

SEPT-DEC 2019

Our CMS

N E W S L E T T E R

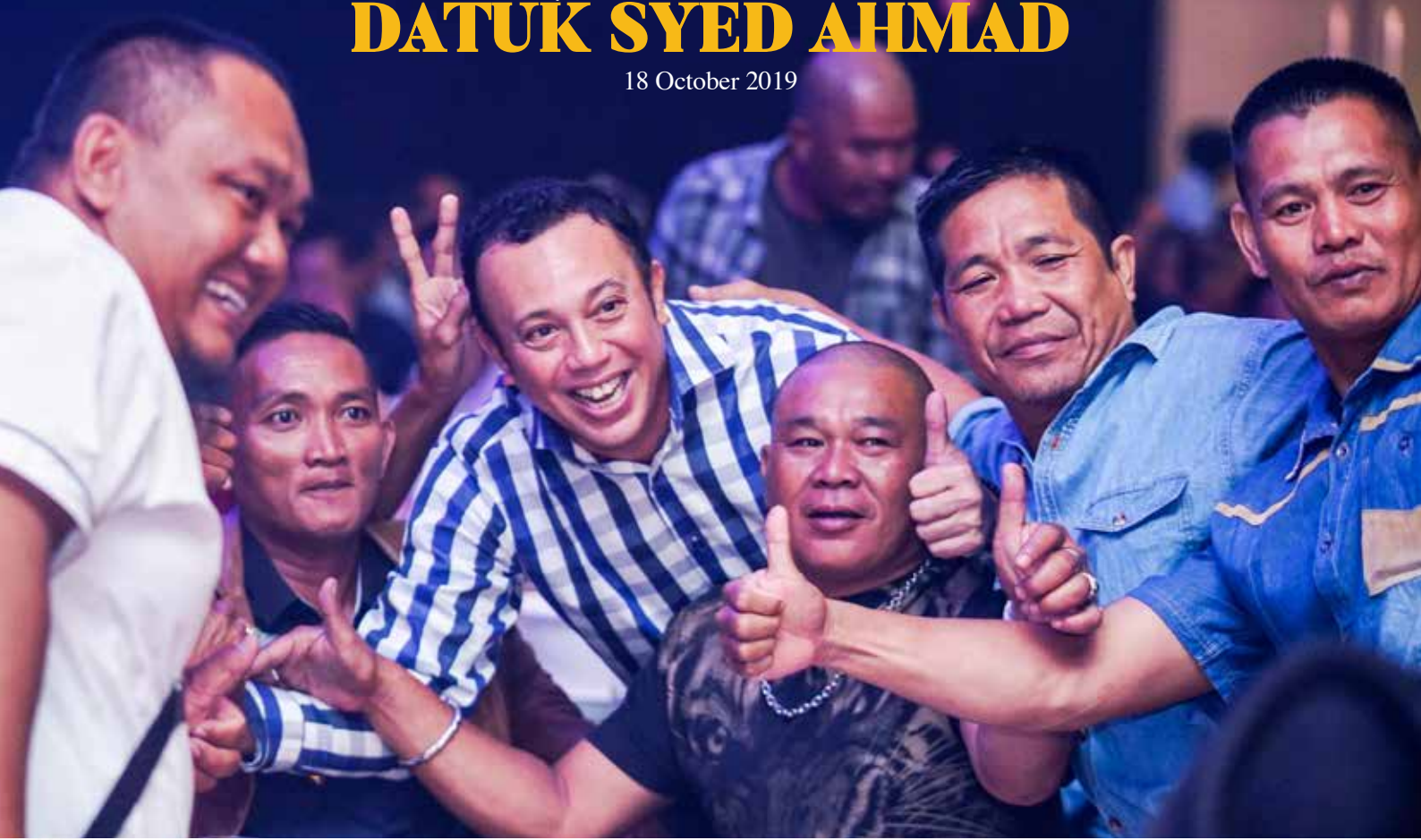
*Happy Retirement,
Datuk Syed Ahmad!*



CAHYA MATA SARAWAK

CMS Family bids farewell to one of our own, **DATUK SYED AHMAD**

18 October 2019



On Friday, the 18th of October 2019, the Group bid farewell to our former Group Executive Director, Datuk Syed Ahmad Alwee Alsree. Datuk Syed Ahmad, who left the sunny island of Singapore to join CMS, took on the role of Group General Manager of Human Resources in 2004, Deputy Group Managing Director in 2006 and ultimately retiring as Group Executive Director. Throughout his 15 years of leadership, he has managed to break CMS away from the traditional hierarchy of ‘Top-Bottom’ management style to an ‘open door’ policy for all employees to speak to the management.

