

ourCMS

corporate news from cahya mata sarawak
may-august 2012

HALF YEAR RESULTS 2012





CMS records improvement in 1ST half 2012

FINANCIAL PERFORMANCE OF CMSB GROUP

CMS registered a PBT of RM120.01 million for the 6-month period ended 30 June 2012 (PE2012), 37% higher than RM87.39 million for the 6-month period ended 30 June 2011 (PE2011). The higher PBT was contributed by Property Development SBU, Samalaju Development SBU, Construction & Road Maintenance SBU and CMS I-Systems but partially mitigated by lower PBT from all other SBUs/divisions and our associate companies.

Cement SBU, being the key driver and largest contributor to the Group's profitability, continued to achieve healthy results in PE2012. However, despite the increase in sales volume and revenue in PE2012, its PBT was impacted by the prolonged shutdown of the clinker plant for upgrading resulting in higher priced imported clinker. PBT decreased by 7% in PE2012.

Construction & Road Maintenance SBU registered a 32% jump in PBT. One of the contributing factors for the higher PBT in PE2012 was the increase in the contract rate for state road routine maintenance.

Construction Materials SBU's PBT fell by 29% compared to PE2011 primarily due to lower revenue, a major repair done to a plant's crusher, the cleaning up cost for the diesel spillage at the Premix plant in Miri and reduced Government fund allocations.

PBT from the Trading Division increased by 27% as compared to PE2011 mainly due to the sales of high profit margin water related products.

Property Development SBU recorded a PBT of RM22.09 million in PE2012, compared to a loss in PE2011 due largely to the recognition of profits for the sale of land in the 2nd quarter of 2012.

Samalaju Development SBU, which commenced operations in 2nd quarter of 2011 continued to report a commendable PBT in PE2012.

The Group reported lower shares of profit from its listed associates, namely K&N Kenanga Holdings Berhad and KKB Engineering Berhad, in PE 2012 compared to PE2011. The Group's new associate namely, OM Materials (Sarawak) Sdn Bhd, recorded a marginal loss in PE2012 upon the reversal of a foreign exchange loss registered in the preceding quarter.

The Group's PBT of RM70.11 million in the second quarter ended 30 June 2012 was higher than the PBT of RM49.90 million reported in the preceding quarter ended 31 March 2012.

CMS Cement not increasing cement price



In light of the recent speculation that cement companies in Malaysia would be increasing their prices, CMS Cement stated that the Company will not be raising its cement price and went on further to explain that they respect the Malaysian Competition Act and do not engage in price discussions with any Malaysian cement producers.

Speaking about the recent reports of a nationwide cement price hike, Group Managing Director Dato' Richard Curtis, said, "CMS Cement has always remained committed to the socio-economic growth of the State. Even though cement production in Sarawak poses a logistical challenge due to terrain, raw materials and geographical population spread, we will not be increasing our prices. While the perception is that Sarawak is a cement monopoly, in truth any person can set up operations or, just as CMS Cement does, import cement to cover unexpected demand surges or disruptions to its own production. Despite these logistical challenges that may have deterred other cement producers, we continue to play our part to support the State's development."

"In 2011 similar baseless price hike rumours were reported and we reiterate today exactly the same points we made at that time as our position and stance on the matter has not changed. As a responsible corporation, CMS Cement is fully aware that the local market depends on us to ensure a reliable supply of quality cement for its infrastructure needs. This is especially important now as SCORE's potential is being realized. We always consider the impact that our actions have on the construction sector and therefore, our preference is not to pass on the increased costs of doing business to the customer."



EDITORS' BRIEFING

On August 3, 2012, CMS Cement held a media briefing in Kuching to realign the perception that external stakeholders have of the cement industry as a whole.



