

Celebrating 40 Years of Transformational Growth

# OUTCIMS

corporate news from cahya mata sarawak may-aug 2014

New Cement Grinding Plant At Mambong Now Under Construction



CMS Cement Sdn Bhd had on 23 June 2014 signed the Engineering, Procurement and Construction (EPC) Agreement with Christian Pfeiffer Maschinenfabrik GmbH (CPB) as its EPC/Turnkey contractor for the design, execution, commissioning of a New Cement Grinding project at Mambong for a contract sum of RM156 million.

The scope of the EPC/Turnkey contract includes amongst others, the engineering, procurement, manufacturing as well as installation, testing and commissioning of all equipment, facilities, and associated civil and infrastructure works of the Project.

Mr Erich Pichlmaier, the Managing Director of CPB said: "CPB is honoured to be the selected EPC contractor for this prestigious, integrated grinding plant. The state-of-the-art engineering, technology and design will ensure the plant will perform to the highest levels of efficiency and reliability, with minimal downtime and maintenance requirements, and the lowest lifetime cost of ownership. The ball mill will be equipped with the most advanced lining system, the renowned CPB monobloc® flow control diaphragm to maximize the grinding efficiency, and the latest QDK high efficiency separator optimised by CFD modelling. The power consumption of the complete plant - from material feed to cement dispatch - is expected to be below 40 kWh/t and the plant availability above 95%. I am confident that the project when completed will become a show case plant for CMSB and a reference installation for CPB, and that CMSB can count on CPB for continual technical support and after-sales service in the years ahead."

The EPC contracting framework for the Project will allow CMS to leverage the significant large-scale project management experience of Christian Pfeiffer, a German company which since 1925 has made a name for itself initially as a provider of outstanding components in grinding systems and more recently in the EPC supply of tailor-made plants. The signing of the EPC Agreement completes the final stage in the Project's planning and preparation process, paving the way for a full scale Project construction phase to commence.

The scope of this Project is to build an integrated grinding plant with an annual rated production capacity of 1 million metric tonnes (MT). The construction is projected to begin in July 2014 and the plant is expected to commence production within 18 - 21 months. The plant consists of a Ball Mill with a rated capacity of 150 MT/hour, a high efficiency Separator, 2 units of 10,000MT concrete silos complete with a 3,000 bag/hour Packing Machine. Furthermore, it will also incorporate a palletiser to allow for all-weather long distance transportation of bagged cement, an automated truck loader and a 4-line bulk loader to enable faster and higher volume bulk cement loading.

Dato' Richard Curtis said, "With the growing demand for cement in Sarawak that is set to continue reflecting Sarawak's accelerating economic growth spearheaded by the Sarawak Corridor of Renewable Energy (SCORE), CMS started a study for a cement plant extension at Mambong in early 2012. This new plant represents a significant milestone for CMS and we are pleased to be associated with Christian Pfeiffer and to leverage on their superior technical expertise and experience which is in line with our CMS' mission of "Producing Quality, On Spec & On Time" products for all our four stakeholders, namely our shareholders, staff, customers and community.

"The grinding plant will be integrated with the adjoining clinker plant. Its production will serve the needs of Kuching and its hinterland while the existing Pending plant, with its jetty facilities would cater for other major cities in Sarawak through our all-weather barges and state-of-the-art flat store cement terminals. Our investment in a third cement grinding plant will increase our total cement installed capacity by 57% to 2.75 million MT per annum. When this third grinding plant is operational, CMSB will be better positioned both to mitigate any production disruptions, if a plant is ever shut down for either maintenance work or technical malfunction, and to meet projected cement demand increases in the State for the foreseeable future," said Dato' Curtis.

# CMS RECORDS PROFIT

#### 6-month pre-tax profit up 33% to RM165 million

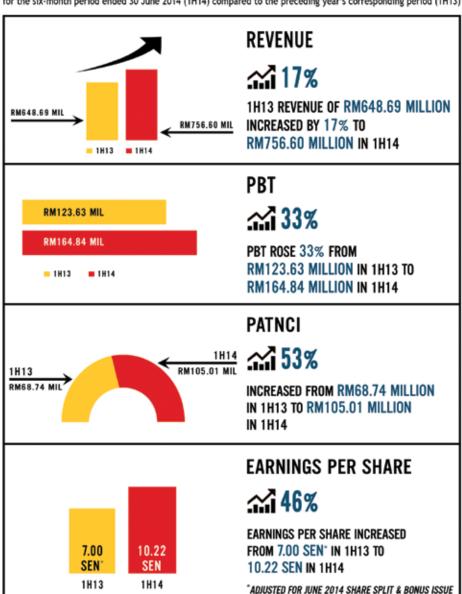
27 August 2014- Cahya Mata Sarawak Berhad (CMSB) delivered a strong performance in the first six months of 2014 (1H14). The Group recorded a pre-tax profit (PBT) of RM164.84 million for 1H14, a 33% increase from the corresponding period of last year's (1H13) PBT of RM123.63 million. The PBT reported for the second quarter ended 30 June 2014 (2Q14) has also remained robust at RM98.65 million, a 43% increase from the preceding year's corresponding quarter's (2Q13) PBT of RM68.81 million and a 49% increase as compared to PBT reported in the first quarter ended 31 March 2014 (1Q14) at RM66.19 million.

