



CAHYA MATA SARAWAK

our CMS

corporate news from cahya mata sarawak
January-April 2016

*Green Today
for a Better Future*





Go Green gets the thumbs up!

4 March 2016

REFRESHING – A word that would sum up the launching of 'CMS Goes Green' Awareness Campaign.

The start of CMS Sustainability Initiative gathered 50 senior and middle managers at The Isthmus, Kuching. All dressed in an invigorating green, every single staff were excited to display their 'green fingers'.

Group Managing Director, Dato' Richard Curtis kicked off the launch with a few inspiring 'green' words before he presented the 'CMS Goes Green' posters to the Head of Divisions.

With 10 trees all prepared, CMS got to work with their shoveling and watering, and in spite of the rain, our enthusiastic group continued to shovel their ways.

This is the beginning of our CMS greening journey and staff can look out for more initiatives such as the 'CMS Goes Green' competitions that were rolled out in March 2016. (Please refer to the last page for details).

Huge thanks to everyone who were involved in our 'CMS Goes Green' Awareness Campaign Launch.



SUPPORT OUR SUSTAINABILITY J



JOURNEY IN YOUR DAILY ACTIONS

CMS pre-tax profit up 12%

26 February 2016

CMS reported a total revenue of RM1.79 billion and pre-tax profit (PBT) of RM381.65 million for the financial year ended 31 December 2015 (FY 2015). The PBT has increased by 12% in comparison to the preceding year's (FY 2014) result, the PBT increased by 12% and the PBT for the fourth quarter ended 31 December 2015 (Q4 2015) is reported at RM115.37 million.

Year-on-year, the Group's profit after tax and non-controlling interests (PATNCI) of RM241.59 million for FY 2015 is 9% higher than the RM221.34 million reported for FY 2014. Earnings per share (EPS) stands at 22.69 sen versus 21.42 sen from last year.

The main contributors towards the PBT earnings for FY 2015 were the Construction & Road Maintenance (RM135.29 million), Construction Materials & Trading (RM107.99 million) and Cement (RM103.17 million) Divisions.

Commenting on the results, Group Managing Director, Dato' Richard Curtis said: "Last year and the period leading into this year has been challenging for us in terms of Group performance meeting targets. This is largely due to macro factors outside our control which include, amongst others, low commodity prices and the higher cost of raw materials and of imported cement resulting from the strong U.S. dollar in the Cement Division. Within Sarawak however, the continued focus on the State's infrastructure has resulted in strongly improved PBT results from our Construction & Road Maintenance and Construction Materials & Trading Divisions. With a commendable performance recorded in 2015, we remain cautiously optimistic that this positive momentum in our core businesses can continue."

CMS' dividend policy provides for a net payout ratio of 40% of its annual consolidated PATNCI to shareholders subject to a minimum of 2.0 sen per share. This is subject to the level of available cash and cash equivalents, return on equity and retained earnings, projected levels of capital expenditure and other investment plans. For FY 2015, although CMS turned in a stronger performance, the Board is proposing, in light of the above factors, a final dividend of 3.0 sen per share tax exempt (single-tier), for shareholders' approval at the forthcoming Annual General Meeting. Together with the interim (single-tier) dividend of 1.5 sen per share paid on 22 October 2015, this represents a payout ratio of 20% and brings the total dividend pay-out for FY 2015 to 4.5 sen or an amount of RM48.35 million payable to shareholders (FY 2014: RM90.42 million).



CONGRATULATIONS



Source: The Star

CMS Group Managing Director, Y D H Dato' Richard Curtis received the most esteemed "Dato' Lela Jasa Diraja" award from the Sultan of Selangor, Duli Yang Maha Mulia Sultan Sharafaruddin Idris Shah on 20 February 2016.

A 'Menjulang Duli' ceremony was held at the Istana Alam Shah's Throne Hall where it was attended by members of the royal family, Menteri Besar Datuk Seri Mohamed Azmin Ali, members of the state administration and other dignitaries.



Robert Lane conferred bravery award

9 April 2016

Robert ak Lane, a staff of Cahya Mata Mata Management Services Sdn Bhd received the Pingat Jasa Malaysia (PJM) from the Defence Minister, Datuk Seri Hishammuddin Tun Hussein for his service to the country at a gathering with the 20th Battalion Royal Regiment and Territorial Army personnel at Sri Miri Camp on 9 April 2016.