Chief Executive Officer of Samalaju Property Development Sdn Bhd receives State Award

Our heartfelt Congratulations to Y Bhg Dato Isaac Lugun, Chief Executive Officer of Samalaju Property Development Sdn Bhd on being conferred the Darjah Yang Amat Mulia Bintang Sarawak "Panglima Setia Bintang Sarawak" (P.S.B.S.) award which carries the title 'Dato' by Tuan Yang Terutama Yang di-Pertua Negeri Sarawak Tun Datuk Patinggi Abang Haji Muhammad Salahuddin Abang Barieng in conjunction with His Excellency's 91st Birthday on 8 September 2012.

LEARNING FROM THE EXPERIENCED

18 May 2012, Kwinana, Western Australia: An entourage of 11 people consisting of directors and staff of Samalaju Property Development Sdn Bhd (SPD) and officials from Bintulu Development Authority made a fruitful and memorable study visit to a unique place called Kwinana, located 35 km south of Perth, Western Australia.

The purpose of the visit was to study a model well-planned and environmentally sustainable industrial township that co-exists with a heavy industrial park, especially on the requirements for buffers, zoning and environmental control.

The entourage met the Mayor and CEO of the local council of the Town of Kwinana and the Director of a non-profit business association, Kwinana Industries Council (KIC). Briefings were provided to share their invaluable knowledge and experiences in planning and developing Kwinana including the lessons learned.



Group photo with Mayor of Town of Kwinana

The CEO of the Town of Kwinana also provided a guided tour to the Kwinana Industrial Area, adjacent industrial zones and residential developments.

Kwinana Town and Kwinana Industrial Area are very similar to the proposed Samalaju Township and Samalaju Industrial Park in Bintulu. The only difference is that Kwinana has gone through an elaborate journey of 60 years of development, whereas Samalaju is a new greenfield development, where much can still be done to make it right the first time.

- With the increase in the number of investors to Samalaju Industrial Park, the role played by KIC in
- 4 Kwinana is very relevant model to draw on for Samalaju to achieve those universal primary goals.

**Samalaju
team visits
Kwinana**

4th INTERNATIONAL ISLAMIC VENTURE CAPITAL & PRIVATE EQUITY CONFERENCE

21-22 May, 2012
Kuala Lumpur

The 4th International Islamic Venture Capital & Private Equity Conference 2012 themed "Driving Innovation through Islamic Risk Capital & Global Best Practices: Securing Returns on Innovation Investment" was officially launched by Y.B. Tan Sri Nor Mohamed Yakcop, Minister at the Prime Minister's office. The event was attended by local and international venture capital and private equity industry players, as well as industry regulators and entrepreneurs.

*CMS Opus' Managing Director,
Hj Azam Bin Azman posing with his team*



*Y.B. Tan Sri Nor Mohamed Yakcop
visiting CMS Opus' booth*



5th Investors Conference
2 July, 2012
Port Dickson,
Negeri Sembilan

1st Islamic Private Equity Fund

COPE Opportunities 2 Sdn Bhd launched its 1st Islamic private equity fund with a total fund size of RM61 million in Kuala Lumpur on 10 July 2012. Main investors are Lembaga Tabung Haji and CMS Capital Sdn Bhd. CMS Opus Private Equity Sdn Bhd have been appointed Investment Manager for the Fund.

The agreements were signed by Datuk Syed Ahmad Alwee Alsree for CMS Capital, Haji Azam Azman for COPE, Haji Abd Kadir Sahlan and Hajah Rozaida Omar for Tabung Haji and Dato Mohd Sallehuddin Othman for the Fund, witnessed by Dato Sri Mahmud Abu Bekir Taib, Group Deputy Chairman of CMSB and Datuk Paduka Ismee Ismail, Group Managing Director and Chief Executive Officer of Lembaga Tabung Haji.

The Fund's mandate is to invest as a minority



shareholder in emerging growth companies that are Shariah – compliant, primarily in Malaysia with a secondary focus on other ASEAN and Australasian countries.

Investments would not be limited to any specific industry, but preference will be given to the sectors identified in the National Key Economic Area (NKEA) such as oil and gas services, agriculture, food, education and training.

