

our CMS

corporate news from cahya mata sarawak
january-april 2012

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ARD CURTIS
ing Director
arawak Berhad

ASIA's
1st

FLAT STORE
CEMENT TERMINAL
OPENS IN MIRI





CMS CEMENT

Asia's first Flat Store Cement Terminal using Innovative Panel Aeration and Pneumatic Conveying Technology

CMS Cement Sdn Bhd opened its new cement terminal in Miri on 21 March 2012. The new cement terminal was built at a cost of RM22 million and represents a significant investment in upgrading our cement distribution capabilities statewide.

The distribution of fresh cement to the Miri area is made more reliable now because bulk cement manufactured at its Pending plant is now being transported, using a fully enclosed dust free pneumatic pipeline, onto one of two dedicated purpose-built 7,000-tonne DWT barges and barged to Miri.

The two barges were built by and are operated for CMS Cement by Shin Yang Shipping. Each barge is equipped with a Swedish-made fully enclosed dust free pneumatic self-loading and unloading system and has a fully enclosed cargo hold fitted with aeration panels and a fluidised cement transfer system.

Upon arrival at CMS Cement's dedicated berth at Miri, the cement is self unloaded via a sealed pneumatic pipeline into the new flat store terminal

which can store up to 6,000 tonnes of cement. The cement is then transported from the flat store into one of the two 150 tonne steel hoppers, either for loading into bulk tankers or for packing into 50kg or 1 tonne 'jumbo' bags for delivery to customers.

Customers are now assured of an efficient supply of cement through the all-weather loading, barging, unloading and packing facilities which together reduce the risk of weather induced supply disruptions.

Cement quality and freshness is preserved by the European-made aeration panel and fluidised transfer technology used in the barges and in the flat store hall and by the system's first in first out cement reclaiming system. Air pollution is also reduced, thus helping preserve our environment, by the use of fully enclosed pneumatic conveying and storing systems which extend from the time of manufacture through to delivery to the customer.

A similar cement terminal will be officially opened in Sibu on 23 May 2012.



Advantages of CMS Cement's new marine flat store cement terminal & pneumatic cement conveying facilities:

- ✓ More customers statewide now have the option to purchase bulk cement with 2 new terminals at Sibul and Miri in addition to the 2 existing ones at Kuching and Bintulu
- ✓ Shortened bulk cement delivery times due to the 2 new terminals in Sibul and Miri
- ✓ Fresher cement supply now for Sibul and Miri markets
- ✓ All weather loading, unloading and packing facilities reduce the risk of weather induced supply disruptions
- ✓ Kuching plant can now export bulk as well as bagged cement to regional destinations.
- ✓ Bulk cement imports, in the event of an emergency, can now be unloaded at the Kuching plant.
- ✓ More reliable statewide bulk and bagged cement supply due to there now being 4 statewide cement storage and supply terminals supported by 2 dedicated bulk cement delivery barges
- ✓ More environmentally friendly due to the introduction of modern fully enclosed and dust free loading, barging, unloading and storage systems.



FINANCIAL PERFORMANCE FOR THE YEAR 31 DECEMBER 2011

At a Glance	Year ended 31.12.2011 (Audited)	Year ended 31.12.2010 (Audited)
Revenue (RM'000)	1,012,609	943,476
Gross profit (RM'000)	259,366	210,719
Share of associates' results (RM'000)	12,250	6,233
Profit before taxation (PBT) (RM'000)	178,715	118,796
PATMI (RM'000)	120,021	65,781
Gross profit margin	25.61%	22.33%
PBT margin	17.65%	12.59%
PATMI margin	11.85%	6.97%
Basic earnings per share (sen)	36.43	19.97
Return on equity	8.80%	5.08%

CMSB Group's revenue for the year ended 31 December 2011 increased by 7% to RM1.012 billion from RM943.48 million in 2010. The increase was mainly contributed by the Construction & Road Maintenance Division from its acquisition of CMS Roads Sdn Bhd and CMS Pavement Tech Sdn Bhd on 1 March 2011.

The Group recorded a pre-tax profit of RM178.72 million for the year ended December 2011, compared to a pre-tax profit of RM118.80 million for the year ended 31 December 2010.