Year-on-year, the Group's profit after tax and non-controlling interests (PATNCI) of RM105.01 million for 1H14 is 53% higher than RM68.74 million for 1H13. Earnings per share stood at 10.22 sen versus 7.00 sen\* (adjusted for share split & bonus issue) from the corresponding six-month period of last year.

The main contributors towards the solid PBT earnings for 1H14 were the Cement, Construction & Road Maintenance and Property Development Divisions. The Cement Division recorded a PBT of RM58.77 million in 1H14, a 30% increase in comparison to 1H13's PBT of RM45.19 million. The Property Development Division's PBT grew to RM39.20 million in 1H14 in comparison to a loss before tax of RM585,000 in 1H13, which was

#### CMSB FINANCIAL SNAPSHOT

for the six-month period ended 30 June 2014 (1H14) compared to the preceding year's corresponding period (1H13)



attributable to the recognition of profits from sale of land and also the increased sale of properties. The Construction Materials & Trading and Construction & Road Maintenance Divisions also reported higher revenues and PBT compared to the corresponding six-month period of last year.

CMSB also declared an interim dividend of 1.5 sen for the financial year ending December 31, 2014 (FY14), payable on October 24.

Commenting on the results, Dato' Richard Curtis, Group Managing Director of CMSB said: "This has been an important quarter for us in terms of meeting performance against targets, which is a credit to our professional and prudent management and staff. Significant achievements have been recorded namely by the Cement. Construction Materials & Trading, Construction & Road Maintenance and Property Development Divisions, which saw robust rises year-on-year in PBT by 30%, 17%, 16% and 6800% respectively. The overall result for 1H14 should be viewed positively as it indicates that the Group is on track to deliver strong financial results for the full year of 2014".





# BUNNESS AND SAFFAM ON SABOR AND SAFFAM ON SAFF

# CMS Wins The EDGE Billion Ringgit Club Award for Best Performing Stock

11 August, 2014 – CMS has won The Edge's prestigious 'Billion Ringgit Club' (EDGE BRC) award for the 'Best Performing Stock – Industrial Products Sector' and picked up a silver award for 'Highest Profits Growth 2014 – Industrial Products Sector' and this year's achievements follow CMS's success at last year's event where we received the 'Highest Profit Growth Company 2013 – Industrial Products Sector.'

Launched in 2010, and officiated this year by Deputy Prime Minister, Tan Sri Muhyiddin Yassin, the club aims to set the benchmark in corporate Malaysia. Every year, The EDGE BRC honours the top businesses for their excellence in delivering quality results and returns and to honour the best-performing Bursa Malaysia listed companies.

Group Managing Director, Dato' Richard Curtis who received the award from Tan Sri Muhyiddin, said: "This award is testament to the good work that CMS has been is doing, consistently delivering to our four major stakeholders – our shareholders, our staff, our customers and the community in which we operate, the State Government and our employees. And it is to those employees who make up the CMS family, to whom we owe so much, I would like to dedicate this award".

#### CAHYA MATA SARAWAK BERHAD

## 39TH AGM & EGM

25 MAY 2014 BCCK





C O P E REWARDS INVESTORS

On 20 May 2014, CMS Opus Private Equity (COPE) organised its 7th Annual Investor Conference in Marriott Hotel Putrajaya. At the event, COPE returned RM9 million to its investors of COPE Opportunities 1 which were generated from the successful exit of its investment in Orogenic Holdings Sdn Bhd.



# CMS Cement (Bintulu) launches Environmental Handbook

On 16 May 2014, CMS Cement (Bintulu) launched its **Environmental Handbook**, a requirement for ISO 14001 (Environment) standards where an employer is to provide training and creating awareness on environmental issues to all its employees.

Following the launching, an awareness talk on "Kesedaran & Kepentingan Mengaja Alam Sekililing, Akta Kualiti Alam Sekeliling 1974 (Akta 127)" was held.

Officers from the Department of Environment (DOE) were also present at the launch.



25 July 2014 – Following the land sale (S&P) during the ground-breaking ceremony of The Gateway Towers Project in The Isthmus on 29 August 2013, CMS Land Sdn Bhd and Pelita Holdings Sdn Bhd (LCDA) signed the Design & Build Negotiated Contract for RM 66million, held at Wisma Mahmud.

Representing Pelita Holding was its CEO, Datu Dr Haji Sulaiman and Senior Manager of Legal & Secretariat Division, Mr Kamri Ramlee whilst Group Managing Director, Dato' Richard Curtis and Head of Property Development Division, Mr Vincent Kueh represented CMS Land.

