

# ourCMS

N E W S L E T T E R

SEPTEMBER-DECEMBER 2020



# ALL FOR ONE & ONE FOR ALL



# CMS' first-ever VIRTUAL TOWNHALL

11 December 2020

The COVID-19 crisis has upended the operations and affected the plans of many business organisations, including CMS' annual physical townhall. To keep the show on the road, the CMS Townhall 2020 committee adapted to the new challenges faced and swiftly took our 2020 townhall online. On the premiere of our CMS Virtual Townhall 2020, staff who were working remotely had their earphones plugged into their mobile devices while those in the office were found seated in front of the nearest television they could find, popcorn in hand and ready to stream the anticipated event.

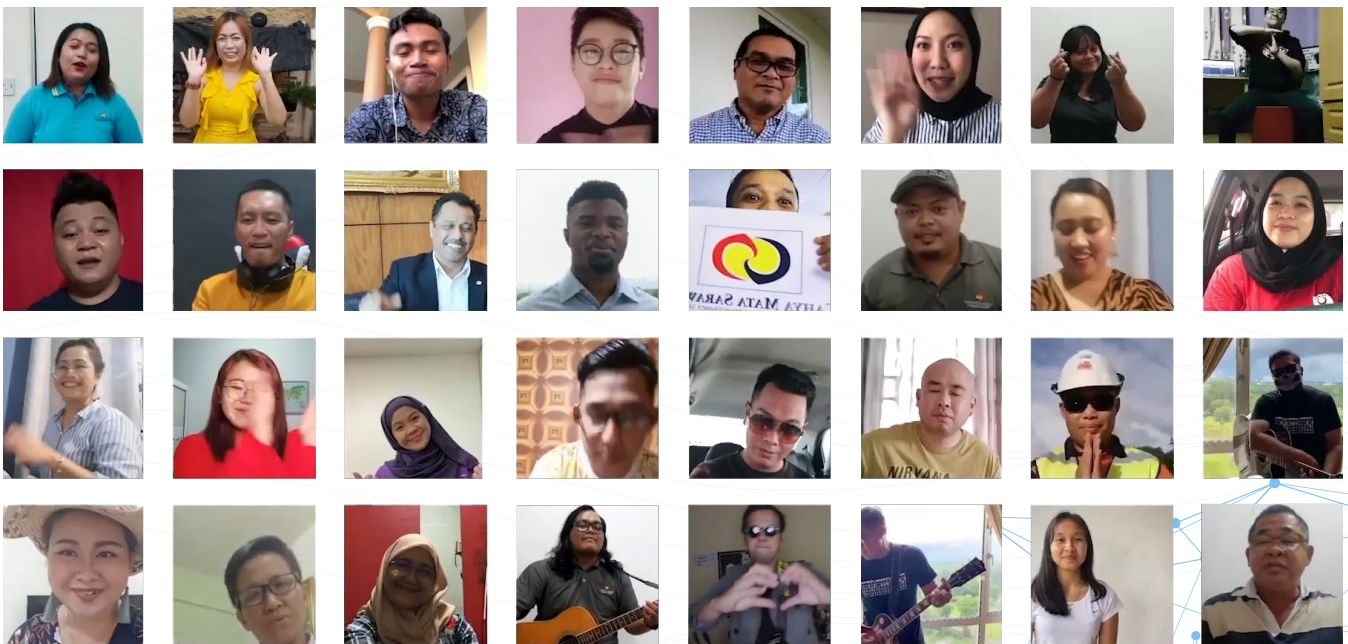
When the clock struck two in the afternoon, the event kicked off with a warm welcome remark by our Group Managing Director, Dato Isaac Lugun, followed smoothly by his keynote address to the Group.

Our C-Suite then made their debut during the "Q&A with C-Suite" segment, with our Group Chief Financial Officer, Chief Operating Officer, and Head of Group Corporate Services coming online to personally answer thought-provoking questions from our employees across the Group.