Family. Each time one thinks of Datuk Syed Ahmad, that very phrase would follow suit. “My Brothers and Sisters” – that was how he would start his Townhall speeches every year. He had a way of making each and every one of us feel like his brother or sister. Try calling him “Bro” and he would “Bro” you back. Datuk Syed Ahmad was not just a member of the Board or a person sitting at Level 6 of Wisma Mahmud, he was one of us – a staff, parent, sibling, relative, friend, confidante and many more.

Bro, we wish you a Happy Retirement and we will miss you!

Written by Hannan Binte Abdul Nasser





SIBU
29 November 2019



FAREWELL & APPRECIATION DINNER FOR DATUK SYED AHMAD





KUCHING

1 December 2019





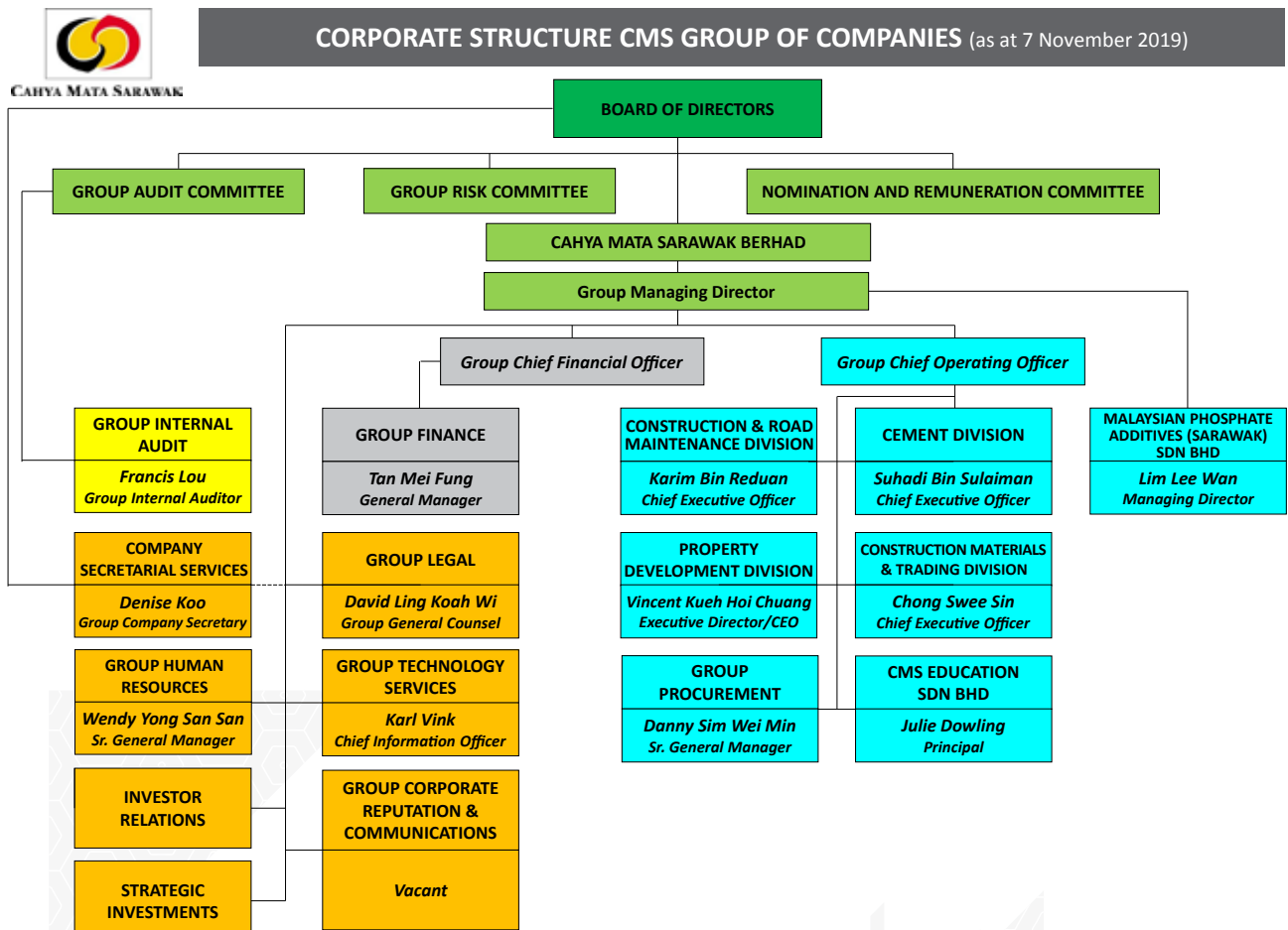
CMS UNDERTAKES STRATEGIC RESTRUCTURING

18 October 2019

CMS announced a strategic restructuring at the Board level which allowed Datuk Syed Ahmad Alwee Alsree to retire after serving CMS for more than 15 years. In preparation for the restructuring over the last 12 months, CMS implemented a planned, measured and robust succession plan whereby Datuk Syed Ahmad relinquishes all of his roles at CMS.

The succession planning saw the highly experienced 23-year CMS veteran Dato Isaac Lugun take the helm as Group Managing Director.

Dato Isaac joined CMS on 8 January 1996 and assumed the position of Group Chief Corporate Officer on 1 August 2017 which was re-designated as Group Chief Executive Officer – Corporate on 1 January 2018. He was subsequently elevated to his current position on 18 October 2019.





● Sibanyis Quarry

CMS REPORTS FINANCIAL PERFORMANCE OF PE2019

26 November 2019

