



NEWSAW (Pty) Ltd

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Reg. No. 2017/188091/07 • Director W.F. du Plessis

THE BEGINNING

- **NEWSAW (Pty) Ltd** started as New Century Sawmill Solutions at the end of 1998, after Mr H.E. du Plessis retired from Hans Merensky, and started operating from January 1999.
- As a specialist company we chose to associate ourselves with other known and proven associates with whom experience was gained over the years to ensure that the quality of delivery remains as per our standards of service and supply and who could also share our vision.
- After 18 years, a decision was made to streamline our profile and presence in the marketplace in line with our broader focus and marketing strategies and change our branding and name to **NEWSAW (PTY) LTD.**
- The philosophy, knowledge, experience, management and staff remains the same, but in a newer, more streamlined 'vehicle' to serve our ever expanding customer base and new ventures.

NATURE OF INDUSTRY AND BUSINESS

- The South African timber industry was started in the early 1940's, mainly on the Swedish Sawmill models. In the early 60's the Swedish mills became highly successful and profitable.
- During the 70's changes due to sanctions against South Africa started, and Scandinavian Companies stopped supplying South Africa. The main changes in the industry happened in the 80's with German technology suppliers bringing in different philosophies and technology. The marketing of timber in South Africa also changed drastically and caused lower recoveries. In the 1990's, sawmills became less profitable, to such an extent that large players such as SAPPI and MONDI, started divesting out of sawmilling.
- The objective of NEWSAW is to act as change agent by introducing the highly effective and technological leaderships of the Swedish sawmill industry back in action, to allow the industry to become highly effective and profitable, and in so doing change the timber industry into profit making enterprises that can once again afford to use the best equipment and technology to ensure the industry's future as well as add value to an industry that can provide a future for its people.



VALUES

- Providing our clients with services of high standards and quality.
- Meeting and exceeding client expectations.
- Skills transfer and harnessing clients' human resources.
- Building a long-term relationship with our clients through mutual respect and understanding.
- Maintaining high standards of integrity and professionalism.
- Summarize key technology, concept or strategy on which clients company is based.
- State consumers' problems and define nature of product/service opportunities created by those problems.
- Review changes in market shares, leadership, players, market shift, costs, pricing or competition that provide the opportunity to clients.

Based on these principles, we are proud to state our **VISION** and **MISSION** as follows:

VISION

To act as change agent by introducing highly effective and technological leaderships of world-class sawmill industries back into action.

To allow the industry to become highly effective and profitable, and in so doing change the timber industry into sustainable profit making enterprises that can once again afford to use the best equipment and technology to ensure the industry's sustainable future that can provide a legacy for its people.

MISSION

To supply the timber industry with the best international technology and knowledge available;
To increase recovery and profitability in the sawmills;
To reduce the cost of production in the sawmills in South Africa, Africa and beyond.

STRATEGIC ADVANTAGES NEWSAW BRINGS TO THE TIMBER INDUSTRY

Through years of research and development, design and searching the world over for the appropriate technology, NEWSAW has achieved the ability to:

- Bring about the paradigm shift, necessary for the ailing South African Timber Industry;
- Enable saw millers to adapt and become the lowest cost, highest quality and productive producers;
- Find further solutions in the supply chain in value adding and supplementary applications abilities.



Together with our strategic partners and international financiers, we are able to achieve a sustainable high profitability by applying our developed philosophy of using the mathematical principle of compound multiplications of all possible recoveries, to enable the maximisation of nett yield and profitability, similar to the effect that compound interest has on the financial outcome of a sound investment.

Mr H Du Plessis was trained and mentored by the late Mr JDM Keet (also called the pioneer of Eucalyptus) in the art of growing and processing of Eucalyptus timber. In the mid 1980's Mr. H du Plessis in conjunction with Prof H Vermaas and Hannes Winter, then at HM's Sabie mill developed full scale dry kilns for Eucalyptus that could for the first time ever, dry eucalyptus like Pine softwood, direct from the saw. It was a huge success increasing recovery in the drying process by up to 40% from previous Air Drying methods.

For nearly 31 years Henri du Plessis of NEWSAW worked, developing knowledge for the complete processing from the tree in field to final product behind the sawmill.