Some of our CMS colleagues also had their debut on "Spotlight on CMS Colleagues" as the committee got up close and personal with them about how they are coping with the pandemic and what key actions they will take to rise up to the challenges faced.



The moving "Long Service Awards" – described by many as the heart of our Virtual Townhall 2020 – saw the backbone of CMS featured in their daily routines as they share about their decades of experiences, deepest feelings, and thoughts about being a part of the CMS family. The insightful and heart-warming words of wisdom and encouragement spoken by our long-serving employees remain something to be remembered in the years to come.



To wrap up this first-of-its-kind event in CMS history, the company's very own CMS Band – comprised of some 30 staff across the Group – put their heads, hearts and talents together to bring our CMS family a music production to remind each other that even in hard times like these, we are in this together.



# Significant Improvements in CMS' 3Q Results

Reports RM81.7m of pre-tax profit

25 November 2020

CMS posted a pre-tax profit (PBT) of RM81.7 million in 3Q2020, a 255% improvement as compared to PBT of RM23.0 million in 2Q2020. With most of its businesses back in full operation, the Group recorded an improved revenue of RM428.4 million in comparison to 2Q2020's revenue of RM206.8 million where all traditional core businesses registered improvement in both revenue and PBT contributions while associate companies' contribution dropped by 38% to RM12.7 million compared to RM20.5 million in 2Q2020. For 9M2020, a total revenue of RM917.7 million and a PBT of RM131.5 million were posted by CMS, translating to a 29% and 43% dip respectively in comparison to 9M2019's revenue of RM1.3 billion and PBT of RM230.9 million – a result of fewer operating days across CMS' traditional core businesses during the MCO period when operations were interrupted for about two months.

Cement Division in 9M2020 saw its PBT decline by 34% to RM42.9 million compared to RM65.5 million in the same period of the previous year. The softer performance was mainly due to lower contribution from both cement and concrete business as a result of fewer operational days in 9M2020.

Construction Materials & Trading Division in 9M2020 saw its PBT contract by 26% to RM47.2 million compared to 9M2019. This Division recorded lower

revenue from its quarry, premix, and trading sectors due to the lockdown while its year-on-year (YoY) drop in PBT was partially attributable to recognition of a one-off provision reversal amounting to RM9.0 million in 9M2019.

Construction & Road Maintenance Division in 9M2020 saw a 59% decline in its PBT to RM21.9 million from RM52.8 million in 9M2019. This was due to lower contribution from both construction and road maintenance activities. Road maintenance revenue and gross profit margin decreased as the road length maintained effective 1 January 2020 was almost half of that maintained previously but the scope was more extensive under the new contract. Meanwhile, the lower revenue from construction business was mainly due to minimal construction works in 2Q2020 arising from lockdown.

Property Development Division in 9M2020 saw its PBT drop by 74% YoY to RM6.9 million in 9M2020, a result of the drop in number of properties sales and lower land value sold in 9M2020.

Strategic Investment in 9M2020 saw a 20% decline in profit contribution to RM44.6 million from RM55.8 million.



# Welcoming Our Two New Board Members



**T**an Sri Datuk Amar (Dr.) Haji Abdul Aziz bin Dato Haji Husain was appointed to the Board on 1 November 2020. He holds a Bachelor in Economics majoring in Business Administration from University of Malaya, Malaysia. He also holds a Masters in Business Administration majoring in Finance from Syracuse University, New York, United States of America. Tan Sri Aziz has served in the Sarawak State Government in various capacities since 1973, with his last appointment being that of the Sarawak's State Secretary in August 2000 until his retirement in December 2006.



**M**r Ho Heng Chuan was also appointed to the Board on the same day. He is a member of the Malaysian Institute of Certified Public Accountants and started his audit career with Messrs KPMG in 1976, before moving on to the banking industry where his career spanned over 39 years. Mr Ho has held senior positions in AmMerchant Bank Berhad (then Arab-Malaysian Merchant Bank) (1981 - 1997), Macquarie Bank Ltd (1998 - 2000) and Citibank in Malaysia (2000 - June 2020). He served in various capacities in Citibank, as Executive Director, Head of Corporate Finance and later as Managing Director overseeing Banking for Malaysia where he was responsible for the entire global banking business covering multinational companies, financial institutions, top tier local corporations and government linked companies. His last position in Citibank was as Vice Chairman, Banking.