Review of Performance

The Group's earnings continued to be mainly driven by the Manufacturing Division followed by the Construction & Road Maintenance and the Construction Materials Divisions.

The Manufacturing Division comprising cement, clinker, concrete products and wires, being the key driver and the largest contributor to the Group's profitability, continued to achieve higher profit due to higher sales volume and an upward revision of price.

The Construction & Road Maintenance Division registered a jump in the profit primarily due to the re-acquisition of the two profit-making entities which contributed significantly in the current financial year.

The Construction Materials Division's profit fell primarily due to the slower government fund allocation resulting in delay in projects and higher prices of bitumen and diesel.

The Property Development Division continued to maintain a small profit from an on-going development project and sales of shophouses.

Losses in the other divisions for the current financial year declined due to the discontinued operations of the loss-making IT companies at the end of 2010 notwithstanding the profit registered by a new subsidiary namely Samalaju Property Development Sdn Bhd.

The Group's associate in the steel fabrication and manufacturing of steel pipes industry, KKB Engineering Bhd continued its excellent performance for the year

ended 31 December 2011. The Group's associate in investment banking, K&N Kenanga reported a profit compared to a loss in the previous year.

Performance for 4Q 2011

The Group's revenue for the fourth quarter of RM287.18 million was significantly higher by 19% over the preceding quarter. The increase was contributed by all the Divisions.

However, the Group's pre-tax profit for the fourth quarter of RM38.84 million was lower than the profit of RM52.74 million reported in the preceding quarter. The decrease was mainly due to the write off of expenses relating to project under study totalling RM21.89 million in the fourth quarter.

Other than the loss reported by the education company, all other divisions reported higher profits except for the Manufacturing Division. This was due to its plant shut down for maintenance in the fourth quarter.

CMS WORKS SIGNS CONSORTIUM AGREEMENT WITH CMEC



CMS Works signed a Consortium Agreement with China Machinery Engineering Corporation (CMEC) on 17 January 2012 for the proposed Balingian Power Plant Project.

The six member team from CMEC was led by its Vice President, Mr Jin Chunsheng was later presented with a 'Dewan Undangan Sarawak' book by Dato' Richard Curtis.

OM Materials (Sarawak) signs PPA with Sarawak Energy



Sarawak Energy Bhd (SEB) signed a Power Purchase Agreement (PPA) with Singapore-based OM Materials (Sarawak) Sdn Bhd (OM) on 2 February 2012.

Under the agreement, SEB will provide 500 MW of power for a contract period of 20 years to OM. OM is a joint venture company in which CMS and OMH holds 20% and 80% equity respectively and involves a USD500mil investment into a manganese and ferro silicon smelting plant to be built at Samalaju Industrial Park.

The signing ceremony was witnessed by YAB Pehin Sri Abdul Taib Mahmud, Australia's High Commissioner to Malaysia, H.E. Miles Kupa and the Singapore High Commissioner, H.E. Ong Keng Yong.

Earthworks for the plant started in early 2011 and the plant is expected to be fully operational by June 30, 2015. It will start receiving an initial power of 30MW after July 31, 2013. It is expected to produce 300,000 tonnes of manganese alloy and 300,000 tonnes of ferro silicon annually and is likely to create between 2,500 - 3,000 new jobs.

CMS Team visits Acre Works' casting yard



In the photo: CMS team posing with Acre Works' Project Coordinator, Ronik Tan (4th from left). The background scene shows the preparation site for casting of segmental box girder.

Our CMS team led by Dato' Richard Curtis paid a courtesy visit to Acre Works Sdn Bhd's operation casting yard in Sg Long, Ulu Langat for the LRT Project Bukit Jalil, Puchong on 5 January 2012.

Acre Works is an engineering construction company engaged in a multitude of infrastructure and commercial projects in Malaysia.



State Secretary visits Samalaju Lodge



On 30 January 2012, Sarawak State Secretary, Datuk Amar Morshidi Abdul Ghani accompanied by BDA General Manager, Datuk Mohidin Ishak visited Samalaju Development's executive and workers camp at Samalaju Industrial Park, Bintulu which houses over 3,277 workers.