These experiences are invaluable where we have worked to assist in the building of at least 3 major Greenfield Sawmills and the extensive upgrading of 4 more sawmills. We understand all aspect from nurseries preparations, planting of plantation harvesting by mules, Skidders, Forwarders and Skylines as well as transport to and from the mills. Over time we have made development proposals and capital costing and financial outcomes to more than 25 sawmills, 2 pellet plants, 3 enormous chipping plants for export facilities in Beira, Maputo and Point Noir of Brazzaville Congo. Also, many proposals were done over the years for parts of sawmills.

NEWSAW was also the developers of the use of PUR Glues in South Africa and was involved in getting these widely used PUR Timber glues approved by the SABS for South Africa. NEWSAW pioneered this process locally and did very many field trials to do the testing and adjudication of the results for SABS approval, together with Industrial Urethanes and Permaseal at the time.

NEWSAW is the only supplier of Sawmill Technologies who have in depth practical sawmill and timber processing experience, as well as the supply side, it also has a deep understanding of the local as well as foreign markets against which South Africa have to compete.

KEY CAPABILITIES AND ACHIEVEMENTS

Henri du Plessis (Pr.Eng.), (BSc. Eng) found NEWSAW after retiring from The Hans Merensky Foundation in January 1999. At the time of his retirement, Du Plessis was Group Consulting Engineer for Merensky, responsible for all their Assets and Capital expansion programmes. Sawmills built during his tenure were:

- Singisi Sawmill (Kokstad) – 100,000m³ intake in 1975 – Greenfield project R6.0m.
- Tweefontein Sawmill (Sabie) – 180,000m³ intake in 1980 – Greenfield project R12.0m.
- Clan Sawmill (Pietermaritzburg) – Revamp 1982.
- Langeni Sawmill (Umtata) – 180,000m³ intake in 1984 – Greenfield project R23.0m.

As a result of these and other revamps and expansions, Merensky was one of the cheapest cost producers of timber in South Africa in 1988.

Louis du Plessis (ND Building Science), joined NEWSAW in 2004, bringing with him 14 Years Building / Civil / Quantity Surveying / Project Management experience. The last 13 years at NEWSAW, Louis was being groomed and mentored by Henri du Plessis, in an extensive and dedicated transfer of skills and knowledge to ensure continuity.

Wynand du Plessis (B.Com. Hons.): After 12 Years Human Resources Management and 5 years HR & General Management, Wynand joined New Century on a full time basis at the end of 2007 to oversee management and administration functions, and help steer the company in new strategic directions and developments.

Some of the more notable projects that NEWSAW were involved in were:

- 4 Large existing sawmills of +- 120,000M³/ annum rebuilt to the latest technology at the time to ensure capacity and best available recoveries at the time.
- 3 Large greenfield sawmills - two for capacities of 180,000 M³ intake per annum and one planned for an intake of 250,000 M³ was, planned, procured, engineered and commissioned.
- One large face veneer slicing plant with two slicers and two continuous dryers with a preparation for dispatch section. It was bought used in Valencia, Spain, measured up to reproduce building plans. Packed and shipped to South Africa, where it was re constituted with added steaming facilities plus a new log preparation section to ensure super clean logs for two slicers feeding two continuous thermal oil heated chain driers.
 - As far as plywood plants in South Africa goes, very few plants are remaining in operation, largely to the demise of large logs from long rotation plantations. Very few peeler logs are getting produced in South Africa these days, but we are fairly well versed in the activities of our largest plywood producer presently in South Africa.
- Black Empowerment investment project in the Eastern Cape in 2003/2004. The project consisted of a 350,000m³ intake sawmill 76,000 hectares Forestry and Land Redistribution deal. The project had the approval of the Department of Lands, Mondi, Rand Merchant Bank and Hans Merensky. It would have been the largest land redistribution deal in the country, but the whole project was blocked by outside forces.
- In 2004, NEWSAW was contracted by AIG South Africa to conduct a Due Diligence on the Global Forest Products Sawmills, for the verification of a decision by AIG for a R500m investment in GFP's sawmills. Our final report was sent by AIG to the consulting group RE



Taylor & Associates in Vancouver, Canada for verification, who concurred with basically all our findings.