Cold In-Place Recycling & Soil Stabilisation Technology Workshop



CMS Works Sdn Bhd held a 2-day workshop from 14-15 June 2012 at Damai Beach Resort, attended by 131 participants which included engineers and technicians from CMS group, JKR, MIDCOM, DBKU, HCM, MPP and MBKS. The objective of the Workshop was to impart the knowledge and skills required to undertake comprehensive and systemic Cold In-Place Recycling and Soil Stabilisation Technology applications in Sarawak.



The Koffee Talk is back and the first session for the year took place on 12 July 2012, at a local restaurant attended by 20 non-executive staff from the Cement SBU. The half-day session with Dato' Richard Curtis and representatives from Group HR, gave the attendees an avenue to talk about anything or voice out their opinions and ideas. They also had the opportunity to engage in an open and friendly two-way dialogue with top management.

CMS Koffee Talk sessions will continue until November 2012 and besides Kuching, it will also be conducted in Sibul, Bintulu and Miri. So call your respective HR Department now for more information!

**KOFFEE
TALK
is back!**



CMS Employee Total Wellness Programme



In 2012, Construction Materials SBU took up the challenge to move towards a healthier lifestyle and that took place on 14 July 2012. The programme kicked-off with a keynote address from its SBU Head, Mr Goh Chii Bing and in his speech, stressed the importance of leading a healthier lifestyle. However, it should not be just healthy physically but also mentally and spiritually. He is very supportive of the programme as it creates awareness amongst his staff that a healthy mind and body in turn will produce a healthy and safe working environment.

As this programme is under the umbrella of its Health, Safety & Environment (HSE) Department, headed by Tuan Haji Awang Muda and Neuchlos Jub, the first topic delivered was on 'Overview of Occupational Safety & Health' (OSH) followed by other topics delivered by Julia Abdullah and Puli Henry Anyut from Group HR. The session ended with a mini Health cum Charity Run, participated in by 100 employees. Now everyone is looking forward to the next session in October!

WINNERS OF CMS CLINKER BIGGEST LOSER COMPETITION 2011

14 June 2012



[From left: Lenney Jeffrey (2nd place), Kesian Ak Sandah (Champion), Ma Sok Cheng (3rd place)]

Prizes were presented by Cement Head of SBU/CEO of CMS Cement Sdn Bhd, Tuan Haji Othman Abd Rani to our CMS Clinker ladies who made a clean sweep of the Biggest Loser Competition 2011.

**BRAVO
LADIES!**

CMS IN-HOUSE TRAINING CAPABILITY PROGRAMME



Train-the-Trainers

CMS launched its In-House Training Capability (ITC) Programme in the second half of 2012 which purports to develop in-house expertise on specific and generic training, inculcate an appreciation and understanding of various functional areas such as Finance, Audit, IT, Procurement, Legal and Human Resources at the Group level, at the same time provide an avenue for cross functional discussions.

During the first year of implementation, the ITC Programme shall focus on a series of soft skills and functional training offered by Centre Management while subsequent ones will include training, orientated toward the SBUs' functionalities such as safety, marketing, technical training, operations and production management.

To further equip the selected 20 candidate In-house Trainers with effective competency-based training, Group HR had arranged a 3-day Train-The-Trainer Course from 22 – 24 May 2012.

During the 3-day session, participants were taught on how to structure their lesson plans effectively and enhance their creativity in terms of training delivery. From July onwards, our in-house trainers will conduct their actual training sessions for the Group with a view to improve operational efficiency, internal work processes and promote open communication channels.



How to Improve Your PowerPoint Skills



The second workshop under the CMS In-house Training Capability Programme on **'How to Improve Your PowerPoint Presentation 2.0'** was conducted by Andy Siong of Samalaju Industries Sdn Bhd on the 28 August 2012. Feedbacks from the 32 participants were very positive and most suggested that more sessions be organised in the future as it will benefit many CMS staff particularly those who frequently conduct briefings and presentations.

