are inside your body, they travel to the liver, where they mature. After several days, the mature parasites enter the bloodstream and begin to infect red blood cells. Within 48 to 72 hours, the parasites inside the red blood cells multiply, causing the infected cells to burst open. The parasites continue to infect red blood cells, resulting in symptoms that occur in cycles that last two to three days at a time.

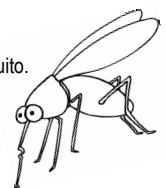
The symptoms of malaria typically develop within 10 days to four weeks following the infection. In some cases, symptoms may not develop for several months. Some malaria parasites can enter the body but will be dormant for long periods of time. Common symptoms of malaria include:

- Shaking chills that can range from moderate to severe
- High fever
- Profuse sweating
- Headache
- Nausea
- Vomiting
- Abdominal pain
- Diarrhea
- Anemia.

### How To Protect Yourself From Malaria??

For malaria, however, there are a number of things you can do yourself to prevent being bitten and contracting the disease.

1. Take prescription medicine if recommended for your destination;
  - #Talk to your doctor about which medicine is best for you to prevent malaria.
  - #Take the medicine before, during and after your trip.
2. Prevent mosquito bites;
  - # Cover exposed skin by wearing long-sleeved shirts, long pants, and hats. Do not wear black clothing, the color black attract mosquito.
  - #Use an appropriate insect repellent. Higher percentages of active ingredient provide longer protection.
  - # Use a insecticide-treated mosquito net. You are highly exposed to mosquitoes at night.



Source : <https://www.healthline.com/health/malaria#symptoms>  
<http://www.netdoctor.co.uk/conditions/infections/a5687/prevention-of-malaria/>

GET INVOLVED: If you like to contribute articles, feel free to submit to [newsletter@sapulut.com](mailto:newsletter@sapulut.com) or contact any of the team members:-

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We welcome any feedback or comments to improve the contents of our newsletter. We also welcome any of the staff who wish to become a member of Newsletter Team.