# NAFAS VISITS **SAMALAJU**



The Board of Directors of National Farmers' Association (NAFAS) led by their Chairman, YB Dato' Seri Hj Saipolbahari Bin Hj Suib, visited Samalaju Industrial Park on 25 June 2014. NAFAS is considering to set up a fertilizer plant downstream to MPA Sarawak's phosphate additives plant.

Samalaju Industries CEO, Dato Isaac Lugun hosted lunch and briefed them on development of Samalaju Industrial Park.



STUDY TOUR
by GreenRe,
REHDA & SHEDA

27-28 July 2014 – GreenRe, REHDA & SHEDA had organised a study tour with a mission to be recognised as an alternative green rating standard in Malaysia and encourage the property development industry to be sustainable in the build environment.

On both days, Ms Ashley Ang from CMS Property Development visited Green development and buildings in Kuala Lumpur namely Ken Bangsar, Ken Rimba, Wisma REHDA and G Tower so asto better understand Green elements.

Property Divisions participate in SHEDA PROPERTY EXPO 2014



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# CHALLENGING RACE AT PADAWAN RAFT SAFARI 2014



3 August 2014 - While most people are asleep, a group of CMS employees including Dato' Richard Curtis woke up early to travel more than 20km to Kampung Git to gather at Robert Asan's house (CMS Penkuari staff) for the Padawan Raft Safari. It was still dark when everyone arrived, all excited as some are joining the Raft Safari for the first time!

At 6.20 am everyone boarded a bus and made their way to Kampung Temurang to drop off 4 teams for the Men's Open Category while the rest continued their journey to Kampung Danu for the Women's Open Category.

At Kampung Temurang, the men bumped into 5 teams of rafters from CMS Clinker who also took part in the competition. The men flagged off at 8.30 am and the women at 9.30 am to a chaotic mess where everyone was trying to push ahead of each other. The CMS Teams rowed and roared their way to the meandering river under the glistening heat of the sun. The water level was low which made it difficult to manoeuvre the rafts.

All 8 CMS Teams arrived between 5 to 8 hours on at the finishing point but unfortunately 2 other teams were stranded and could not complete the race.

Mr David Ling, who joined the Baleh-Kapit Safari in April this year, said the Padawan Raft Safari was a totally different experience, one that was gruellingly tough and exhaustingly long. It was a good learning experience and they will strive to do better next year.





the extra-curricular programme, each Year group has the opportunity to participate in an excursion.

Inspired by Mr John Lonhienne, a Year 10 class tutor, the students embarked on a 4-day trip to Kota Kinabalu either as part of the 'summit group' with the target of climbing Mount Kinabalu or the 'exploring group' led by Mr Brian Avery, also a Year 10 class tutor, who would get to know more about Kota Kinabalu and the surrounding area.

On the first day, the 'summit group' began their ascent of the mountain with 5 hours climb to reach the Laban Rata Resthouse. Up before dawn the following morning and eager to continue, the final ascent to the summit, initially delayed because of adverse weather conditions, was successful as 8 students and 3 staff made it to the top.

A moment of clear weather and stunning views were the rewards for the effort and determination that the group had showed. The months of training and preparation beforehand had paid off.

"We experienced multiple challenges both mentally and physically but it was definitely an extraordinary and memorable experience" reminisced 1 student, while a fellow climber commented that it was "a truly memorable trip for the climbers as we had to face different challenges to reach the summit. This trip has made me learn that we should face our challenges with determination and bravery."

Despite the extremely low visibility and a freezing cold downpour, upon safe return, it was clear how everyone utilised each other's company and strengths as a team to overcome the challenges of climbing Mount Kinabalu. It was definitely an "awesome excursion".







HARI RAYA AND NATIONAL DAY SPECIAL ASSEMBLY

Tunku Putra School commemorated this year's Hari Raya Aidilfitri and 57th National Day with a combined Special Assembly on Friday, 29 August 2014.

With this year's National Day theme being 'Di Sini Lahirnya Sebuah Cinta', the assembly began with the rhythmic beats of the 'kompang' parade by the Secondary students.

Students from all sections of the school, teachers, and a special mother-and-daughter (IP4) duet presented a variety of dance and song. The first piece was the Seloka Hari Raya dance by Kindy 2, followed by the ECA group with their Suasana Hari Raya, Joget Kasih Tak Sudah and Inang di Hari Raya, and the Satu Pagi Hari Raya Song by IP and NP students.

The Cultural Committee performed the Warni di Aidilfitri Dance to the delight of the students, followed by the Tingkatan Students & Teachers band. A mother-and-daughter duet sang the Joget Aidilfitri to much acclaim.

The second part of the assembly focused on Merdeka Day. NP1's superb choral presentation 'Oh Malaysia!' depicting the harmonious relationship between the ethnic groups in Malaysia, the colourful flora and fauna, the beautiful scenery, the vibrant festivals and the delightful food and drink of Malaysia won big applause from the audience.