Cultivating a Safe and Defensive Driving Culture

"This is a process towards cultivating a safe and defensive driving culture", said Mr Lim Jit Yaw, CEO/SBU Head of CMS Construction & Road Maintenance SBU. "My hope is all those who handle vehicles to go through this course, not just at CMS Roads but staff across the CMS Group. I see this as a very good opportunity for all of us to learn and know what to do when a road hazard arises", he added.

CMS Roads kick-off its first Defensive Driving Programme in Kuching on the 28 August 2012, followed by another session in Miri to be held from 3 - 4 September 2012. Conducted by a certified and seasoned Road Safety Trainer, the 2-day programme was a brilliant exposure for all participants. The course started with a theory session where participants were introduced to 'What is Defensive Driving', followed by topics on 'Crash Cause Factor & Solution', 'Blind spot, Journey Management & Emergency Response Plan' and a very interesting topic on 'Tyre Safety'.

A practical session took place on the second day whereby participants were given tips on 'Vehicle Fitness and Skid Management'. It continued with the trainer demonstrating and giving them an

opportunity to experience emergency braking, front and back slalom, reverse parking and cornering. The day ended with an assessment by driving on the road whereby participants need to practise their scanning skill (seeing the farthest point), blind spot observation and analyse visual information by using their side & rear mirror.

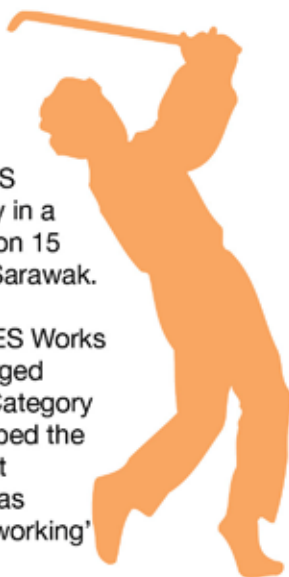


This programme will continue until year 2013 in order to benefit selected employees particularly those assigned to driving company vehicles and road maintenance machinery/equipment. This programme is spearheaded by CMS Roads QA/HSE Dept, assisted by Group HR.

CMSB STAFF GOLF TOURNAMENT 2012

CMS Group Executive Director, Datuk Syed Ahmad Alwee Alsree led a group of fifteen CMS management staff to play in a friendly golf tournament on 15 July 2012 at Kelab Golf Sarawak.

Zulkifli Embong from PPES Works (Sarawak) Sdn Bhd emerged Champion in the Gross Category while Abdul Nasser grabbed the Champion title in the Nett Category. Lai Hen Kim was crowned the 'Most Hardworking' title for the day!



Abdul Nasser receiving his prize from Datuk Ahmad Alwee Alsree.



Datuk Syed Ahmad presenting a token of appreciation to YB Datuk Fatimah



Tunku Putra Kindergarten

Fun learning is an effective and important means of teaching children in kindergartens.



K3 Children leading the mass aerobics



Weight-lifting



Egg and Spoon race



Mass Aerobics participation

Tunku Putra School's Mini Olympics

was the climax of the school's celebration of learning about the Olympics, through the International Primary Curriculum (Early Years) and in conjunction with the Olympics held in London this year.

This exciting event was held on Friday, 6 July 2012 and the Guest-of-Honour was YB Datuk Hajah Fatimah Abdullah, Minister of Welfare, Women and Family Development.

YB Datuk Fatimah, accompanied by TPS Exco Committee Chairman and CMS Group Executive Director, Datuk Syed Ahmad Alwee Alsree, opened the event with a Torch Relay to the accompaniment of the kompangs played by TPS' Tingkatan 4 students which added to the festive mood with their lively beat and set the tone for the activities to follow.

Besides, creating a greater awareness in children of the skills in sports, the

main objectives of the Mini Olympics was to appreciate the importance of keeping healthy through physical activities and exercise, as well as understanding the true "Olympic" spirit of participation and effort.