## Another International Reporting Award Under CMS' Belt

14 September 2020

With its tagline "Creating Future Value", CMS' 2019 Integrated Report was named Silver Award winner in the Integrated AR & CSR: Non-Traditional Format sub-category under the Specialised Annual Reports Category at the 34<sup>th</sup> ARC Awards International event in New York. Recognised as the world's premier annual report competition, the ARC Awards event, organised by MerComm, Inc. provides a platform for companies from all around the world to showcase their high reporting standards. The ARC upholds openness, independence and fairness and celebrates accountability, ethical standards, and transparency – all hallmarks which continue to earn it the trust of entrants again and again.

## 10<sup>th</sup> MIRA Awards

23 November 2020





# Reflection from Our Retirees at CMS HQ

14 October 2020

The year 2020 saw many changes occur within the office hallways, one of which is the technical retirement of two of CMS' loyal and long-serving colleagues, Mr John Lim of Group Legal, and Mdm Tan Mei Fung of Group Finance. Although they are set to continue their post-retirement services at CMS on a contract basis, we wanted to hear a few words from them about their journey at CMS thus far.



## In the words of Mdm Tan Mei Fung:

*I joined the company in 1997, so it has been 23 years since I started the second half of my career at CMS! I find the work that I do at CMS challenging, but also very rewarding and satisfying as I am able to impart the knowledge that I gained with my colleagues. I am also very glad to have made the acquaintance of so many great people, and to be trusted by my colleagues and superiors in my work. Even though I am technically "retired", I will still continue working with CMS in the future and hope that the Group will achieve a PATNCI of RM500 million, so that the employees can have another round of an incredibly successful ESOS! Lastly, I would like to share an insightful quote from Confucius about change with my dear CMS colleagues: "They must often change, who would be constant in happiness or wisdom."*

## In the words of Mr John Lim:

*I have been with the CMS Group for 21 years, commencing in 1999 when I first joined its then subsidiary, Sarawak Securities. I believe CMS is a unique company, perhaps only one of its kind locally. It strives to take a professional approach in all its work and expect a professional piece of work from all its employees, especially those in management. Though obviously a commercial enterprise, it strives also to conduct itself in an ethical manner in its commercial dealings with its business associates. The icing on the cake is that CMS is also very committed to its staff welfare, with the family approach ingrained in its psyche when managing staff welfare. Moving forward, we can expect more challenging times but I am confident that CMS, helmed by an experienced crew and leadership, is poised to meet whatever challenges head on with confidence. My parting words for my fellow colleagues – trust in the company's leadership!*

The company is truly grateful to have two such experienced, knowledgeable and devoted members in the organisation. On behalf of CMS, thank you for your dedication, and we all look forward to working with you for many more years to come.



# Caring for Our Own

11 September 2020

The heart of every organisation is its members; their well-being is nothing short of a top priority. With medical costs on the rise, CMS is aware of its financial repercussions on our most valuable asset – our employees. To help protect our organisational members, a cheque to the spouse of one of our long-serving employees, Ian Goh, was handed over by our Head of Group Corporate Services, Dr Zaidi Osman, to Annabel Ng who is also a CMS employee at a brief ceremony held at CMS headquarters. The company hopes that the contribution will help in covering for his medical expenses and go a long way in easing the family's financial burden.