Isaac Lugun, Head of Samalaju Development and his team were on hand to welcome the VIPs.



RECODA's CEO briefs on SCORE DEVELOPMENT

2 February 2012 – Group MD, Dato' Richard Curtis led visitors from Australian Financial Review and Professional Public Relations Pty Ltd, Australia to meet RECODA's CEO, Datuk Amar Wilson Baya Dandot who briefed them on the development of SCORE in Sarawak. Also present was RECODA's Chief Investment Officer, Kamil Daniel Yap.

CHINA GROUP SEEKS INVESTMENT OPPORTUNITIES



On 18 April 2012, the CMS Property Development team welcomed delegates from China led by Deputy Mayor of DeZhou, Ms Yang Jiu Qing. The group's visit was to seek investment opportunities in Sarawak, particularly in the property development and road construction sectors.



CMS Concrete Products' new IBS factory

CMS CONCRETE PRODUCTS NEW IBS FACTORY

CMS Concrete Products' new dedicated IBS Plant at Mile 7, Old Airport Road manufactures a full range of IBS components including Eco Wall panels, precast beams & columns and precast half slabs & pre-stressed slabs.



4m height wall panel for single storey building



Lifting 4m height wall panel

High quality finishes with Eco Wall



Loading bay



New wet-mix batching plant for IBS Factory



CMS Premix (Miri)

commenced operations of its new 150 MT/HR Bintulu Plant in December 2011 to better meet the demand of premix in the Bintulu area - demand is expected to increase with the accelerating implementation of projects at Samalaju Industrial Park and roads upgrading.



Tunku Putra School

STUDENTS SCORE 100% PASS IN SPM 2011

Tunku Putra School (TPS) students recorded a 100% overall pass rate in the Sijil Pelajaran Malaysia (SPM) examinations for 2011 when the results were announced on 21 March 2012.

"We congratulate all 2011 SPM students and teachers for the most impressive result. TPS would like to take this opportunity to thank the management, teachers and parents for their continuous and invaluable support. Our best results ever! This has certainly made the TPS community proud," said the School Principal, Peter Morris.



● ● ● TPS NEW CLASSROOM BLOCK ● ● ●

Seven months after the project started in 2011, construction of a double-story 16 classroom block at TPS has been completed! The new building was given its Occupational Permit in September, 2011 and now the Tingkatan 3, 4 and 5 classes as well as the Year 8, 9, IGCSE and A-Level students, and Examination Rooms have been relocated.

TPS believes that a safe and conducive environment for learning is paramount and these new classrooms are equipped with air-conditioning, sturdy desks and furniture, and student lockers. The classrooms are built around an inner courtyard that is covered and will come to good use as an alternative venue to hold student activities when the School's current Multi-Purpose Hall is used.

"The inner courtyard will help ease congestion on the School Hall which is used for various class and club activities throughout the week. The inner courtyard will also provide more space for extra-curricular activities and small group activities and meetings, in line with TPS's aim to provide quality holistic education to develop all-rounded individuals", said Peter Morris, the School Principal.

Benches and notice boards are placed around the courtyard for notices, displays and student activities. Floodlights are also installed to provide an extra boost

of light on rainy days. As a truly caring school, the new block was built to include a washroom for students with special needs to help mobility-impaired students aside from the normal washroom for other students and teachers.



The new classroom block was also designed and constructed to meet the steady increase in student enrolment over recent years. TPS currently has a student population of approximately 600 and is fast nearing its maximum student capacity of 900.

Demand for enrolment is on the increase both for kindergarten, primary and secondary level classes in 2012, and to meet these demands TPS has increased its kindergarten and primary classes. TPS can proudly say that the school environment is beautiful, peaceful and devoid of distraction thus providing an environment conducive to learning and study and its perfect location and large compound provides plenty of room for future expansion works for planned multi-purpose courts, sports facilities and activities rooms.