The award was presented to Malaysian Armed Forces veterans who bravely served the country during the emergency declaration in Sarawak against the Parti Komunis Kalimantan Utara during the 1980s.



MPAS inks PPA with SEB

3 February 2016

Malaysian Phosphate Additives (Sarawak) Sdn Bhd (MPAS) signed a Power Purchase Agreement (PPA) with Sarawak Energy Berhad through its wholly-owned subsidiary Syarikat SESCO Berhad, to power the largest integrated phosphate additives plant in South East Asia.

Located in Samalaju Industrial Park (SIP), the plant will have an annual production capacity of approximately 500,000 MT of food, feed and fertiliser phosphate additives, 100,000 MT of ammonia and 900,000 MT of coke.

Using rock phosphate as its major raw material, its range of phosphate additive products will serve as the feedstock in the production of various foods and beverages, in Halal animal feed by replacing the use of animal bones and in the production of NPK fertiliser.

MPAS' Managing Director, Mr Lim Lee Wan said, "This plant is just the first phase of a long-term plan for our 350-acre land parcel. With its use of proven technology in its manufacturing processes, we are confident that we will

see not just downstream manufacturers setting up near us but even more significantly that it will serve as the catalyst for SIP to evolve into one of the region's major phosphate chemical hub."

Construction of the plant will commence following the formal signing of the EPC construction contract and financial close, both of which are at an advanced stage with production ramp up scheduled to commence in the first half of 2018.



Kipali Interchange Pilot Project

23 February 2016

The State Government of Sarawak implemented the Design and Build and Negotiated Contract to propose the construction of the Datuk Temenggong Abang Kipali bin Abang Akip Interchange (Kipali Interchange) via the Shallow Underpasses so as to ease traffic congestion at the roundabout.

Deemed a 'pilot project', the proposed scheme is implemented to study the effectiveness of the proposed shallow underpass system before the Government considers adopting the concept for other traffic improvement works such as congested junctions and roundabouts in Kuching.

The scope of works includes the design, construction, completion and commissioning of the Kipali Interchange, underpasses structure, drainage and ancillary works.

The RM67.0 million contract sum project commenced on 26 November 2015 and is estimated to complete two years later, 25 November 2017.



SACOFA enters into agreement with U Mobile



Present at the signing ceremony was SACOFA's CEO, Sudarnoto Osman, Managing Director, Mohamed Zaid Zaini, U Mobile's CEO, Wong Heang Tuck and Chief Technology Officer, Too Tian.

On 29 April 2016, SACOFA Sdn Bhd signed an Infrasharing & Bandwidth Leasing Agreement with U Mobile Sdn Bhd at the Pullman Hotel Kuching. With this partnership, SACOFA will deliver built-to-suit-sites and provide bandwidth leasing services to U Mobile over a period of 10 years. The contract value for the towers is RM2.7 million per annum and for the fibre-leased line at RM1.3 million per annum.

SACOFA currently has a telecommunication infrastructure footprint of more than 700 sites (including base stations) throughout Sarawak, in addition to its 4,000-km on-land fibre network that stretches from Kuching to Lawas and into the neighbouring countries of Sabah and Brunei.

CMS has a 50% equity stake in SACOFA.

CAHYA MATA SARAWAK BERHAD 41st Annual General Meeting 27 April 2016



Our deepest appreciation to Y Bhg Datuk Kevin How Kow who stepped down as an Independent, Non-Executive Director of CMS. We thank him for his invaluable contributions during his 13-year tenure with us and wish him every success in his future endeavours.



CMS Cement thanks long service staff

29 January 2016



In showing its gratitude to its staff, CMS Cement organised a Long Service Awards Appreciation Dinner 2015 at its Pending plant.

Awards were presented to 54 recipients with four awards given out to Sapian Bin Sebli, Tay Lik Hong, Joson Ak Kunyan and Girin Ak Jehong for 35 years of service and one award to Ngatimah Btw Danan for her 30 years of service to CMS Cement.

The dinner ended with Group Executive Director, Datuk Syed Ahmad, Group Managing Director, Dato' Richard Curtis and Head of Cement Division, Mr Goh Chii Bing singing 'You are the Champions'.