**CMS 'HARI MALAYSIA' MOBILE PHOTO CONTEST**  
**"Sayangku Malaysia"**  
 Capturing the Spirits of Malaysian in Pictures

*Congratulations  
Winners!*

*Platinum Prize Winner*



Nicholas Jannies, CMS Premix Sdn Bhd

*Gold Prize Winner*



Kasma Jeru, PPESW BPSB JV Sdn Bhd

*Silver Prize Winner*



Ezzah Nawawi, CMS Cement Industries Sdn Bhd  
(Mambong)

*Bronze Prize Winner*



Agnes Menit anak Belanda, PPESW BPSB JV Sdn Bhd

*Merit Prize Winners*



Lee Wan Yi,  
CMS Quarries Sdn Bhd



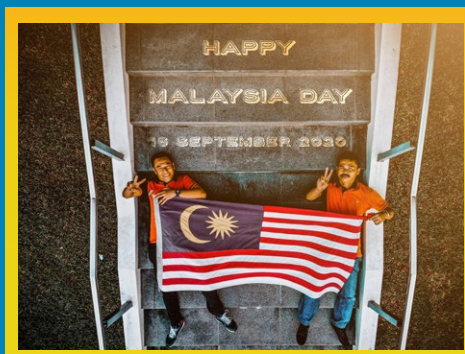
Izuria Kadzrina Mansor,  
CMS I-Systems Sdn Bhd



Yollynda Sycell,  
CMS Premix Sdn Bhd



Alicia Beh,  
CMS Quarries Sdn Bhd



Jaafar bin Mohamad,  
Cahya Mata Sarawak Berhad



Jessica Kam,  
Cahya Mata Sarawak Management Sdn Bhd



## CMS CHRISTMAS DECORATING CONTEST 2020

# Congratulations to Our Winners!

Grand Prize Winner



“ Wishing all our dear colleagues & friends a wonderful Christmas filled with love, peace & happiness. May the year ahead be full of contentment and joy. Have a safe and healthy Christmas! Merry Christmas & Happy New Year 2021. ”

**Samalaju Properties Sdn Bhd  
Bintulu Office**

2nd Prize Winner



“ 2020 Has Been An Interesting Year But In Ways We Never Imagined. May We Celebrate Christmas And Bring In The New Year Together In Great Happiness And May This Happiness Follow Us All The Days Of Our Lives! Wishing You A Fine Christmas & A Happy New Year 2021. ”

**CMS Pavement Tech Sdn Bhd  
Kuching**

3rd Prize Winner



“ They say “It’s all fun and games until Santa checks the naughty list...” Let’s hope he wasn’t paying close attention to us this year! Thanks for being such great colleagues, it’s been fun spending time with all of you over the year. Here’s to a fabulous 2021! Stay Healthy and Stay Safe! ”

**CMS Roads Sdn Bhd  
Engineering Department, Kuching**



# Cement Cares for the Community Program

25 November 2020



Since the reopening of schools during the pandemic, students have been advised to attend classes with face masks to curb the spread of the coronavirus. Although purchasing single-use or reusable face masks is hardly a problem for some households, concerns arise for students from less privileged backgrounds whose parents could be facing financial difficulties in providing them with face masks that are needed daily.

Steadfast in coming to the local community's aid, CMS Cement Industries Sdn Bhd (CMSCI) launched its "Cement Cares for the Community" program which saw 20 primary schools within a 3KM radius from its Mambong, Pending, 7<sup>th</sup> Mile, and Bintulu plants, and its Sibul and Miri Bulk Terminals receive 16 boxes of face masks each to be distributed to underprivileged pupils. Through this initiative, CMSCI hopes to make a difference in helping to relieve some parents' financial worries, and to safeguard the students' hygiene by ensuring that single-use face masks are not repeatedly used at school.





## Protecting Our Native Floral Treasures

4 September 2020

The Sarawak forest, our luxuriant foliage of green is proudly one of the world's mega-biodiversity hotspots carrying some of the largest collections of rare, unique and indigenous orchid species. Although these floral treasures are highly sought after internationally for their charismatic and aesthetic features, little interest and awareness towards these endangered orchids are shown by the local Sarawakian community. To help advocate for the importance of guarding our forests' biodiversity and preventing the extinction of these orchids, CMS donated RM30,000 to the Sarawak Orchid Society, an NGO determined to create and promote awareness towards these native orchids. As a strong supporter of sustainability and believer of biodiversity, CMS hopes that this donation will aid local efforts to educate our society about the untapped economic potential, medicinal values and the incontestable significance of the orchid species in our ecosystem.