- From time to time, we are contracted to do similar studies and reports by organisations such as the Industrial Development Corporation, Rand Merchant Bank, Bracken Timber, SAFCOL (Komatiland Forest Products), Louis Heyl & Associates, as well as Border Timber and the Wattle Company in Zimbabwe. Jaakko Pöyry from Melbourne, Australia also asked us for assistance with similar projects in South America.
- In October 2007, we were contracted by Rand Merchant Bank to do a due diligence study in a Chip Installation Plant being built for a Canadian Company MAC Industries at Point Noire, Brazzaville Congo. The purpose of the study was to establish the viability of an RMB financial investment, as well as to establish the engineering and operational risks, build quality and other risks.
- In June 2008, we were contracted by SAPPI to quote on a Greenfield sawmill in Swaziland for a possible 440,000m³ intake sawmill. Sappi commented on our proposal as follows:
 - We were the only company to table a complete proposal.
 - Our proposal came in line with their own budget calculations.
 - They commended us for our ability to deliver higher recoveries and return on investments.
- In 2013, New Century, lead a full bankable feasibility study (BFS) for a new Greenfield Sawmill plant in Mpumalanga, with a proposed intake of 250 000m³ per annum. The design included a self-sufficient Biomass Energy Power Station as well as a wood waste extrusion plant, ensuring 0% waste of the whole production. Our proposal was submitted to an international finance and investment group, who had it scrutinised by top European and other international timber industry experts. None of whom could find any fault or risks with the design, production and 10 Year business plan. Confirming it as a sound and viable strategic investment opportunity.
- *We are highly involved in the establishment of Black owned timber manufacturing facilities such as ECH and Maluti and the establishment of community participation vehicles.*
- After 1998 much attention was given to transform sawmills to significant higher recoveries with more advanced technologies, changing and improving product flows and adapt sawmills to wider ranges of products to also improve average selling prices and most of all to lower cost of production.
- Several full BFS studies were undertaken for various clients, of which the most significant ones were a Project at Ugie, Eastern Cape (2003/4); Rondolog – Piet Retief 2013/4; SAPPI Nogondwana 2014 and SAPPI Lomati 2016/17.
- Other international studies of similar size and scope were done for clients in Nigeria (Governmental study for establishment of commercial plantations); Democratic Republic



of the Congo (DRC) – Establishment of commercial plantations; Angola (Establishment of timber hub, including commercial plantations and value adding timber industries). Feasibility study for establishment of a sawmill, floor plant and kiln drying facilities in South America.

We arrange regular educational tours to Europe to visit timber exhibitions and some of our suppliers, where clients can get a first-hand feel of the new technology we advocate and sell.

NEWSAW understands saw milling in South Africa and abroad. We have the necessary technology supplier package from over the whole world to give us the best possible solutions for our clients. We have benchmarks for cost of conversions in the Southern Hemisphere, and the best technology to bring SA Sawmills in line or better than producers in the most cost effective market (Chile)

COMPETITIVE ADVANTAGE

- Passion for, and genuine commitment to rural and local economic development
- Multi-disciplinary team that has solid experience in policy and strategy formulation; program and project development; project management and institutional development
- Have developed solid relationship with a number of government institutions that are in the forefront of rural and local economic development
- A very focused approach to organizational performance, identification of key performance indicators and setting performance targets
- Strong co-ordination skills and ability to work with and manage service providers from various fields
- Long standing networks with credible consulting companies nationally and internationally
- Directors that have practical and solid experience in senior management positions

SCOPE OF SERVICE AND PROJECTS

Our scope of service and projects are done in cooperation and in certain cases in partnership with outstanding service, technology and industry leaders, both locally and internationally.