CMS reported a total revenue of RM1.28 billion for the first nine months of 2019 (PE2019), an increase by 6% in comparison to the preceding year's corresponding period's (PE2018) revenue of RM1.22 billion. Its pre-tax profit (PBT) for PE2019 was RM230.85 million (PE2018: RM289.25 million, lower by 20%). The Group's profit after tax and non-controlling interests (PATNCI) was RM154.93 million (PE2018: RM208.62 million, lower by 26%) and earnings per share (EPS) stood at 14.44 sen (PE2018: versus 19.45 sen).

The PBT reported for PE2019 – Cement Division: 7% drop to RM65.52 million (PE2018: RM70.37 million) despite 10% improvement in its revenue; Construction Materials & Trading Division: 34% increase to RM63.59 million (PE2018: RM47.39 million) mainly attributable to the 19% higher revenue and a reversal of provision of RM9 million; Construction & Road Maintenance Division: 21% decrease to RM52.75 million (PE2018: RM66.51 million) due to the Division's lower year-on-year revenue by 7% from the lower construction revenue resulting from completion of works and the expiry of the Federal road maintenance contract on 31 August 2018; Property Division reported a PBT of RM26.35 million (PE2018: RM29.04 million) reflecting the current softening property market and attributable to the profit recognition from a land sale, steady ongoing sales of condominium and apartments, as well as higher rental income from unsold apartments in Samalaju.

From its associates, the Group recorded a share of profit of RM55.80 million in PE2019 (PE2018: RM99.20 million, lower by 44%) due to the significantly lower contribution by OM Materials (Sarawak) Sdn Bhd, CMS' 25%-owned associate company, caused by recent weak commodity prices and the ongoing global trade-war which has been impacting the entire industry.



● CMS Roads Senior Regional Manager, Encik Abdul Rahim Jamal, Group Chief Operating Officer, Mr Goh Chit Bing and CMS Works CEO and Head of CMS Construction & Road Maintenance Division, Encik Karim Reduan collecting the award on behalf of CMS.