CMS PROPERTY participates in SHEDA Roadshow

CMS Property Development participated in the SHEDA Kuching 2012 Property Roadshow at Boulevard Shopping Mall from 17 - 19 February, 2012 showcasing its latest launch at Bandar Samariang - Laman Suria's Single Storey Semi-Detached houses located in Taman Lakeside which emphasises on clean modern lines and stylish yet practical home-features.

During the 3-day Roadshow, CMS Property offered savings, commitment-free reservation and free legal fees on sales and purchase agreements for all residential properties in Bandar Samariang, plus a low booking fee of RM500, subject to terms and conditions.



Located in the growing riverine township of more than 20,000 residents and just 15 minutes drive from Kuching city centre, Bandar Samariang is fast becoming a much sought after residential and commercial area in Petra Jaya, Kuching. Its flood-free properties are sited on mixed zone land with 87-year lease.

SEDC KUBAH RIA FEST 2012



CMS Property Development showcased its properties at the SEDC Kubah Ria Fest 2012 from March 9 - April 1 at the new Kubah Ria Complex, Kuching featuring Bandar Samariang's latest launches at their booth.

Also participating at the Fest was CMS Cement - promoting its Cemplast masonry cement.



For more information, contact
CMS Property
at 013 811 3277 / 082 311 887 Ms Tisa /
Ms Chai or visit our website at
www.cmsproperty.com.my

Baleh-Kapit Raft Safari

Survivors take of fun in the sun



5 April 2012, Kapit - Two CMS Group rafting teams led by Dato' Richard Curtis, participated for the second time in the annual Baleh-Kapit Raft Safari. This year saw a total of 39 teams vying for the Champion's trophy in the various categories, with CMS registering 2 teams for the Men's Open Bamboo Raft Category. Sixteen fearless rafters; made up of members from the Senior Management, SBU representatives from Bintulu, Sibul and Kapit, Management Trainee Graduates, and also a 'special' recruit from Sarawak Energy Berhad, embarked on this journey of a life time, to conquer the treacherous rapids of the Baleh River.

CMS Roars 1, consists of Dato' Richard Curtis (Captain), Jugu Ak Ganjai (Navigator), Miles Malcolm Smith (SEB), Kelana Kipli, Uvat Simu, Adam Aman, Bangit Grusin and Awangku Shafiq. CMS Roars 2 consists of; Gilbert Chua (Captain), Nyaring Ak Ladin (Navigator), Woo Yoke Meng, DeeJay Liaw Ak Robin, Wong Ding Herg, Dennis Bong, Oliver Seli and Sylvester Ngilo Ipoi.

Day 1 took the teams on an adventurous journey which began with a 3-hour drive from the frontier town of Kapit, through the dirt roads cutting into virgin forests, to the start point at Rumah Salang, a longhouse situated on Pulau Sibau where they stayed the night.

As dawn breaks on day 2, our eager adventurers headed down to the riverbanks for the flag-off ceremony. As the air horn blared signaling the start of the race, our rafters rowed in unison, to keep pace with the other teams. The 4-hour long journey, took the teams through pristine jungle surroundings and small villages, where they were greeted with waves of encouragement from the villagers and school children. CMS Roars 1 managed to maintain 10th position and CMS Roars 2, secured 12th spot.



On day 3, all participants from the different categories again gathered at the riverbank for the 2nd flag-off ceremony. Gaining momentum from their previous day's achievement, the team started the second half of the race with plenty of energy, vigor and confidence. CMS Roars 1 and 2 glided on the Baleh River with double the speed this time. As the team reached the tributary of the Baleh and Rajang rivers, CMS Roars 2's raft hit a log, hence splitting it into two, throwing all the rafters into the river. Fortunately rescue came quick and everyone got out of the river safe but wet.

With the sinking of CMS Roars 2, CMS Roars 1 was left to be the sole flag bearer for CMS. Continuing with the race and not backing off from the fierce challengers and beating exhaustion, the team rowed all the way to the finish line, full of determination and the pride of CMS.

The event ended with a 'victory' dinner to celebrate the team's achievement. The team exchanged stories of courage and how the Great Baleh River has humbled them, because for some, this was their first time visiting and experiencing life in a rural longhouse.

A beaming Dato' Richard, thanked all the crew members on a job well done – only made possible through hard work and most importantly teamwork.