The finale of the occasion was 'Tanggal 31 August' sung by all the participants, which uplifted the audience's mood for the National Day celebration. The audience stood in ovation and gave out shouts of 'Merdeka' in unison!

OurCMS May-Aug 2014



MAJLIS RAMAH-TAMAH AIDILFITRI 2014



In conjunction with the month of Syawal 1435H, Group Executive Director Datuk Syed Ahmad Alwee-Alsree and wife, Dato Hanifah Taib-Alsree organised their annual Majlis Ramah-Tamah Aidilfitri on 16 and 17 August 2014 at their home.

Meanwhile, CMS Cement organised their own a Majlis Ramah-Tamah on 22 August 2014 and for the 1st time in Bintulu, the Management and Heads of Department of CMS Cement Kuching graced their presence alongside GED Datuk Syed Ahmad to celebrate the festive season.







With the FIFA World Cup in season, FIFA officiated its first match between Brazil and Croatia in Sao Paolo, Brazil. To foster good relations with the community of Bandar Samariang, two prominent developers of Bandar Samariang Township - CMS Property Development Sdn Bhd/Projek Bandar Samariang Sdn Bhd and Hock Seng Lee (HSL) Construction Sdn Bhd joined hands to cosponsor the month-long event.

A large outdoor projector screen was set up to telecast both live and repeated match screening, and to make it comfortable for all World Cup supporters, the screening was replete with marquee-covered viewing areas and accompanied by local stalls selling refreshments.

It is with high hopes that the giant screen viewing represents both CMSPD and HSL's giant commitment to the community of Bandar Samariang and its spirit enhancement.

To date, CMSPD has completed 85% of its Phase 1 of Bandar Samariang Township, which covers an approximate of 4,069 residential and 136 commercial shophouses while 323 units of housing and commercial properties are under construction, and an additional 600 units are under planning.







#### Badminton 21 June 2014



After a year of hiatus, the highly anticipated event has returned with a BANG! The first friendly match, led by Captain Musa Buang, was played against Sarawak Energy Berhad (SEB).

After the 2012 friendly match with SEB staff, our CMS team played with them like old friends as most of them have already known one another.

Despite so, our team gave their best in all the matches, proudly displaying their brilliant badminton skills to play strokes, smashes, drop-shots, net shots, clears and other techniques to rounds of applause from team members, invited guests and committee members.

The event rolled out with speeches from both CMS and SEB followed by presentation of mementos. The highlight of the day was the opening VIP match, with CMS represented by Mr Vincent Kueh, Head of Property Development Division and Mr Goh Chii Yew, General Manager of Samalaju Development Division. This winning match boosted the confidence of our other fellow players.

Both companies sent in their top players of 5 teams of Men's doubles, 2 teams of Ladies' doubles and 1 mixed doubles. Although SEB beat CMS to 5-4 in the closely-fought matches, everybody had a good time cheering for their teams and watching the exciting matches.

During the friendly match, our team did not forget to interact with SEB players to establish closer friendship and rapport. The event ended with a satisfying and sumptuous lunch.

Kudos to our CMS Team!





# Football May-August 2014



Coordinated by David Atom and Adam Aman, to-date CMS have played in a total of 4 matches, winning 2 matches against Jabatan Kerja Raya Samarahan Team (6 - 0) and KASTAM (6 - 4). However, luck was not on our side when CMS lost to Kuching Port Authority (KUPORT) team with a score of 1 - 4 and conceded a draw with Sarawak Energy Berhad (SEB) team with a score of 3 - 3.

All matches were held at Sekolah Sukan Negeri Sarawak at SMK Tabuan Jaya, Kuching, Sarawak. CMS' final match will be played against JKKP (DOSH) which will be played in the last quarter of 2014.





Bowling
16 August 2014
CMS vs 24 Other
Government Agencies





	Team Name	Total Score	Rank
Σ	DBKU	2194	1
⋖	CMS A	2149	2
ш	PSKPP	2078	3
	KERIS A	2052	4
	KASTAM	2052	5

ΑL	Team Name	Total Score	Rank
) U	Herman Shah (KASTAM)	595	1
ΛI	Adrian Chang (CMO)	582	2
	Jeffrey Rosdin (KESUJA/JAIS)	580	3
N	Arturo Pangilinan Roque (CMS A)	579	4
П	Masri Gigi (DBKU)	565	5

# CMS sponsors Sarawak Astronomical Society's Outreach Program



2 June 2014 - CMS donated RM5,000 to Sarawak Astronomical Society (SAS) recently to fund its outreach programme to rural areas to foster and promote interest in astronomy.

Activities include seminars & planetarium programs, public planet observations, scientific sessions which aims to inspire children to be interested in the field of astronomy.

At a brief ceremony, Group Managing Director, Dato' Richard Curtis handed over the cheque to the Curator of Planetarium Sultan Iskandar, Encik Ismandy Ali and witnessed by Cik Zurwina Bt Sharkawi, Puan Noraini Bt Othman and Encik Alfean Bin Aziz, all from SAS.