CMS Works wins 2019 GLOBAL ROAD ACHIEVEMENT AWARDS for quality management

21 November 2019

CMS Works Sdn Bhd was awarded the 2019 Global Road Achievement Awards for its long-term management and maintenance of State roads in Sarawak for Quality Management by the International Road Federation (IRF) in Las Vegas, Nevada. Instituted in 2000, the Awards have distinguished more than 150 programmes, projects and products worldwide. This year's ceremony honours 12 projects from around the world, each leading the way in innovation across major road and highway disciplines.

Congratulations to CMS Works and CMS Roads!

CMS PLAYS PIVOTAL ROLE IN THE STATE'S CONNECTIVITY PLANS

6 December 2019

PES Works (Sarawak) Sdn Bhd signed a Letter of Acceptance from the Government of Sarawak for a Performance-Based Contract for the long-term management and maintenance of State roads for Package 1 (Kuching, Serian, Samarahan, Kapit, Sibu and Sarikei Division) for a period of 10 years, effective 1 January 2020.

The road length which was previously measured at 6,262 km has been reduced by half to 3,300.65 km, at a contract sum of RM99.218 million per annum.

Speaking about the new State road maintenance allocation, Group Managing Director, Dato Isaac Lugun emphasised, "CMS has already done our part in laying the foundations of Sarawak's existing roads and we have set an extremely high standard and benchmark for the new concessionaires to follow and pick-up the mantle. Now, we can focus on the bigger challenges and opportunities where our unrivalled expertise, experience, R&D and state-of-the-art technology are really needed."

"We do not see this as a marginalisation of our work scope, but rather as an opportunity to play a pivotal role in future road maintenance work in the State. Intra-state connectivity will be the arteries of socio-economic growth and the Sarawak State Government has a massive infrastructure plan that will see State-wide road connectivity becoming a priority as we head towards our State's 2030 goals. We believe that we are best positioned to facilitate and make the connectivity plan a reality."

To CMS Roads, THANK YOU FOR KEEPING OUR ROADS SAFE

- Batu Niah
- Betong
- Bintulu
- Lawas
- Limbang
- Marudi
- Miri
- Mukah
- Saratok
- Sri Aman
- Tanjung Manis



Syed Hizam Alsagoff named **BEST CFO FOR INVESTOR RELATIONS (MID CAP)**

30 October 2019

The Malaysian Investor Relations Association (MIRA) hosted the Investor Relations Awards 2019 (IR Awards) for the ninth consecutive year. Themed 'Investor Relations: Building Confidence, Sustaining Value', the event was held at the Sime Darby Convention Centre, Kuala Lumpur. CMS was nominated under 10 categories with over 434 nominees in 25 different award categories. Syed Hizam Alsagoff was named the Best CFO for Investor Relations (Mid Cap). Dato Isaac Lugun and Sahil Singh Dev were also nominated for individual categories - Best CEO and Best IR Professional. The nomination reflects our IR unit's aim to constantly ensure a transparent communication system with the investment community through relevant and necessary information concerning our Company. This is led by our continuous IR briefings, informational IR website, participation in various IR roadshows and site visits to our various plants. The objective of the IR Awards is to recognise and celebrate the achievements of top IR performers from the Malaysian listed entities and to promote companies with good corporate governance practices who also advocate greater transparency and fair disclosure.



THE BRANDLAUREATE World BEST BRANDS Award

31 October 2019

CMS was awarded the 'BrandLaureate - Conglomerate Award 2019' in Singapore on 31 October 2019. In picking up the prestigious accolade, CMS not only continues to surpass its mantra of being 'The Pride of Sarawak' but is also rapidly forging a new mantra for itself and that new mantra is that of becoming one of the State's 'Most Admired Companies'. 'The BrandLaureate - Conglomerate Award 2019' is based on seven strict and stringent criteria namely: (1) Strength and Performance of the brand; (2) Innovation in product development and relevance of products; (3) Engagement factor of the brand with its customers; (4) Ability to influence the industry with its expertise and know-how; (5) Ability to influence and impact communities with its products and services; (6) The brand is respected by its peers and emulated on its initiatives and (7) Contributions to the industry, community and development of the country. Established in 2006, the BrandLaureate Awards recognises great brands that have impacted communities and represent the best-of-the-best in their industries.