Story written by Sylvester Ngilo Ipoi, Bangit Gerusin, Oliver Seli, Dennis Bong & Awangku Shafiq and edited by Shirly Ann.



Dato' Richard Curtis presenting the sponsorship cheque to Kapit Deputy Resident, Mohd Ikmal Abdullah.

Doing our part for CSR, CMS donated RM10,000 to the organising committee of the Baleh-Kapit Raft Safari 2012 at a simple handing over ceremony held at the second flag off station at Rumah Bangkong, Nanga Sebala, Mujong, a tributary of Baleh.

REVISED COMPANY POLICIES AND MANUALS

30 January 2011 – Sixty CMS employees comprising of SBU Heads, management and executive level staff were briefed on the newly revised company policies and manuals which came into effect on 1 January 2012 applicable to all SBUs and HQ departments.



The half-day event was led by Group General Counsel, David Ling who briefed staff on the Group Limits of Authority (“GLOA”) while General Manager - Human Resources, Wendy Yong briefed on the Group HR Policies & Procedures Manual. Also on the panel was General Manager - Procurement, Danny Sim who briefed on the Procurement Policies & Procedures Manual and General Manager- Finance, Tan Mei Fung took on the Group Financial Policies & Manual.

Procurement Procedures & Policies Manual



On 28 February 2012, Group Human Resources working hand in hand with Group Procurement kicked-started the first in-house briefing session for the year in Bintulu following by Kuching on 8 March 2012 which saw 59 CMS employees staff attending.

The briefings conducted by our Group Procurement team - Danny Sim, Chong Wan Siang and Lorita Charlie were organised to help raise the awareness of employees involved directly or indirectly in the procurement of goods and services within the Group with reference to the Procurement Policies & Procedures Manual. The scope of the day's briefing covered the following topics:

- Basic principles of PPPM and Group Limit of Authority (GLOA), including revisions made;
- Users' roles and responsibilities in the procurement activities;
- Consultant registration system; and
- IFCA related issues.

The Procurement Policy & Procedures Manual can be downloaded from the Intranet under “Company Policies and Forms” section.



Samalaju Lodge marks Labour Day with workers event

- 9 May 2012, Bintulu

Samalaju Property Development's commitment to provide opportunities for the 3,000 workers involved in the construction of factories in Samalaju Industrial Park to interact with each other and strengthen the spirit of camaraderie within the Samalaju Lodge community received a boost with the month long celebration held at the Lodge that culminated on National Labour Day on May 1, 2012. Activities included games, refreshments, competitions, music and entertainment.

Commenting on the event, General Manager, Goh Chii Yew said, "This Labour Day celebration is held to recognise the contribution of 3,000 workers from 10 different countries to the organisation's success hence to the industries located at Samalaju Industrial Park, Bintulu".



CMS CEMENT holds Fire Drill Exercise

CMS Cement's Safety & Health Department with the help from Jabatan Bomba & Penyelamat conducted a Fire Drill Exercise for all employees at its Kuching plant on 5 April 2012.



Weighing session
in-progress



Meeting the
'Green' theme

CMS Clinker goes 'GREEN' for a good cause

12 March 2012 was 'Green Day' for CMS Clinker. 89 staff brought their recycled items from home to the Clinker plant at Mambong where a total of 1.6 tonnes of recycled items including old newspapers, old television sets, tin cans, magazines, to name a few were collected and weighed.

The 'green' event raised RM518.90 which was donated to Masalina Ak Daron, wife of the late Steve Boto. The late Steve worked at CMS Clinker for 12 years as a Laboratory Supervisor before he passed away last year. The donation was handed over to Masalina and her 4 children on 13 March 2012 by our caring and generous CMS Clinker colleagues.



Grace Tan handing over the donation to Masalina, witnessed by Kesian Sandah, Hisham M. Amin, Sim Pei Chuang and Joel Chung.

Cement's Recycle **CAMPAIGN**

Twenty-one (21) CMS Cement employees participated in a Recycle Campaign on 25 January 2012 which saw a total collection of 459.8 kg of recycled item such as paper, books, magazines, newspaper, boxes, plastic bottles and aluminium cans sold to MBKS.