## CMS to be Sarawak Badminton Association's Title Sponsor

5 September 2020

In the spirit of contributing meaningfully to Sarawak's youths, CMS committed a total of RM600,000 into a 5-year sponsorship deal with Sarawak Badminton Association (SBA), becoming the association's main sponsor until the year 2025. Under the sponsorship agreement, CMS will be giving RM120,000 annually to SBA for the purpose of funding local events such as tournaments for junior players that will augur well for the talent development of these young athletes. The association conveyed their gratitude towards CMS for the long-term sponsorship deal which will greatly contribute to the State's junior badminton development programme, especially in times of recovery from the Covid-19 pandemic.



## Troops Receive Cement Donation

9 September 2020

Thanks to CMS Cement Industries Sdn Bhd and their donation of RM2,471.86 worth of Grade 10 Limestone, our troops in 11RAMD Army Camp Semenggo received the materials urgently needed for the completion of their landscaping project at the camp's front gate entrance.

## IDECS 2020

## Supporting the State's Digital Economy Initiatives

30 September 2020

The Sarawak State Government and Sarawak Multimedia Authority received a generous sponsorship of RM84,800 from CMS for their joint organisation of the 4th International Digital Economy Conference Sarawak (IDECS), themed "Data & Innovation Accelerating Social & Economic Prosperity". This 2020 hybrid event, with a blend of live and webinar sessions which CMS is a platinum sponsor of was held on the 7th and 8th of October 2020 at the Borneo Convention Centre. The conference was aimed at enhancing the participants' knowledge on using technology and data specifically to design and plan future scenarios for Sarawak in various socio-economic sectors. This was the second time that CMS has sponsored IDECS which proves that the organisation is truly dedicated to providing the State and its corporate neighbours with knowledge-sharing and value-added business collaboration and opportunities. CMS is honoured to play a part in supporting the State in its initiative towards a smarter living in Sarawak.



# PRESERVING OUR MUSEUMS

5 November 2020



Against the Covid-19 business landscape, the tourism industry is one of the hardest hit economic sectors in the world. In Sarawak, two local museums – The Brooke Gallery at Fort Margherita and The Raneé Margaret of Sarawak housed at The Old Court House in Kuching – having closed for several months during the MCO period, are in need of financial aid to fund their staffing and maintenance costs. To help protect the integrity of the museums, CMS donated RM15,000 to The Brooke Trust in hopes that the museums can continue to be well-cared for and maintained so that historical stories can be kept alive through the museums' valuable, antique displays for future generations of Sarawakians and inquisitive tourists or travellers.





## Sponsored Items for Bintulu Hospital

10 October 2020

**A**s a token of appreciation for our frontliners at the forefront of our fight against the pandemic, CMS Cement Industries Sdn Bhd sponsored a hamper, electric oven and a thermo flask with a total cost of RM463.80 to Kelab Sukan & Kebajikan Pengurusan Hospital Bintulu for their Pre-Christmas and New Year dinner.



## SUPPORTING LIONS NURSING HOME KUCHING amidst the pandemic

25 November 2020

**E**very year, LIONS Nursing Home (LNH) Kuching would hold their much anticipated Charity Food Fair to raise funds for their non-profit organisation which houses and provides special nursing care for the aged in our community. As their operations rely heavily on public donations and funds raised through their annual food fair which CMS has continuously supported since 2017, their inability to organise the event this year due to the pandemic has brought on difficulties in covering for their rising operational costs. To ease LNH's financial hardships during this difficult time, CMS made a donation of RM10,000 to show our unwavering support to the NGO providing our warga emas with the utmost attention and care.



## Primary School Receives Cement Needed for New Guardhouse

26 December 2020

**T**he old security post at Sekolah Kebangsaan Kuala Tatau – built years ago from wood, stands tall but battered at the village's main road right by the entrance of the primary school. To help the school's headmaster realise his plans of erecting a new and sturdier guardhouse within the school compound, CMS Cement Industries Sdn Bhd donated 2 tons or 40 bags of portland limestone cement in hopes that this contribution would be of good aid to the security posts' construction and other infrastructure development of the school.