“MY HOME MY COMMUNITY”

at Bandar Samariang

29 October 2019

Over 5,000 visitors gathered at the “My Home My Community” event held at Mydin Mall Samariang, an annual community jointly organised by Projek Bandar Samariang Sdn Bhd (PBS) and CATS FM.

The fun-filled day started with a Zumba session followed by a selection of activities to keep every age group hyped up such as a colouring contest, blood donation campaign where successful donors walked away with a 5 kg bag of rice and many more. PBS also donated two water dispensers and a 43” TV to SMK Bandar Samariang and SK Bandar Samariang respectively.

In the evening, visitors were treated to a KONSERT CATS Day Out with special guest appearances from local celebrities such as Sarawak’s very own Dayang Nurfaizah, Hael Husaini and many more.





TPS AWARDS & GRADUATION CEREMONY 2019

15 November 2019



Official Opening of the TPH SCHOOL

15 November 2019



The HELP Education Group, Ibraco Berhad and CMS officially opened the Tunku Putra-HELP School (TPH School) at the NorthBank, Kuching. The ceremony was graced by His Excellency The Governor of Sarawak, Tun Pehin Sri Haji Abdul Taib Mahmud and YABhg Toh Puan Datuk Patinggi Hajjah Raghad Kurdi Taib, accompanied by YB Dato Sri Michael Manyin ak Jawong, Minister for Education, Science and Technological Research, Sarawak, who represented YAB Datuk Patinggi (Dr) Abang Haji Abdul Rahman Zohari Bin Tun Datuk Abang Haji Openg, Chief Minister of Sarawak. Strategically located in the NorthBank at Tabuan Jaya, the School's purpose-built campus caters for 1,500 students and is equipped with the state-of-the-art facilities. Students will officially begin the new academic year at this campus in January 2020. The School also held its first-ever Family Carnival and Open Day on the following day where proceeds raised were donated to the Dyslexia Association of Sarawak and DiveHeart.



SIBU
29 November 2019



CMS TOWNHALL 2019



KUCHING
2 December 2019





8TH YEAR OF IN-HOUSE TRAINING CAPABILITY PROGRAMME

In the last quarter of 2019, the remaining annual series of In-House Training Capability (ITC) Programmes were carried out, along with other new trainings to help develop specific knowledge areas e.g. project management. Overall, six programmes were organised:

1. Train the Trainer (3-5 September)
2. Half Day Technical Talk on Project Management Manual of Instructions (18 September)
3. ITC Risk Management (25 October)
4. ITC: Group Internal Audit Workshop (1 November)
5. ITC Basic Contract Law for Non-Lawyers (28 November)
6. ITC Special Edition for Non Executives: Self-Management and Motivational Workshop (6 December)



CMS ENGAGES GOVERNMENT AGENCIES THROUGH SPORTS

For the last quarter of 2019, CMS played football against the State Immigration Department and PDRM on 21 September and 26 October 2019 where CMS emerged victorious in both games. As for badminton, CMS played four games against *Pusat Latihan Polis Diraja Malaysia* (5 October), *Kelab Rekreasi Imigresen Sarawak* (19 October), Sarawak Energy Berhad (2 November) and SACOFA (16 November). Finally, for bowling, 29 government agencies and related business associates were invited to play against CMS, whereby *Jabatan Imigresen Negeri Sarawak* took home the championship trophy, followed by our CMS Team A.

MACC KICK-OFF MEETING

27 September 2019

Group Legal Services together with PricewaterhouseCoopers Malaysia (PwC) organised a Kickoff meeting for the Malaysia Anti-Corruption Commission (MACC) Anti-Bribery Anti-Corruption Risk Assessment and Gap Analysis Project. The session was attended by over 40 participants, including our Group Managing Director, Group Chief Operating Officer, all Heads of Divisions and Departments, as well as our Lead Consultants from PwC. During the meeting, Dato Isaac repeatedly stressed the importance of the Project in the fight against corruption, as well as CMS' zero-tolerance stance on bribery and corruption. Dato Isaac and the Board expect all of us to continue to take personal responsibility for fighting corruption and would like to remind all of us that we can always raise any concerns we may have with our manager or through the Whistleblowing channel (<http://www.cmsb.com.my/about-us/corporate-governance-2-2-2/whistle-blowing-2/>)

What is MACC Amendment Act 2018 - Section 17A?