# CMS OPUS breaks fast with orphans



5 July 2014 – CMS Opus organised and sponsored a RM4,500 "Majlis Berbuka Puasa dan Sahur" with orphans at Surau Mutiara Damansara. A total of 33 orphans from Rumah Lembaian Kasih Sg Penchala were present at the breaking of fast together with the local communities where they were greeted with a RM50 "duit raya" each.





## CMS Cement sponsors Interschool Rugby competition

CMS Cement (Bintulu) sponsored RM5,000 for Bintulu's Interschool Rubgy 2014 competition held at the Bintulu Civic Centre in June 2014.

The competition was jointly organised by Bintulu Rubgy Football Association and the Education Department.

Deputy General Manager, Ir. Yeo Joon Chiew presenting prizes to the winning teams from Kolej Vokasional Bintulu B and SK Agama Bintulu.

# CMS BLOOD DONATION DRIVE





Just like our tagline above says, "Give Blood, Save Life", 47 CMS donors from across the group came forward to help the blood bank.

Assisted by Timberland Medical Centre, CMS Blood Donation drive which was held at the lobby floor of Wisma Mahmud went smoothly with many turning up for the first time to donate. When asked about how they felt – Penny Khiew and Betty Ling, both from Samalaju Properties agreed that it was a humbling act that everyone healthy person should do to help those in need.

MTDP v2.0 graduate, Bradley Sim exclaimed that it was fun whilst Arthur Wong Yeong Der said that the experience was good and surprisingly quick with a blink of an eye.

As the clock ticked past 1pm and all goodie bags handed out, we thank all our successful donors.







# YOU ARE SOMEONE'S HERO

28 May 2014 – CMS Cement Bintulu held a blood donation drive with the assistance of Hospital Bintulu during their Mobile Blood Donation Campaign. 13 of CMS Cement Bintulu staff were successful in donating their blood with 5 brave first-timers turning up to do their bid to save lives.

Thank you guys for making their slogan "Setitis darah itu tiada ternilai" a success!

# CLOTHES FOR YAKIN

26 June 2014



Yayasan Kemajuan Insan (YAKIN) has approached CMS Infra Trading with efforts to encourage assistance to YAKIN and the less fortunate. Its "Program Pakaian Dan Barangan Terpakai" seeks the donation of books, shoes, stationeries, children toys and other functional essentials to those in Kuching, Kota Samarahan, Lundu and Simunjan.

Generously, CMS Infra Trading has donated 18 boxes and 2 plastic bags of clothes totaling 791 pieces of clothes to YAKIN.



## **CMS STAFF SPREADS GOODWILL IN CAMBODIA**

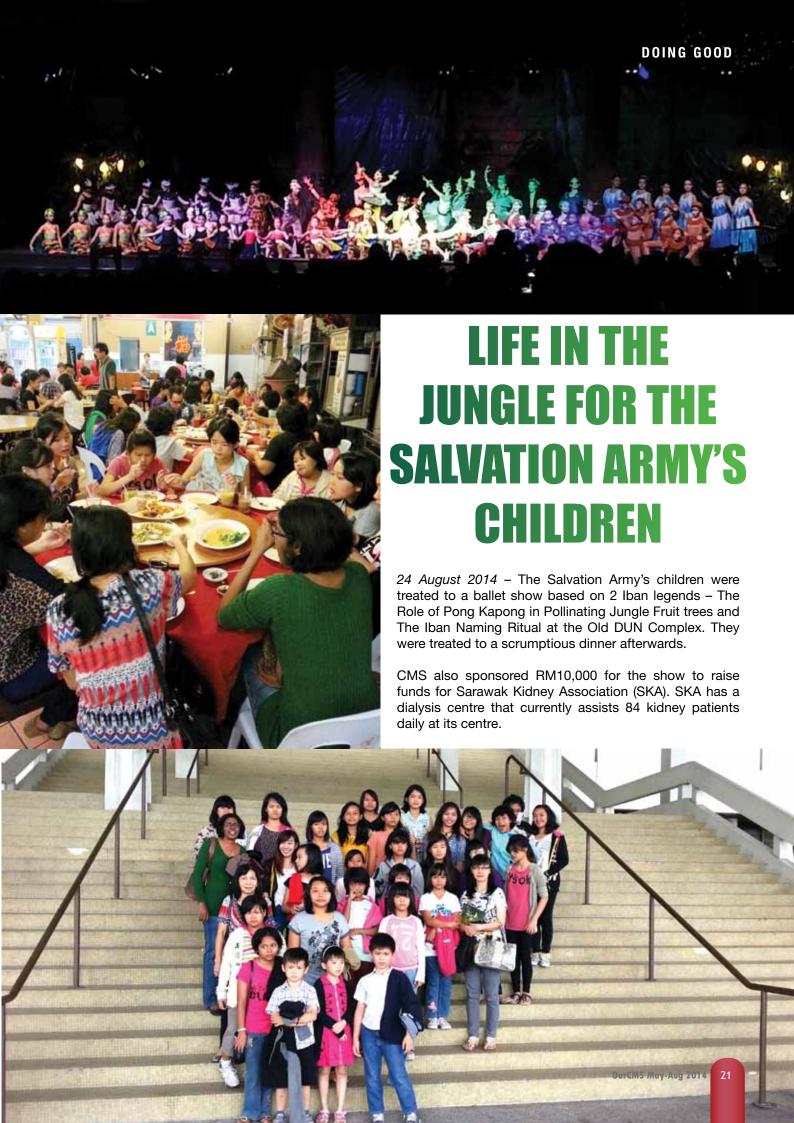
1 July 2014 - Siem Reap, north-western Cambodia is known for her Angkor Wat Temple, a central feature of Angkor UNESCO World Heritage Site that intricately depicts the Khmer civilisation.