Head of Property Development Division, Mr Vincent Kueh handing out prizes to one of our lucky draw winners, Sales Manager of Astro Radio Sdn Bhd, Mohideen Abdul Kader.

CMS brings cheer to media

23 January 2016

With the year still new, CMS got together with 30 media friends to show our appreciation for their contribution towards CMS' publicity in 2015. It was also an occasion to catch up and strengthen ties between our staff and the media over dinner.

The highlight of the evening included a range of attractive lucky draw prizes and a host of games for the guests who were happily entertained by a live band.

CMS Roads Rescues!

19-21 February 2016

For three days, Tapah was hit with heavy rain which caused several landslides, embankment failures and flooding, making roads impassable. Due to the intensity of the situation, RMU Kuching, RMU Saramahan and RMU Serian sprang into action to assist one of its own, RMU Tapah.

Areas affected were Sadir Simuti, Padawan Road, Jambu Bayur Road, Mambong Road and Braang Payang Road, with the

biggest landslide at Kampung Punau along Borneo Height Road.

Massive clearing works were done and roads were passable on 21 February 2016.

Kudos to our CMS Roads Team for their quick responses despite the heavy downpour and excessive flooding at over 40 locations and landslides/embankment failures at 59 locations.





WELCOMING OUR NEW BATCH OF MANAGEMENT TRAINEES

CMS has once again opened its doors for the third time to 19 trainees under its Management Trainee Development Programme (MTDP) on 1 April 2016.

Trainees underwent a comprehensive one-week orientation which included a series of presentations by Centre Management Departments and the respective subsidiary companies, D.I.S.C profiling and an introductory tour of CMS Head Office. They had a sharing session with their assigned mentors and buddies, who were management trainees from the previous two batches.

The also visited CMS Clinker, the site offices of CMS Quarries, CMS Premix and CMS Works before proceeding to visit a road maintenance site along Jalan Setia Raja and Rivervale Residences.

It is through this programme that the trainees were able to foster new working relationships. A new journey with CMS now awaits the MTDP v3.0.

CMS Group kicks off Leadership Development Programme 2.0 29-30 March & 12-13 April





CMS sponsors **The Star-Sin Chew E-Paper**

7 March 2016

Launched by Sarawak Chief Minister, Y A B Datuk Patinggi Tan Sri (Dr.) Adenan Satem at the Chief Minister's Office, The Star and Sin Chew Daily introduced a special e-paper package for East Malaysia at an annual subscription of RM80.00 for both newspapers.

Together with other sponsors, CMS sponsored RM20,000.00 worth of 4,000 digital subscriptions for the students of Swinburne University of Technology, Sarawak campus and Universiti Malaysia Sarawak.

CMS hands over sponsorship to PBBS 2016

19 March 2016



CMS sponsored RM5,000.00 to Persatuan Bola Sepak Bahagian Samarahan (PBBS), of which RM2,500.00 went to the Samarahan Ladies's Football Team and the remaining went to PBBS in their preparation for the Samarahan League, which kick-started on 3 April 2016.

A cheque was presented to the PBBS President, Tuan Ir. Haidel Heli during the Executive Committee Meeting held at Dormani Hotel, Kuching.

'CMS ROARS' at Baleh-Kapit

Raft Safari 2016 1-3 April 2016

The most anticipated event of the year – the 'Baleh-Kapit Raft Safari 2016' annual rafting competition held along the Rejang River from 1-3 April 2016, it was the 20th Baleh-Kapit Raft Safari since its inception in 1996.

This year saw three newbie teams from CMS led by Dato' Richard Curtis to compete in the 2-day rafting competition organised by the Tourism Task Group of Kapit. It was an interesting adventure for everyone as they got to experience a challenging race that took competitors through swift rivers and the enchanting rainforest alongside.

'CMS ROARS' definitely represented the fighting spirit of the teams as they rowed down the Kapit River, securing 5th (CMS Roars 1) and 6th placings (CMS Roars 2), and the only ladies team, CMS Roars 3, the 5th position.

It was truly an enriching and remarking experience as not only did the teams displayed their "roaring" spirits, it certainly helped to develop a strong bonding between them. "The end result of the rafting competition was not important, what mattered most was the team work and the experiences shared", concluded Dato' Richard at the prize-giving ceremony.

CMS also sponsored RM20,000.00 for the event.