CMS THANKS MEDIA



SINCERE FROM US as CMS Group Corporate and Communication Executive Qarinne Qamilla (second right) and Tin Chai ak Sohail presenting the Chinese New Year hampers to *New Sarawak Tribune* and *Utusan Sarawak* Senior Manager Operation Nina Melling as well as Project and Operation Executive Nomiday Dajie during their (CMS) visit to the dailies' premises yesterday. Qarinne, in representing CMS Group wishing a Happy and Prosperous Chinese New Year to the dailies and hoped that the Year of the Dragon bring happiness, prosperity and good fortune.

PHOTO: RAMIDI SUBARI



CHESHIRE HOME T H A N K S CMS CLINKER STAFF



The Sarawak Cheshire Home located at Jalan Ong Tiang Swee, Kuching looks much neater and cleaner, thanks to the 41 CMS Clinker employees who volunteered to spruce up the Home with their 'gotong-royong' activities carried out on 4 February 2012.

Equipped with 'changkols', spades, rakes and jet sprays, the team lead by Plant Manager, Hisham Mohmurad Amin together with the Home's wheelchair-bound inmates gladly joined the team to clean window panes, grilles and clearing of clogged drains.

Much to the delight of the 67 inmates, our Clinker team also presented them with goody bags before saying their goodbyes.

CMS EMPLOYEES DOING GOOD FOR CHARITY



Blind Centre Annual Charity Sales

- 25 March 2012

CMS Cement (Kuching) and Group Internal Audit together raised a total of RM2,717.50 for the Blind Centre Annual Charity Sales 2012.



CMS employees join forces at Perkata Open Day

- 29 April 2012

Seven (7) stalls were set up by CMS employees with the Group Procurement team raking in the highest sales amounting to RM2,510, followed by Group HR (RM2,083), CMS Infra Trading (RM825) and CMS Property Development (RM1,948). First-timers to charity sales are our CMS Roads and CMS Pavement Tech teams who did equally good by raising RM1,492.60 and RM1,541 respectively. CMS employee volunteers doubled the amount raised for Perkata this year with a grand total of RM10,399.60 compared to a total of RM5,112.00 raised last year. Well done, WARGA CMS!



Children's Home gets fresh coat of paint - 10 March 2012

Eight (8) Group IT employees turned painters for the day when they gave the recreational area named Willis House at the Salvation Army Children's Home a fresh coat of paint.

Thanks to our volunteers, Willis House was transformed - with new bright coloured blue and pink walls!



21 April 2012

- Thanks to Amy Tan, Melissa Wong, Susan Chin and Patricia King, 30 boys and girls from the Salvation Army Children's Home were given free hair-cuts!



CMS Adopt-a-Mosque

A total of RM117,000.00 was handed over to 65 mosques and suraus across Sarawak in the 1Q 2012 under the CMS Adopt-a-Mosque programme.

Surau Darus Sakinah situated at Jalan Astana, Kuching also received RM12,000 from CMS to refurbish their surau.



CMS Clinker donates to SJK Chung Hua

As part of its efforts to help the community around them, CMS Clinker donated RM10,000 worth of school furniture to SJK Chung Hua Batu 10 on 21 March 2012. The donation was handed over by CMS Clinker's General Manager, Mr Lim Kim Beng.



Cement SBU's 1Q Health Run

10 March 2012 - 220 excited employees from CMS Cement, CMS Clinker and CMS Concrete Products took part in the year's first quarterly run held at the Tabuan Jaya Mini Stadium. The event was flagged off by Cement SBU Head, Tuan Haji Othman Abdul Rani at 7 am sharp.

RM1,000 contributed by the participants was handed over to Encik Abang Iskandar Halil, who received the donation on behalf of Rumah Seri Kenangan, Kuching which will be used for the up-keep of the old folks home.





CMS Friendly Games 2012

Following the success of the CMS Inter-House Games 2011, CMS is organising the CMS Friendly Games 2012 with CMS teams playing against selected invited government agencies, government linked corporations, business associates and industry related private companies with the hope to further enhance our rapport and working relations with these agencies and business associates.