## Caring for Our Caregivers

30 December 2020

**T**o support the noble work of our local NGOs in caring for our warga emas, CMS donated RM5,000 to Home of Peace, Kuching to aid them in their caregiving efforts of the 32 elderly residents placed in their care currently.



# RECYCLE TODAY FOR A BETTER TOMORROW

29 August, 18 & 25 September, 21 October, 12, 14 & 18 December 2020



Annie Leonard, an American advocate for all things sustainability once said, "There is no such thing as 'away'. When you throw something away, it must go somewhere". This sheds light on the mountainous waste piling up in landfills or in incinerators awaiting to be burned to ash – issues many tend to forget even on their journey to a more sustainable lifestyle. To remind CMS employees of these critical environmental matters amidst the pandemic, the Group kept our 'Doing Good' programme ball rolling by organising numerous recycling drives throughout the month of August until December. It was heartening to see the unwavering spirit of volunteerism shown by our employees from PPESW BPSB JV Sdn Bhd in Sarikei, CMS Cement Industries Sdn Bhd's (CMSCI) Sibul Bulk Terminal and Mambong team, and CMS Works Sdn Bhd who tenaciously collected bulks of recyclable items, and sold them for proceeds that were donated to local charities. CMSCI even held a second recycling drive in October whereby proceeds collected were allocated to their Staff Compassionate Fund set up to help employees who are in need. Kudos to our staff for consistently upholding CMS' volunteerism and sustainability values!



# Rekindling the Gotong-Royong Spirit

13 September 2020

The term 'gotong-royong' carries the meaning of mutual assistance or the sharing of burdens. It instills in us the value of caring for one another and an understanding that burden, like joy, is something better shared than solely shouldered by one. In the face of a global pandemic, CMS remembers its shared responsibility to care for the people of Sarawak and remains earnestly committed to carrying out its corporate philanthropy initiatives and employee volunteerism work for the betterment of the local community.

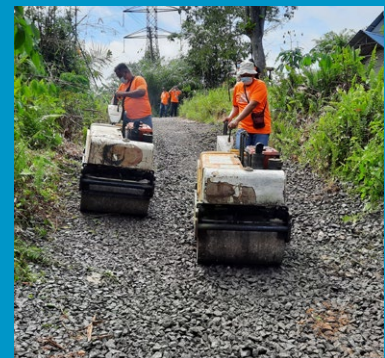
The multipurpose hall of Kampung Stampin Baru nestled in the tight corner of the village by a river had limited parking space and the local community had long planned for an extension of its ground area. Seeing this as an opportune chance to rekindle the gotong-royong spirit in our community after months of isolation and separation from each other during the RMCO, employee volunteers from CMS' Construction Materials & Trading Division enthusiastically worked alongside local villagers to resurface the exterior grounds of the hall with the 150 metric tonnes of aggregates donated by CMS Quarries Sdn Bhd. Although our volunteers were fatigued from a long Sunday's work, they left the village late in the afternoon with newfound friends and joy in their hearts knowing that they had done their part in alleviating the villagers' burden.



## Plogging Around Kampung Nangka Sibu

20 September 2020

If you too took a second glance at the word 'plogging' – you are not alone. The name of this quirky exercise through which trash is picked up while brisk walking or jogging is coined from two words: jogging, and 'plocka upp' which is Swedish for 'pick up'. This innovative union of ecology and sport has been the talk of the town in environmentalist Scandinavian countries as it feeds two birds with one seed; not only will one burn 288 calories compared to the 235 calories burned from regular jogging, surrounding litter gets cleaned up too! Knowing this, 21 volunteers from CMS Cement Industries Sdn Bhd jumped in on this health-environmental bandwagon and joined JKKK Kampung Nangka, Pusat Khidmat Dun Nangka and the Sibu Municipal Council in a plogging and gotong-royong session at Kampung Nangka Sibu. Through this community initiative, we hope to raise the village folk's awareness towards the importance of keeping the environment clean and maintaining a healthy lifestyle especially in the midst of this pandemic.