The Act, in essence, introduces corporate liability whereby should any person associated with the company (including any party who perform services for or on behalf of the company) commits a corrupt act in order to obtain or retain business or an advantage for the company, the company will be deemed jointly liable.

The Silver Lining

If charged, it is a defence for the company to prove that it had adequate procedures in place to prevent persons associated with the company from undertaking such conduct. This is why it is critical for corporations to have the appropriate systems in place in order to prevent such offences from occurring.

Simple Illustration of S17A



Who is liable?

Director, controller, officer, partner, or a person concerned in the management of the company's affairs.

The implications:

A maximum fine of 10 times the sum of gratification involved, or RM1 million, whichever is higher; a maximum jail term of 20 years; or both.

Will you be able to defend yourself?

Yes! The only defence against corporate liability is by having "adequate procedures" in place. The provision of corporate liability in the newly amended MACC Act 2018 is similar to the UK Anti-Bribery Act 2010.

Since enforcement of the Act in the UK, a few highly reputable companies have been prosecuted as they failed to prove that adequate procedures were put in place to detect, prevent and respond to bribery and corruption cases.

Responding to the Act

The Amendment aims to elevate Malaysia's standing as a world-class player in combating bribery and corruption. To minimise risks, it is therefore important for organisations to ensure they have "adequate procedures" in place.



'ZERO TOLERANCE TO CORRUPTION' APPROACH

13 December 2019

In a bid to address new a corruption law, CMS took definitive and decisive steps against corruption and bribery through an engagement session with hundreds of its vendors, suppliers and partners in attendance. The session declared an absolute 'Zero Tolerance To Bribery and Corruption' on 13 December 2019. The engagement was attended by PwC Malaysia Risk Consulting Leader, Mr Alex Tan and MACC Sarawak's Assistant Commissioner, Encik Marcel Bulan Ak Ngabong who commended CMS for its efforts and said that "CMS has done well in getting ready so far and is the first Sarawakian company to carry out this form of exercise with its vendors and other third-parties." Group Managing Director, Dato Isaac Lugun stated, "CMS takes a zero-tolerance approach to all forms of bribery and corruption. We expect our directors, employees, vendors and third-party representatives to do the same. We urge our stakeholders do so as well. CMS is committed to high standards of ethical, moral and legal business conduct."



CMS CONTINUES TO SUPPORT WAK

1 October 2019

CMS sponsored RM10,000 for What About Kuching (WAK) 2019, a tourism boosting event which featured the best parts of Kuching and its communities. CMS has been a supporter of this event since 2017.



CMS awards SWINBURNE STUDENTS

30 October 2019

CMS presented Best Student Awards to three Year 2 Engineering students of Swinburne University of Technology (Sarawak Campus) during its Career Development Conference 2019.

- Albe Chai Bing Zhe - Bachelor of Engineering (Electrical and Electronic) (Honours)
- Kho Shin Rui - Bachelor of Engineering (Civil) (Honours)
- Nicholas Thian Ching Hua - Bachelor of Engineering (Mechanical) (Honours)

Students were chosen based on their academic excellence, extra-curriculum activities and contribution to the society.



THE DAY THE MARKETPLACE RUN FOR OTHERS

14 November 2019

It drizzled for a short while before the sun blazed down on us as we were flagged off for the Bursa Bull Charge 2019 run on 14 November 2019. Our Group Legal Counsel, David Ling represented CMS for the CEO Run which started at 1.45pm while the rest of us Cahya Runners started pounding on the hot tar road at 2pm. Running 5 km from the Bursa Exchange Square around KL city with all its inclines and skyscrapers was an interesting challenge from our usual Kuching runs. Each of us pushed ourselves despite the heat and were rewarded to an exciting atmosphere with entertaining performances by employees of participating listed companies when we got back. We bonded well and the camaraderie was nothing short of fantastic as we waited together eagerly for the result. The timing chip

results showed that Saiful Bahtiar came in at 6th place, impressively finishing in less than 20 minutes for the Men Open category while our overall ranking was 17th place, a vast improvement compared to previous years but that is beside the point. What was important was that we all played a part to contribute to a greater cause. The proceeds from CMS' sponsorship, as well as every participating organisation went to various charitable organisations and underprivileged communities. It was indeed a great day to run for others.