On their holiday to Siem Reap, 3 of our ladies – Beatrice Bity, Jency James and Jelening Seli found a golden opportunity to spread some of Malaysian goodwill to the "Land of Peace and Prosperity". They stopped by a Chong Kneas "floating" primary school where 48 underprivileged students were schooled at.

In spreading CMS' Doing Good, they donated a sack of rice and a variety of scrumptious snacks to the school. "Nothing could beat the joy on the faces of the children", mentioned Beatrice, upon receiving snacks. When asked whether they had similar projects in the future, our ladies all agree that "if they were given an opportunity, they would love to do it again".

Spread Goodwill & Do Good... Regardless of where you are.





DOING GOOD







# SPRINGING BACK TO LIFE!

15 June 2014 – The Spring Live Active Run is back this year with runners filling up the road along Jalan Simpang Tiga in the wee hours of the morning, starting with the 21km race at 5.30am. Among them were four of our seasoned runners - Mr Law Lee Eik, Mr Faisal Machmud, Mr Benjamin Ong and Mr Daljit Singh who finished their run in 2:20:56, 2:37:49, 2:52:01 and 3:22:22 respectively.

CMS is proud to have them completing the half marathon! The other 11 CMS employees took part in the 10km run while another 63 ran the 5km. They were happy to see CMS Group Managing Director, Dato Richard Curtis leading the pack again this year.

Running for the first time in the 10km route was Ms Denise Koo, our very own Group Company Secretary, who trained tireless to complete the run 1:16:34 with her family. Feeling accomplished and brimmed with excitement, she will be running in 10km race in the Kuching Marathon on 17 August 2014.

The Spring's Live Active Run 2014 raiseda total of RM60,000 for the Sarawak Hospice Society, Sarawak Breast Cancer Support Group, Habitat for Humanity and Special Olympics Sarawak.





# CHARITY NIGHT RUN

12 July 2014– CMS employees came out for a cool breezy night to take part in the Charity Night Run at MBKS Kuching. The MBKS ground was filled with participants in bright yellow-coloured t-shirts for the run. The music was loud attracting every runner to the main entrance of MBKS building to take part in their warming up sessions. The Muslim fasting month of Ramadhan did not stop some runners from taking part in the event which was officiated by the Kuching City South Mayor, Dato James Chan.

Proceeds from the event were donated to Che Hui Khor Moral Uplifting Society, Kuching & Samarahan Division Sarawak for the amputees to get artificial limbs.





# THE INAUGURAL KUCHING MARATHON

17 August 2014 – The Kuching Marathon was a hot topic among runners for days leading up to the event. On the night before the run, some roads were closed as early as 6.00 pm for the 42km full marathon which started at 3.00 am at Padang Merdeka followed by the 21km half marathon, 10km run and the 5km run. They passed through some scenic kampung routes and beautiful landmarks which were interesting to runners especially to those from outside Kuching.

The weather was quite pleasant as it rained the night before. There were water stations every 3km. Traffic police and road marshals were engaged to ensure safe running. Even the Church sermon at St. Thomas Cathedral was a reference to Kuching Marathon which could be heard from just outside the church's gate.

Upon completing the run, participants were given a finisher medal. Worth it, said a runner who paid RM30 for participating in the 5km run. It was an easy run, mostly flat land for the 5km and 10km run. Our 42km participants, Mr Mehran Iranmanesh clocked a time of 4:01:24 and was positioned 55/540 of the men's open, Mr Law Lee Eik clocked at 5:47:34 while Mr Benjamin Ong clocked a time of 6:44:42.

#### **DOUBLE DOING GOOD EVENTS IN A DAY!**

5 May 2014



# PERKATA SALE

It was a meaningful Sunday when CMS employees took part in 2 fundraising events, the PERKATA Open Day Sale at Jalan Ong Tiang Swee and the Sarawak Children's Cancer Society Go Bald held at CityOne Megamall, Kuching.

CMS Infra Trading and CMS Agrotech formed a group to open a stall while CMS Pavement Tech and CMS Group Human Resource Department set-up the other 2 stalls. The groups were selling "ayam pansuh" (chicken cooked in bamboo), beef and chicken satay, nasi lemak, sweet buns, can and packet drinks.