Run with C O U R A G E

21 February 2016 – Sixty-eight staff from CMS joined the fourth edition of Colour Rush in Kuching, which was also held at two other towns in Sarawak – Miri and Sibü.

This year's theme Courage gathered runners in colourful t-shirts and tutus. Unfortunately due to the downpour, the organisers substituted the 5-km run to two rounds around Padang Merdeka, which runners took in stride, covered in bubbles and confetti.

The Colour Rush is a 5-km colourful rush organised by the Sarawak Children's Cancer Society in commemoration of the International Childhood Cancer Day, to raise awareness and funds in support of families and children battling childhood cancer in Sarawak.



Dato' Richard joins DBKU Fun Ride

16 January 2016 – Cyclists gathered early at Taman Sukma Ria to participate in the DBKU 22-km Fun Ride which was exciting for CMS' own cycling team, as Dato' Richard Curtis joined them for the first time. The route took the team around Petra Jaya towards some scenic routes, the State Mosque, the old DUN Building where they had their first pit stop and through the *kampungs* at Jalan Astana and finally back to Taman Sukma Ria.



RIDESAFEDRIVE

23-24 April 2016 - Two cycling events took place during the weekends – 'Sejiwa Senada' Fun Ride and the RideSafeDrive Fun Ride.

On Saturday, Cahya Cyclists participated in the 30-km 'Sejiwa Senada' Fun Ride from Jalan Muhibbah to Matang Metrocity where the Chief Minister of Sarawak officiated the Grand Opening of 'Sejiwa Senada' Carnival.

The following day saw cyclists escorting the

SUKMA 2016 torch from MJC Batu Kawa to Matang Metrocity in the Epic Borneo's 40-km RideSafeDrive Fun Ride for the 'Sejiwa Senada' Carnival.

The carnival is a platform to further strengthen the relationship between the state government and the people on the ground with a focus on youths, students, civil servants and staff of government-linked companies and the private sectors.





12 March 2016 – The Malaysia Inklusif Negara Digital (MINDA) run which was organised by The Ministry of Communications and Multimedia Malaysia, was held at the Kuching Waterfront.

Fifty-one CMS staff participated in the 4.7-km Fun Run and were greeted with a traditional 'malay dance' warm-up before the Minister of Housing and Tourism, YB Datuk Amar Abang Haji Zohari Bin Tun Abang Haji Obeng blew the loudhailer.

The run, one of the many activities held during the 3-day programme, aims to provide a platform for the society in dealing with the challenges of the digital era while still maintaining a healthy lifestyle, a trend currently seen in the society.



Raising Awareness on Autism

10 April 2016 – April is Autism Month and Kuching Autistic Association (KAA) organised a 5-km fun run which flagged off by Majlis Bandaraya Kuching Selatan Council Mayor Dato James Chan at 6.45 am, attracting some 2,000 participants.

Kuching Run for Autism 2016 is the first run organised by KAA to create public awareness on Autism Spectrum Disorders among Kuchingites. The event raised RM71,580.00 including a RM5,000.00 donation from CMS.

KAA is a non-profit charitable organisation established on 18 January 1998 with the aim of providing education opportunities to children with autism. At present, there are 80 students attending daily classes at the KAA centre, which also employs an administrator, a supervisor and 26 teachers.



Tree Planting on National Landscape Day



6 March 2016 - The National Landscape Day was held for the first time in Sarawak by Dewan Bandaraya Kuching Utara and the National Landscape Department.

Participants from various Government departments and private sectors including CMS employees took part to plant saplings at the 206-acre Botanical Garden near Jalan Astana. Participants were also given plant samplings to take home.



RMU Mukah builds for SK Pengkalan Lobang

2 April 2016 - RMU Mukah gathered to help repair and improve the condition of SK Pengkalan Lobang, Mukah.

Twenty-seven volunteers got together to do their bit for the community. The activities for the day included the construction of the school's main entrance, laying of stones of the adjoining footpath and general site clearing of the school.





CMS Recycling Campaign



19 January 2016 – Group Internal Audit organised the annual recycling campaign a week before the Chinese New Year Festival. This gave everyone a chance to spring clean their offices and homes. CMS employees came to Wisma Mahmud to deliver recyclable items like newspaper, bottles, plastics etc. to be weighed-in.

The total items collected weighed 4,729kg and they raised a whopping RM1,138.50 which went towards charity.