## Muddy Village Road No Longer a Safety Hazard

3 October 2020

The road leading up to Kampung Antayan Keropok and the village's school, SRK Antayan was upgraded by volunteers from CMS Roads Sdn Bhd who laid aggregates to the long, stretchy and often muddy road in dire need of improvement work. After a long day of hard labour, the small village community, along with its 120 children's journey to their homes, surrounding farms and the local school are now safer and can be made without fear of injuring themselves while walking on their main road, especially in rainy weather.





## Getting Church's Hostel Back in Shape

14 October 2020



Sitting atop a quiet hill, embosomed by lush greenery as they overlook the small town of Kapit are the Church of Mary Immaculate Conception and its hostel. Home to some of the Catholic church's congregation from rural areas, the wooden hostel also doubles as a place for guest visitors to stay in during church events. To keep the place well-maintained for those residing there, volunteers from CMS Roads Sdn Bhd (RMU Kapit) teamed up with JKR Kapit and the church community for some repair and maintenance work to get the decrepit hostel, built in 2004, back in shape. With paintbrushes in hand, the volunteers painted the hostel walls a soft shade of pink and upgraded the hostel ceilings and walls with insulation and plywood. Any termite-damaged wood was replaced with fresh, new ones while brand new mattresses, fans and exhaust fans were also donated to the church to help provide the hostel users a safe and comfortable environment to live in. CMS Roads Sdn Bhd contributed RM8,685 worth of items towards this rebuilding activity.







## St. Luangga Church Gets Spruced Up

5 December 2020

Volunteers from CMS Roads Sdn Bhd (RMU Tapah) and CMS Premix Sdn Bhd spent one Saturday sprucing up the new St. Luangga Church in Kampung Sungai Barie, Serian and helping the church fix its flooding issue. While some volunteers laid aggregates around the church compound to prevent small floods from occurring whenever it rained, others worked on getting the church in spic-and-span condition for its 350 congregators by trimming overgrown grass, sweeping, and clearing sites with heavy machinery.

## Upgrading Church's Parking Lot

5 December 2020

60 volunteers from PPES Works Sdn Bhd spent a Saturday at the BEM Church in Sungai Klampai, Saratok carrying out maintenance work on the church's parking area. With strict adherence to the SOPs established, our volunteers safely and efficiently upgraded the church's untended parking lot to be used by the church community.







## Road to SK St Patrick Tangga gets an Upgrade

19 December 2020

The journey to SK St Patrick Tangga, Serian used to be an arduous one; students and teachers would have to walk on long stretches of gravel and rocks to get to school. Hence, 75 volunteers from CMS Roads Sdn Bhd (RMU Serian) split into two groups to lay aggregates on the road and tar seal it with the 50 tonnes of premix donated by the company over two sessions. Before leaving the village, our volunteers also helped spruce up the school compound, and clear the concrete drain surrounding the school.





# MS Gift of Love

16 & 21 December 2020



The pandemic has brought on many changes this year but the Christmas spirit of hope, love and goodwill remains unwavering and strong at CMS through our 'Doing Good' employee volunteerism program. To bring smiles to children during the festive season, 36 volunteers from across the CMS Group contributed RM7197.54 from their own pockets to purchase Christmas gifts for the 112 children under the care of The Salvation Army and the Kuching Autistic Association of Kuching.

On top of this, to show that a little love can always go a long way, CMS and its Deputy Group Chairman, Dato Sri Mahmud Abu Bekir Taib also contributed RM5,000 and RM2,500 respectively to The Salvation Army to help with their daily operational costs, and to procure IT gadgets such as mobile phones, laptop and personal computer that are needed by the centre's children to attend online classes during the pandemic.







**CAHYA MATA SARAWAK**



# **CMIS**

## **VIRTUAL RUN**

# **2021**

**C O M I N G   S O O N !**

Published by Group Corporate Communications Department



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