CMS Infra Trading and CMS Agrotech combined collection was RM938, CMS Pavement Tech raised RM625 and CMS Group Human Resource Department top it up with RM2,270 which brought their total collection to RM3,833 for PERKATA School for the Intellectually Disabled Children.



#### **CMS EMPLOYEES RAISED FUNDS FOR SCCS**

In the afternoon, 3 employees volunteered to Go Bald and the  $4^{\text{th}}$  person did a collection to raise funds for children with cancer. Our very own Tunku Putra School's teacher, Ms Tracy Ong made our CMS list as the first female to Go Bald. A courageous act, she was firm in her decision and did not flinch in losing her long tresses.

She managed to raise RM1,600. Our veteran Go Bald participant Mr Lai Hen Kim, Chief Operating Officer of PPES Works (Sarawak) Sdn Bhd, has never failed to surprise us with his impressive collection of RM23,000!

From CMS Headquarters, we have Mr Francis Lou of Group Internal Audit who brought along his 3 friends to go bald and he collected an amazing RM6,065 while Ms Connie Andrew raised RM2,790 and Ms Law Lee Na raised RM500.

Together, they collected an impressive RM33,955 for Sarawak Children's Cancer Society.

Well done everyone, SCCS thanks you!





# STRENGTH IN PRESERVERANCE

15 June 2014 - 5 CMS Works and Pavement Tech employees volunteered to set up stall for the Kuching Autistic Association Charity Sale.

Andreana Ladin who led the team said "even though there were only 5 of us participating in the sale, we are very proud that we could help raise funds for KAA".



## **CHESHIRE HOME**

6 July 2014 – It was a nice, cool weather where some 59 staff from CMS Infra Trading and CMS Property Development turned up to do their part for the community. Staff sold a variety of food that ranged from satay and nasi lemak to canned drinks. Despite the fasting month, sales were not hindered. In fact, everyone was geared up to sell, sell and sell. Before 10.00am, everything was sold out. They managed to rack up in RM3,492.55 for chesire home.

#### DOING GOOD

17 May 2014 – At 8:00 am, 35 CMS Roads staff from RMU Sarikei were all gathered and ready to join hands to provide assistance to the local Muslim Community in Taman Susur Jambu Indah. The staff had volunteered to repaint the entire concrete building of Surau Darul Sa'adah and cleared its surrounding premises in their efforts to give back to the community.

CMS Roads also sponsored 15 cans of paint and rollers, and by 4.00 pm, Surau Darul Sa'adah looked brand new, much to the delight of everyone.









17 May 2014 – 38 employees from CMS Roads, RMU Sri Aman came together to do their part for the community. Led by Operation Executive, Mr Lau Kiing King volunteers carried out three activities at SK Selepong which included cleaning and excavating of drains around the perimeter of the school field and teacher's quarters and resurfacing of SK Selepong access road. The total area road resurfaced was 524 sq. meters. CMS Roads provided the manpower, premix and equipment.

A colouring contest was also held for the school children where prizes were all sponsored by the CMS employees.







# A Weekend of Doing Good at St. Mark's Chapel

14 June 2014 – 40 CMS Roads, RMU Serian employees pledged their weekend to "doing good" at St. Mark's Chapel, Sg Engkabang "A" Serian. Starting at 8.00 am, a group tirelessly prepared building materials and equipment to lay premix for resurfacing the roads while the rest cleaned the chapel compound and kampung area, including construction of the chapel washroom.





# CEMENTING THEIR WAY INTO HEARTS

21 June 2014 – Sacrificing their weekend, 67 enthusiastic staff CMS Cement, CMS Infra Trading and CMS Roads teamed up in Bintulu namely to carry out gotong-royong activities at Surau Darul Yakin. With gusto and enthusiasm to make a difference in the lives of the community of Kampung Kuala Segan, they got to work at 8.30 am. On top of the 5 tonnes of cement donated, the volunteers did general cleaning and clearing of the area of the Surau and, mixing and screeding of cement at the entrance of the Surau.

CMS Cement (Bintulu)'s Deputy General Manager, Mr Yeo Joon Chiew presented the village chief with a token before ending the afternoon.

Applause to our ladies and gents for making a difference!



# CMS ROADS GIVES BACK, RESURFACES CAR PARK

21 June 2014 – Led by Anding Unchit and Jee Meng Tong, 50 staff from CMS Roads (RMU Sri Aman and FMU Betong) spent a day at St. Augustine's Church, Betong.

CMS Roads cleared the car park before gravelling and levelling were done.









# PRE-CONSTRUCTION WORK AT BORNEO BLITZ BUILD 2014



13 July 2014 – The preliminary ground work at Habitat for Humanity's Borneo Blitz Build has started and 14 CMS employees spent their Sunday building homes for the community. It was an extensive area, a site for future 14 home owners.