(1) FORESTRY (HARD WOODS AND SOFT WOODS)

- Commercial forestry plantations
- Forest valuations
- Concession valuations
- Wood Lots
- Agro-Forestry solutions
- Community Forestry
- Desertification

- REDD projects
- Management

(2) HIGH RECOVERY SAWMILLING

- Log yards
- Wet mill
- Sorting
- Kilns
- Treatments
- Dry mill
- Value Adding
- Boilers
- Recovery plants for chips & waste & others
- Pallet Plants & Systems
- Infrastructure
- Turnkey Projects

(3) ORIENTED STRAND BOARDS (OSB)

- Turnkey Projects
- Engineered Hardwood Flooring

(4) PLYWOOD AND VENEER

- Veneer Slicing & Lay-ons
- Veneer Peeling & plywood
- Turnkey projects

(5) BIOMASS ELECTRICITY GENERATION

- Included in all Greenfield development projects
- NEWSAW Can provide Bio Gasification Plants for Electricity Generation with wet forest & sawmill waste – including bark.
- Bio-Fermentation to Methane Plants for Electricity Generation from Animal & Human waste.
- Bio-Gasification of waste Coal Plants for Electricity Generation.
- Bio Furnaces & Boiler Systems for Low, Medium, And High & Ultra High Steam Pressures for Generating Electrical Power via Steam Engines or Steam Turbines. All specially designed fit for purpose, in conjunction with heat and steam generation for kiln and other drying.
- NEWSAW is working on systems for Water Recovery, using Co-Gen Energy to recover water from standard wood based drying systems.

(6) PALLET MANUFACTURING

- Accurate cross-cut systems
- Stationary and Mobile options
- Reducing wastage and improving on recovery



(7) PULP AND PAPER

- Log yard
- Log in feed
- Materials handling and automation
- Tree length handling

(8) FUND RAISING AND EQUITY

- Due Diligence
- Feasibility Studies (Bankable)

(9) INDUSTRY CONSULTATION

- Process flow and design
- Turnkey Projects
- Equipment supply
- Problem solving
- Labour solutions, etc. to the forestry and agriculture sectors
- Training and Mentorship

(10) DESIGN AND MANUFACTURE

- Log handling systems
- Board handling systems
- Sorting systems for planing mills
- In- and Out feed systems
- Stacking and De-stacking systems

NOTABLE CURRENT AND PROSPECTIVE PROJECTS INCLUDE THE FOLLOWING:

- Greenfield sawmill and replacement plantation development in the Eastern Cape. The development's second phase will include an Oriented Strand Board (OSB) plant and value adding secondary and tertiary small industry establishment for a total new job creation of 2000 – 3000 permanent jobs. The preliminary work on this project started in 2007 and the next phase (development) will commence as soon as the client has finalised his timber contracts. Capex R2.6 billion.
- Greenfield sawmill development XXXXXXXXX. This project started as a small upgrade development in 2008, and we have now commenced with the full development of a new ultra-modern sawmill including a cogen- power plant. Capex R400 million.
- Ongoing planning and development in Swaziland for the upgrade of a sawmill and log yards for paper mills. Currently in preliminary stages of a proposed new OSB plant as well.
- Working in partnerships with various stakeholders on a massive job creation drive initiated in partnership with Deloitte and the SA Government. This is at quite an advanced stage already.



- We were actively involved in a planning phase of a national development plan for the Presidency of Nigeria, relating to the establishment of commercial forestry, social forestry, and Agro forestry as part of the NAPEP initiative.
- Feasibility of Biomass power generation facilities mining concessions in Zambia and Tanzania.
- Technical and procurement partner in a joint venture for a Netherlands Enterprise Agency (NEA) funded factory in conjunction with and Angolan NGO for production of doors, windows, desks, chairs and other wood fittings.
- Full Bankable Feasibility Study for a R1.2 Billion Greenfield sawmill development in Mpumalanga in 2013.
- During 2014, we completed a sawmill upgrade for a private concern in Kwazulu Natal, which will enable them to drastically reduce production costs and increase recovery rates and output (saleable) volume.
- NEWSAW was appointed to establish a BFS for two Oriented Strand Board (OSB) plants. The size of these projects would run in excess of R2 billion each.
- Fully automated bailing plant for client in Mpumalanga 2019.
- Wet mill upgrade and Biomass chipper plant in the Eastern Cape 2019.
- Upgrade and re-investment of two medium sized sawmills in Mpumalanga 2020/21.

Note: Where xxxxxxxx appear we are not at liberty to reveal the client without their consent

Notable Clients:

IDC; AIG; RMB; Pory International; York Timber; Anglo; Sappi; Global Environment Fund; Deloitte; Swaziland; Brazil; Nigeria; NAPEP; Angola; ECH, Republic of Georgia.

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