What a better way to start the new year with spring cleaning, decluttering and recycling to help the less fortunate!



100 Blood Donors!



19 March 2016 – The CMS Blood Donation Drive was a success with 100 who donated blood out of 138 who turned up that day at Wisma Mahmud, Kuching. It was the largest turnout so far and we hope more will come forward donate blood in future.

CMS is truly grateful to all donors and the Sarawak General Hospital's staff from Blood Bank who worked tirelessly from 9 am until 3 pm.



First Car Boot Charity Sale



26 March 2016 – A car boot sale is a great way to declutter our homes and offices, and with that idea in mind, CMS Works organised its charity car boot sales at the CMS Roads parking lots.

Forty booths were set up with items up for sale ranged from food to drinks, toys, clothing, handbags, shoes, cosmetics and books. We even had live goats up for the sales!

A sum of RM1,800.00 was raised with half of it going to Malaysian Red Crescent Sarawak and the remaining, to CMS Works' Welfare Fund.



Chipping in for PERKATA

24 April 2016 – The Sarawak Association of the Welfare of Intellectually Disabled Children (PERKATA), a non-profit charitable organisation held its annual Open Day Sale to raise funds for the school.

CMS employees together with our third batch of management trainees set up 14 stalls to sell various types of food ranging from pies, pastries, cakes, sandwiches, puddings, fried noodles, chicken rice, Korean Kimchi, *nasi lemak*, *satay*, *lemang*, packet drinks to pre-loved books and even henna hand artwork.

Other stalls offered free medical tests for blood glucose and cholesterol level, blood pressure and body mass index (BMI) reading. The public also donated money for a live band to play music which made entertaining for the crowd.



TPS High Achievers

4 February 2016

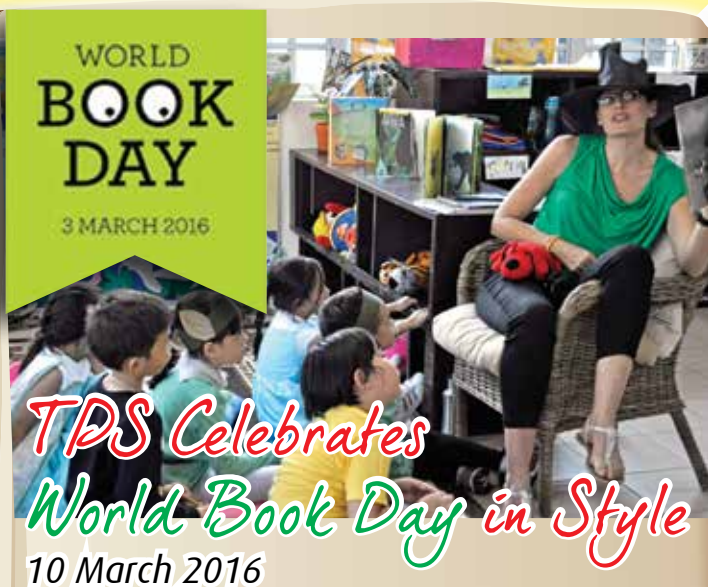
Tunku Putra School (TPS) had more than just the spectacular 78-member Disney's 'Aladdin Jr' performance held from 27-30 August 2015 to celebrate for, when two of its main characters Karen Kim ('Genie') and Rebecca Topping ('Aladdin') were amongst the highest achievers with seven A* and A, and six A* grades respectively.

Students performed well with 88% of Year Eleven students achieving five or more A* to C grades. On the other hand, National Primary Six students registered a 1.47 School Average Grade for the 2015 Primary School Assessment Test (UPSR) while for the Form Three (PT3) 2015 examinations, the students achieved a 100% pass for eight of the subjects and 94.1% for Malay Language.



A noteworthy success was given to Alden Ong from National Primary Three for attaining third in Malaysia International Mathematics Olympiad Competition 2015, which took place in Selangor.

Congratulations to all High Achievers!



time to read every day and parents to read to their children and talk about it with them as frequently as possible.

"As well as assisting their children to make some wonderful character costumes, parents were also very actively involved in making, donating and selling an array of different cakes for the themed bake sale outside the library, which raised funds to support increasing the number and variety of books in Primary and Kindergarten classrooms 'reading corners.' The students clearly enjoyed the special treats during break and lunch time", she added.