CMS employees helped Habitat's supervisor to survey the ground and making box piles for the foundation were part of the work. The pre-build work was different compared to the usual Habitat's construction work which most of our CMS employees were used to.

Seeing Dato' Richard Curtis on the ground doing hard labour motivated others to work harder with him under the hot blazing sun.

#### **EMPLOYEE DEVELOPMENT**





Two years later and CMS Koffee Talk is back! First held in 2007, Koffee Talk organised by Group Human Resources has reached its 5<sup>th</sup> in running. Koffee Talk is held with the objective to provide an avenue for non-executive staff to communicate and express their work-related issues and general concerns to our Group Managing Director, Dato' Richard Curtis and HR representatives outside the confines of a formal setting. It also aims to promote better understanding of the organisation's directions and focus at the same time creating better rapport between top management and non-executive staff from throughout the CMS Group.

10 Koffee Talk sessions were held where 30 non-executives from CMS Centre Management, Samalaju Property Development, CMS Infra Trading and CMS Property Development attended the first session held at Kingwood Inn on 18 June 2014 while in August saw those from CMS Clinker, Construction & Road Maintenance, and Construction Materials & Trading Divisions. The sessions will continue until 3<sup>rd</sup> week of September and will be held at Kota Samarahan, Sri Aman, Sibu, Bintulu, Niah and Limbang.

Some of the staff interviewed after the half-day session, unanimously agreed that Koffee Talk was beneficial and successful in bridging the gap. It allowed them to express work related issues openly.







#### WHAT IS A RED FLAG?

A red flag is a set of circumstances that are unusual in nature or vary from the normal activity. It is a signal that something is out of the ordinary and may need to be investigated further. Remember that red flags do not indicate guilt or innocence but merely provide possible warning signs of fraud.

#### WE SHOULD NOT IGNORE A RED FLAG

Studies of fraud cases consistently show that red flags were present, but were either not recognized or were recognized but not acted upon by anyone. Once a red flag has been noted, someone should take action to investigate the situation and determine if a fraud has been committed.

Red flags that are common to most types of fraudulent activities can be categorized under General, Finance, HR and Procurement. Some of the common examples/possible controls are:

#### General

Example: Peculiar Financial Positions/Transactions/ Balances

- Recurring negative cash flows from operations or an inability to generate cash flows from operation while reporting earnings and earnings growth.
- Significant transactions with related parties or special purpose entities not in the ordinary course of business or where those entities are not audited or are audited by another firm.
- 3. Significant, unusual, or highly complex transactions, especially those close to period end that pose difficult "substance over form" questions.

#### Controls

- 1. Conducting frequent ratio analysis, including assessment of trends over periods of several years.
- Pinpoint irregularity in year-to-year measures of gross margins, sales growth, receivables levels and other key accounting ratios.

#### **Human Resources**

Example: Employees not taking leave

When personnel are not taking annual leave, it could indicate that the employee does not want their responsibilities taken over by other employees involved who may detect fraudulent acts.

#### Controls

- 1. Consider implementing a block leave policy that employees must take and have other employees perform their duties during their absence.
- 2. One of the most important internal controls is proper "segregation of duties" especially for critical tasks.
- 3. It may be a good idea to implement a policy of rotating job responsibilities and cross-training employees to perform different functions.

#### Procurement

Example: Lowest bidder not selected

Project team can manipulate bid evaluations in order to award a contract to other than the lowest qualified bidder. This can be accomplished by, among many other methods, disqualifying the legitimate lowest bidder for contrived or trivial reasons, making deliberate errors in the bid scoring, removing required supporting documents from a winning bid and etc. Such misconduct is usually the result of corruption.

#### **Controls**

- 1. Involve independent party to verify open tender process.
- 2. To have an authorised committee involved in tender award decision.
- 3. Prevent tender award decision based on a single person authority.

#### Finance

Example: Duplicate/ Faxed/Missing invoices

Multiple payments made on the same purchase order and for the same or similar goods or service or faxed copies. Missing supporting invoices for payments made. Also, vendors sending in multiple invoices with the same description of goods or services, amounts, invoice number, purchase order numbers and dates.

#### <u>Controls</u>

- Process on original invoices only. Certified true copies invoices should be carefully verified before processing payments.
- 2. Adopt a good accounting system to enable 3-way match.
- 3. Look out for system invoices with prefixes.
- 4. Run a list of the dollar amounts of all cheques issued in the prior 90 days and check for any duplicate amounts.
- 5. Compare total invoiced amounts from contractor to the total purchase order or contract amounts.

#### PREVENTION:

Reducing potential opportunities for fraud can be accomplished by establishing a strong internal control system. Carefully monitor relationships of suppliers, buyers, purchasing agents, and others who are involved in transactions.

One way to reduce rationalizations is to establish a written code of ethical standards. Employees should receive adequate training in the policies, procedures, and standards of the company. Honest and dishonest behavior should be defined in company policies in which the consequences of violating the rules and punishment of violators should be made clear.

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# Elub (

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