The various games to be played between our CMS teams vs our guest teams will be held in Kuching, Sibul, Bintulu and Miri:

- Kuching : Badminton; Futsal; Football; Bowling & Lawn Tennis
- Sibul : Badminton; Bowling & Futsal
- Bintulu : Badminton & Futsal
- Miri : Badminton; Bowling & Futsal

A total of 30 friendly games are being planned by the Main Organising Committee together with the Regional Committees. Top players from the 2011 CMS Inter-House Games are being selected to 'beef up' our teams whose players also include the management staff of SBUs having business dealings with the invited organisations.

The first round of friendly games for Badminton and Futsal, both between CMS vs JKR Samarahan will be played on Saturday, 12 May 2012, followed by other games with other selected organisations in the months of June, July, September, October and November 2012 at all the regions.

The latest CMS Friendly Games Schedule can be viewed on the Intranet.

All CMS employees are encouraged to come and support our CMS teams!

DIESEL LEAKAGE AT CMS PREMIX (MIRI)



A POSITIVE LESSON IN HOW TO RESPOND TO AN EMERGENCY

Early morning on Sunday 4 May 2012, a 14,000-litre diesel-bitumen oil spill from our diesel tank at the CMS Premix (Miri) plant was detected, obliging the nearby water treatment plant nearby to shut down thus interrupting the supply of water to some 300,000 residents in Miri town. The Lambir Water Treatment Plant located about 16 km from the city centre had to close when the raw water intake section was affected after Sungai Liku, the main river supplying water to the plant, became contaminated with oil coming from a leaking diesel-bitumen pipeline.

As soon as the leak was detected, the Construction Materials SBU's Emergency Response Team (ERP) including, Goh Chii Bing, Chan Fook Hong and Health & Safety Officer, Neuchlos Job quickly responded and engaged proactively and immediately with the relevant authorities including DOE, NREB, Police Department, Ministry of Domestic Trade & Consumer, Ministry of Health and the Miri Resident. All went immediately to the site to investigate the incident and to stem the leakage.

With full cooperation from Petronas, Shell, Bomba and Wasteway Sdn Bhd, remedial works to contain the leakage were mobilised that same day and the situation was quickly brought under control. Two containment ponds were dug as per DOE, Police and Bomba's recommendations and work to extract and clean the spill. Subsequently, two trenches were dug and lastly a small coffer dam was constructed at the site. Skimming of the diesel-bitumen oil film from the river was completed and water supply was resumed on 5 May 2012. The total estimated clean-up exercise cost RM500,000.

Following the incident, an internal investigation was carried out and despite the fact that our CMS Premix (Miri) plant was in full compliant with all the regulatory and safety requirements when the incident happened, an action plan on corrective, preventive and improvement measures was implemented which included the following:

WITHIN THE SBU:

1. Installation of additional 500 Liters skid tank for Burner consumption;
2. Constructing additional bund wall to contain the 500 liters skid tank;
3. Installing a steel pipe;
4. Reviewing the current SSOP on Diesel Storage and Usage at the worksite and to be implemented throughout the SBU;
5. Maintaining and update the Daily Inspection Checklist of the Diesel Storage and Usage;
6. Ensuring the Record of Locked Clock Watch is documented and monitored daily by the Clerk and Production Supervisor respectively. Any abnormality shall be reported to the Production Supervisor;
7. Provision of Security Tent with a Security Guard to man the Diesel Tank and its installation during non working hours; and
8. Engagement of an additional Security Guard from another Security firm.



ACROSS CMS:

1. We are setting up an in house unit to go round and monitor and review security at all our locations; and
2. As part of our risk assessment and monitoring there will now be an added section covering pollution, sabotage, theft and environmental risks, which has been kicked off with all units providing a report and action plan for this to the GMD and our Group Risk Coordinators.

CMS is relaying this story to our staff so we can all learn from this unfortunate incident to ensure it never happens again to any of our businesses and that if anything like this does happen the importance of a speedy and proactive response that engages with all affected stakeholders and which focuses on minimizing any negative impacts on our community.