Written by Jacqueline Yong on behalf of Cahya Runners

An interview with our **CAHYA STAR RUNNER** **- SAIFUL BAHTIAR** on what gets him running



Saiful, what motivated you to start running?

Well, it started when I purchased a Captain America: Civil War (2016) t-shirt at the GSC cinema in May 2016. With confidence, the ticket counter attendant told me, "The shirt is free size. I'm sure it'll fit you". When I reached home and tried on the shirt, it was way smaller than my size! At that time, I weighed close to 105 kg, with a waistline of 42 inches. I decided to buy myself a pair of running shoes and controlled my diet. I ran daily with my wife in order to "squeeze" into the shirt. And with a family history of diabetes, I thought it was time to be fit and healthy.

As mentioned, your wife and a CMS employee, Noraida Mohd Yusup, is also a runner and quite a fast one too. Both of you are experienced Full Marathon pacers. Which one of you encouraged the other to start training consistently for runs and what was the reason?

Yes, our latest pacer experience was for the 42 km Cat City Marathon 2019. My wife, who is quite competitive in her category and is always in the Top 10, was the one who encouraged me to run. At first, it was merely to reduce my weight. We ran laps around Pustaka Negeri Sarawak for a year in 2016 before we were fit enough to fine-tune our running pace. I dropped to below 80 kg then.

What is your most memorable run and why?

It would be the Bursa Bull Charge 2019 run in KL. It was a privilege to represent CMS as one of the Cahya Runners and to compete alongside other runners of listed companies in Malaysia, and running in the scorching weather at 2pm with a very challenging route, made it an unforgettable experience. I battled a fever, lesser running mileage, plus, I had to drop to 67 kg which paid off as I managed to achieve sub 20 minutes for 5 km.

It takes a lot of grit and determination to keep pushing yourself, and look where it got you! You came in at the 6th place for the Bursa Bull Charge Run for the Corporate category and in the same month, was featured in the New Sarawak Tribune for winning second for the Agrofest Run. What is your personal best time for 5 km and your longest competitive distance?

The Bursa Bull 5 km run was my personal best time with 19 minutes and 46 seconds and the longest competitive distance was the Kuching Ultra 100 km with 13 hours and 21 minutes.

Who is your running role model?

Eliud Kipchoge. He is humble, hardworking and will never stop improving his performance.

Some words of encouragement or wisdom?

When doing something beneficial, think long-term. Progress takes time and never give up in whatever you do.

Thank you for your time. You have proven to us that anyone can make it if you have the heart for it. We are proud to have you as our CMS Cahya Runner and hope that more are encouraged to join us in running.



NEWLY-LEVELLED GROUNDS FOR SURAU TAMAN HARMONI

3 August 2019

Nineteen CMS Roads Sdn Bhd (RMU Sri Aman) volunteers came to the aid of Surau Taman Harmoni in Sri Aman when its *Jawatankuasa Kemajuan dan Keselamatan Kampung* (JKKK) reached out for assistance in levelling their surau compound. After a day of work by our team of volunteers, and with the help of a JCB and mini excavator, the grounds in the surau compound are now newly-levelled. Kudos to our CMS volunteers who also went a step further to help spruce up the place by clearing surrounding drains and cutting overgrown grass around the area – showing us that sometimes, to do good by others is to go the extra mile for them.