The Kindergarten 3 children led the Mass Aerobics to get everyone ready for the activities to come which included a simple obstacle course, egg and spoon race and a relay run, all structured to be developmentally appropriate, to ensure success for every child and, being non-competitive, to encourage participation and effort and to have fun.

Even sporting parents had the chance to show off their athletic abilities in the Parents' Obstacle Relay race!

This was an excellent showcase for the Olympic Project studied since it reflected mass participation and competing in an atmosphere of team work and individual excellence throughout the Kindergarten's student ranks.



BADMINTON

CMS Friendly Games 2012



FUTSAL



CMS reaches out to its employees

CMS through its Group's Compassionate Fund gives support to low-income employees who are in crisis due to the death, sudden major illness or accident of the breadwinner. Without assistance and support, such families in crisis are at risk of declining into poverty and developing chronic family problems, with a detrimental impact on the lives of the children. As a result, we aim to give early and timely assistance to these families before situations spiral out of hand.



Mr Lim Jit Yaw, CEO of CMS Works Sdn Bhd handed over RM8,000 to Jeprin Ak Eres on 23 July, 2012, witnessed by Datin Mazlin Darus, PPES Works (S) Sdn Bhd's General Manager (Finance & Admin) and CMS Roads' Senior HR Executive, Musa Buang.

Jeprin, a security guard at PPES Works was diagnosed with tuberculosis recently.



Keruni Ak Awen, an operator at CMS Pavement Tech Sdn Bhd received RM5,000 from Ms Rashey. His house was razed to the ground on 16 August, 2012.





Cementing ties and transforming lives



Since our participation in the first Habitat home-build for the year, CMS employees have since eagerly volunteered in another three more home-builds.

The teams' time and effort have helped to lay bricks for the walls, climb scaffolding, put in the windows and doors, sieve sand before pouring cement to make the floor. Most days are hot and humid and it is commendable that they had to put up with the blazing sun from early morning until midday with some volunteers even continuing into the late afternoon.

As a caring and responsible organisation, CMS also makes regular corporate donations in the form of money and/or building materials to Habitat-for-Humanity.

CMS' contribution, be it by way of cash, building materials or sweat, has certainly enabled us to help deserving families in our society to acquire their own affordable homes.





Go Bald

20 May 2012

10 brave CMS employees shaved their heads to raise RM19,556.00 for the Sarawak Children's Cancer Society.

WELL
DONE
GUYS!



Race Against Time

19 May, 2012 -



102 CMS employees participated in the Race Against Time Run, aimed at raising awareness on organ donation.



Cement SBU 2Q Health Run
26 May, 2012

LIVE ACTIVE RUN 2012 FOR DIALYSIS CENTRE

17 June, 2012

54 CMS employees were among the 1,600 runners from all walks of life and all over the country who took part in the 1st Live Active Run, organised by the Spring Shopping Mall for the benefit of Persatuan Dialisis Cahaya Kuching, a dialysis centre that aims to provide affordable treatment for kidney patients.



777 Night Chase Run

9 July, 2012

173 CMS employees were amongst the 1,364 runners who took part in Kuching's first night run organised by Sarawak Marathon Association.





Every Drop Counts

CMS organised its first blood donation drive which saw employees and families from CMS and K&N Kenanga helping to fill up the Sarawak General Hospital blood bank.

The event was held at Wisma Mahmud on 6 July, 2012.



Kuching Autistic Association

24 June, 2012



Sarawak Cheshire Home

1 July, 2012

CMS OPUS PRIVATE EQUITY Painting Tadika KAFA An-Nur, Kota Damansara 14, July 2012



'Buka Puasa' treat for orphans

28 July, 2012 Kuala Lumpur

30 orphans from Rumah Bakti Nur Syaheera were treated to a buka puasa dinner hosted by CMS Opus Private Equity Sdn Bhd recently. The children also received duit raya from its Managing Director, Encik Azam Azman.