Students in the International Primary Section were also excited about the stories they successfully crafted for the school library. Adopting the teacher-guided writing activity, each class wrote a paragraph and then passed it on to the next one for them to replicate the process until an end product was conceived.

A selection of characters such as the Dork Diaries, Grimm's Fairy Tales and Star Wars were also on hand to help with the handover of the donations of household items, food and cash, which were generously contributed by the families of TPS to support needy families in Kuching and surrounding areas who had been affected by the recent flooding to Hope Place.

Other activities that resulted from the hard work and commitment of the TPS staff and students included starting the day with a story in every class, having the opportunity to dress up as their favourite characters and admire others' ingenious costumes, entering the photograph competition, adopting the Drop Everything And Read (DEAR) initiative and playing Traditional Tales-themed Pictionary.

In celebration of World Book Day, students from Tunku Putra School (TPS) jazzed up in their favourite book characters from Grimm's Fairy Tales, the Harry Potter series, Roald Dahl, Mary Poppins and Karen von Blixen to name a few.

Collaborating with MPH Bookstore, a wide selection of books for students of every age were introduced to students, parents and students so as to encourage the love of reading.

Endorsing Roald Dahl's quote, Principal of TPS, Susan Holmes cited, "If you are going to get anywhere in life, you have to read a lot of books". She explained that World Book Day was established to develop and cultivate students' love of reading. She encouraged students to find

In May 2015, a scandalous affair rocked arguably the world's most popular sports. The world of football is said to generate the highest income in television revenues and as such hosting the game becomes extremely profitable. To guarantee these profits, many indecent proposals have been made and accepted which eventually led to the indictment of many officials in the FIFA ranks on the eve of its congress where a presidential election was due.

Since these events came to light, it is evident that processes to provide assurances on governance and practices in one of the biggest global organisation had failed. In short, there is no evidence to suggest the existence of an internal audit function in FIFA.

According to FIFA's 2014 Governance Report, their Compliance Unit is a unit "... to which FIFA has entrusted its compliance function, assuming responsibility for risk assessment, the Internal Control System, internal audit tasks, and compliance management tasks." This unit is overseen by the directors of the Finance and Administration and Legal Affairs Advisory divisions. On paper, the Compliance Unit appears to possess within its scope and authority "unrestricted rights of access and investigation of any organisational unit of FIFA". This may not be optimum, but this unit could have fostered a degree of oversight on compliance, controls, and risk management, but most likely did not.

This very much suggests that the single most outstanding weakness in FIFA's governance and control is the lack of an independent internal audit function dedicated to exclusively carry out internal audit missions. A unit that combines compliance management tasks with internal audit functions is well short of models in the modern organisational world which should exist in FIFA. The internal audit function of detecting weaknesses in internal controls, and providing reasonable assurances should not be combined with any other functions to enable the internal auditors' ability to objectively and impartially provide such assurances on the effectiveness of internal controls. This however is very unlikely to have existed in FIFA.



**RED
CARD
FOR
FIFA**

FIFA should now very quickly establish within its ranks an internal audit function that is independent of any other functions so as to give it the scope and authority to have "unrestricted rights of access and investigate any organisational unit of FIFA". This shall provide the organisation with a watchdog function, and further down the road continuous improvements on controls within the organisation in the effort of dealing with better corporate governance, fraud prevention and compliance, and transparency.

*Contributed By:
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CAHYA MATA SARAWAK GOES GREEN

On 4 March 2016, we successfully launched our Sustainability Awareness Campaign. We encourage every employee to Go Green for the future of our generations.

STAND TO WIN RM1,000.00!

At CMS, we care and your commitment is important to us! Keep 'Doing Good' and be the Top Do-Gooder for the year.

1) CMS GREENEST OFFICE (UNLIMITED MEMBERS PER COMPANY)

Hannan Abdul Nasser (ext. 548) E: hannann@cmsb.com.my

2) CMS ADOPT-A-SCHOOL GARDEN (MAX OF 15 MEMBERS PER TEAM)

Qarinne Qamilla (ext. 576) E: qarinneq@cmsb.com.my

3) MOST CREATIVE RECYCLED PRODUCT (2-5 MEMBERS PER TEAM)

Esther Ambin (ext. 552) E: esther@cmsb.com.my

Please check intranet.cmsb.com.my/outreach for more details

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