GOTONG-ROYONG AT WONG AJONG RECREATIONAL PARK

4 August 2019

Located approximately 35 minutes from Engkilili, Wong Ajong is a recreational park and favoured picnic spot among local residents. Although a 25-minute walk from the park's entrance to the actual recreational area is necessary, the lulling sounds of flowing water in the nearby creek and the tranquillising sight of tall, leafy trees make the journey worth one's while. To help the local community with the upkeep of the park, 50 employees from CMS Roads Sdn Bhd (RMU Sri Aman) got together for a *gotong-royong* session to clean up the picnic area and repair the park facilities. With five bags of cement, one tonne of 2" DCR, five tonnes of sand and 20 pieces of plank sponsored by the company, our team freshened up the park by replacing the old, deteriorating wooden stairs and shed floor with new ones, and by repairing the park's much-battered walkway.



CMS GIFT OF LOVE

14 December 2019

118 children from the Kuching Autistic Association (KAA) received Christmas presents from CMS employees at a brief handing over ceremony at the KAA centre. Organised by CMS Works Sdn Bhd, the gifts included school supplies, stationery, educational toys and many more. Our volunteers who helped to buy, wrap and deliver the festive packages also made time to play games and interact with the children and teachers of the special school. Encik Suhadi Sulaiman, Head of Cement Division was very generous to sponsor the food and beverage for the event.



SPRUCING UP SCHOOL FIELD FOR FOOTBALL COMPETITION

7 September 2019

As football season for the Mukah Division Football Association (MuFa) rolled around, 25 employees from CMS Roads Sdn Bhd (RMU Mukah) spent a day at SK Parish, Balingan carrying out improvement works on the school field where the local football tournament will be held at. With the students and players' safety in mind, our volunteers worked with sand, filling materials and heavy machinery to ensure that the field and the surrounding school compound are in good condition. Students of the boarding school were delighted that the potholes leading to their hostel have been patched and their grandstand upgraded in terms of structure and paint work.



MORE GREENS AT ST. MICHAEL CHURCH

21 September 2019

Forty-five CMS volunteers from CMS Construction Materials & Trading Division travelled deep into the heart of Padawan town to help the villagers and church community of St. Michael Church, Teng Bukap to clear the weeds and laid soil to plant grass. Plants and palm trees were also planted along the road kerb. The church building was completed this year and held its first mass to the congregation of Catholics from its neighbourhood on 25 May 2019, just days ahead of *Gawai*.



New parking spaces at **MASJID DARUL MUHSININ**

21 September 2019

Limited parking space does not stand in the way of religious devotion – although being able to park safely and nearby the place of worship does help. Such is the case for the community of *Kampung Tanjung Harapan, Simunjan* who experienced parking woes due to their mosque's small compound. Thus, 53 employees from CMS Roads Sdn Bhd (RMU Simunjan) organised and participated in a day of *gotong-royong* at *Masjid Darul Muhsinin* to help put their parking issue to rest. Our volunteers spent the day removing one of the mosque's fences to create more space and new access into the compound while some helped to clean the mosque's fans and sweep its floors.



SEBERANG BEACH GETS CLEANED UP

12 October 2019

Cleanup projects have recently been on the rise in both the global and local scenes – and they do wonders for environmental NGOs in spreading the word on the importance of a clean environment. To show support for green initiatives such as this, six spirited volunteers from CMS Roads Sdn Bhd (RMU Mukah) joined the organising committee of PIBG SK Kampung Seberang, Mukah and its local community for their annual beach cleanup themed “*Sayangti Pantai Kita*”. They also lent a helping hand to the Fun Run Committee of the school by clearing their parking area to be used for their 2019 Fun Run, and ensuring that the runners' route is in a clean and litter-free state.



MOSQUE GETS NEW TAR- SEALED ROAD

19 October 2019



Mosque-goers of Masjid Darul Ehsan in Kampung Reban had their access road leading to the mosque resurfaced by 27 volunteers from CMS Roads Sdn Bhd (RMU Samarahan). Our volunteers used heavy machineries such as tipper trucks, work trucks and compactors to tar-seal the road with the eight trips of DCR and 28 tonnes of premix donated by the company. They were joined by 10 members of the local community to cut overgrown grass and clear surrounding drains.

Season's Greetings

AND HAPPY NEW YEAR



Best wishes for a happy new year
filled with health, happiness and
spectacular success.

Published by Group Corporate Reputation & Communications Department



CAHYA MATA SARAWAK
(21076-T)