CMS Roads, RMU Betong carries out Gotong-Royong activities at SMK St Augustine, Betong 5 May, 2012

- Construction of gravel surface car-park for school staff
 - General cleaning at school hall
 - Cleaning of RC culvert and earth drain



2nd Gotong-Royong Project carried out by CMS Roads at Rumah Kanak-Kanak Datuk Ajibah Abol, Sri Aman 7 July, 2012



CMS Clinker recycles for a good cause

16 July 2012

A record number of 173 employees participated in the second recycling campaign by CMS Clinker Sdn Bhd. This campaign was one of the many environmental projects being held in line with the planned ISO 14001 certification of CMS Clinker Sdn Bhd.



Recyclable waste weighing session in progress



Some of the committee members with the collected recyclable waste

This campaign managed to collect a total of 4,896 kg of recyclable waste in just 3 hours! The participants hope that this effort will go a long way in doing their part for a greener future!

Proceeds of the recycling campaign amounting to RM1,681.15 was handed over to the wife of the late Lingel Anak Kanis, a former staff of CMS Clinker Sdn Bhd by representatives of the company on 31 July 2012.





Developed with Pride for you by

CMS PROPERTY DEVELOPMENT
(321917 U)

Located in the fast growing riverine township of more than 20,000 residents and just 15 minutes drive from Kuching city centre, Bandar Samarlang 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 99-year lease.

Bandar Samarlang is set to be the key meeting point of Jalan Sultan Tengah, the Samarlang Riverine Loop road and the soon to be Federal Administrative Centre (FAC) highway. With such a hive of activity in the area, properties in Bandar Samarlang are set to increase in value.

CMS Property Development offers huge savings, commitment-free reservation and free legal fees on SPAs for all the residential properties in Bandar Samarlang, plus a low booking fee of RM500 which is subject to terms and conditions.

ALAM OASIS

DOUBLE STOREY SEMI DETACHED



MODERN

4 bedrooms & 3 bathrooms

from RM391,000



TROPICAL

4 bedrooms & 3 bathrooms

from RM391,000

ALAM INDAH

1½ STOREY SEMI DETACHED



4 bedrooms & 2 bathrooms

from RM315,000

SINGLE STOREY TERRACE



3 bedrooms & 2 bathrooms

from RM205,000

* All pictures, drawings, artists renderations & descriptions of facilities are not intended to be a contract nor should they be construed as representations.



CAHYA PUTRI

Staff Discount 5%, Limited to 5 Units Only.

DOUBLE STOREY TERRACE
4 bedrooms & 3 bathrooms

from RM280,000



Samariang Ria 3 TO 4 STOREY SHOPLOTS

EXCELLENT JALAN SULTAN
TENGAH FRONTAGE

from RM738,000

LAMAN SURIA

SINGLE STOREY SEMI DETACHED
from RM299,000



ALAM SARI

SINGLE STOREY TERRACE
from RM145,000



Developed with Pride for you by
CMS PROPERTY DEVELOPMENT SDN. BHD.
(A Wholly Owned Subsidiary of Cahya Masa Future Bhd.)

Tel **082-311 887 / 013-811 3277 / 012-817 7388**

Email : sales@cmsp.cmsb.com.my

www.cmsproperty.com.my

No. 01 & 02, Lot 5574 & 5575, Bandar Samariang Commercial Centre, Jalan Sultan Tengah 93050 Kuching, Sarawak

The Isthmus
Confluence of Sarawak

RAINTREE SQUARE



3 STOREY PRIME COMMERCIAL SHOPS

- ✓ 99-year lease
- ✓ Sited in Special Development Area with no restriction on foreign ownership
- ✓ Distinctive 3-storey commercial units with 1st floor connecting walkways and green features
- ✓ Typical built-up from 6.7m X 18m (22'X60')
- ✓ Walking distance to BCKK, planned 4 & 5-star hotels, hypermarket, university, river taxi jetty, premier office buildings, housing and ferry transport hub
- ✓ Improved connectivity to Kuching with new roads and bridge

