The popular annual CMS Tribal Run took place on Sunday, 5 August 2018 and saw a record number of 3,288 employees and members of the public who participated in three categories: 3km Family Run, 5km Fun Run and 10km Competitive Race. Runners from all over Sarawak, including Kuching, Betong, Mukah, Bintulu and Miri gathered for this event with many participants beautifully adorned in tribal wear, as they ran through the streets of Kuching, making for a fun and healthy weekend activity for both the serious runners and for the families who participated. This was the first time the event was flagged off at Wisma Mahmud in Kuching with 2,821 participants. Similar runs were held simultaneously in Mukah and Bintulu with a combined total of 216 participants, while Miri and Betong had 251 participants on 18 August 2018.

For the 4th consecutive year, CMS organised this event for the benefit of local charities who received 100% of the entry fee proceeds. This year, the proceeds totalling RM136,000 plus a personal donation of RM10,000 from CMS Interim Group Chairman, Dato Sri Mahmud Abu Bekir, were donated to 11 charitable organisations in Sarawak. This brings the total entry fees collected from participants for donation in the four years (2015-2018) to RM492,104. This resonates well with the tag line of the run which is ‘Running for a Good Cause’. The 11 Sarawak-based NGO who received the cheques were Barefoot Mercy Berhad, Befrienders Kuching, Home of Peace, Kuching Autistic Association, Persatuan Sukan Orang Pekak Sarawak, Sarawak Cheshire Home, Sarawak Children’s Cancer Society, STEC Kidney Foundation, The Green Ribbon Association Kuching, The Society for Critically Sick Children and Mental Health Association of Sarawak. This is a continuation of CMS’ ‘Doing Good’ initiative, which started in the mid 1990’s.

Like last year, there were the 5km Fun Run and the 10km Competitive Race, which offered cash prizes for the Top-10 Men Open finishers and Top-10 Women Open finishers. Winner of the Men Open was Chong Yen Boon, while the 2nd and 3rd placings went to Sunny and Tan Jit Ping respectively. The winner of the Women Open was Christable Lim, while the 2nd and 3rd placings went to Lee Leh Ha and Hee Yieng Nyuk respectively. The top 3 winners of both the Men and Women Open received RM500, RM300 and RM200 cash respectively.

For the Best Tribal Wear, RM50 shopping vouchers were awarded to the Top-10 participants. This year, introduction of the 3km Family Run saw families running or walking alongside each other including babies/toddlers in strollers. Twenty-eight lucky draw prizes were given out to lucky participants with the Grand Prize being a Fitbit Charge 2 followed by a Fitbit Alta HR and a pair of Brooks Sports Shoes (Ricochet) for second and third prize respectively.
Present for the flag-off and presentation of prizes and cheques were Datuk Syed Ahmad Alwee Alsree, Group Executive Director, Dato Isaac Lugun, Group CEO – Corporate and Mr Goh Chii Bing, Group CEO – Operations. CMS Tribal Run continued to receive support from the corporate sector with group participation from Titanium Project Management, Harwood Timber, K&N Kenanga, RHB Bank, Borneo Convention Centre Kuching, Ernst & Young, Kuching Toastmasters Club, Naim Holdings, SEDC, The Spring Management, KKB Engineering and Nova Fusion. The CMS Tribal Run 4.0 was jointly supported by RevRun Co. and City Jogger’s Club. Sponsors included Satria Realty and Revive, Indocafe and Pure Juices.
CMS reports a total revenue of RM750.27 million and a pre-tax profit (PBT) of RM175.94 million for the first six months of 2018 (1H 2018). Both revenue and PBT increased by 15% and 32% respectively, in comparison to the preceding year's corresponding quarter's (1H 2017) result of RM650.23 million and RM132.91 million. The Group’s profit after tax and non-controlling interests (PATNCI) of RM130.60 million for 1H 2018 was 57% higher than the (1H 2017: RM83.30 million) and earnings per share (EPS) stood notably at 12.16 sen versus 7.75 sen from the corresponding six-month period of last year.

The significant improvement in the Group’s financial performance was mainly due to increase in the share of results of associates namely; OM Materials (Sarawak) Sdn Bhd, SACOFA Sdn Bhd, KKB Engineering Berhad and Kenanga Investment Bank Berhad. Collectively, their PBT catapulted by 1,101% to RM74.88 million during 1H 2018 from a loss of RM7.48 million in 1H 2017. The main contributor to this outstanding performance is the strong turnaround at OM Materials (Sarawak) where a PATNCI of RM48.48 million was registered (1H 2017: RM26.21 million loss). This strong performance by OM Materials (Sarawak) is expected to be sustained if ferrosilicon and manganese alloy prices and production outputs are maintained at their current levels. The Group also recorded a robust profit contribution from SACOFA with a PBT of RM21.11 million (1H 2017: RM18.88 million).

In comparison to 1H 2017, for 1H 2018, Construction & Road Maintenance Division registered a strong PBT of RM44.76 million (24% increase from RM36.11 million) due to the higher revenue from the construction of Pan Borneo Highway project, the Miri-Marudi road rehabilitation project and the Sarawak Museum project. Cement Division reported a lower PBT of RM39.19 million (drop from RM47.04 million despite an 8% revenue increase) due to repair costs from the planned plant maintenance shutdown carried out at its clinker plant in January and February 2018. This was the first extensive maintenance exercise carried out by Management since it took over the plant in 2007. The Division’s performance was further impacted by the increase price of imported clinker due to the tight supply in the international market. Management is evaluating alternative supply sources to manage the situation. Construction Materials & Trading Division reported a PBT of RM23.41 million (21% decrease from RM29.50 million despite a 10% revenue increase). This was due to a sudden and acute shortage of quarry aggregates and quarry sand, resulting from a steep spike in the demand for the materials from the Pan Borneo Highway project and higher bitumen and diesel prices. Margins were also depressed by the recent price increase of bitumen and diesel. The Division is actively exploring alternative supply to ensure its continuous production of premix.

The Group also reported a lower PBT of RM11.30 million from the Property Development Division due mainly to lower sales in an increasingly challenging property market.
Mr Karl Vink joined CMS as Chief Information Officer on 1 June 2018. Karl oversees the IT function of CMS, which includes the digital initiatives which CMS recently embarked on. He has established his career in the mass communications and technology industries, and has held various managerial positions across South East Asia, North America and Europe. Prior to joining CMS, he was the CEO of Silver Lining Systems Sdn Bhd/Silver Lining Software Pvt Ltd, whose responsibilities included overseeing the development of the businesses’ three main practices: cloud technology and architecture, cloud service provider, and cloud, data centre and IT systems consultancy. Karl replaces Mr Mohamed Zaid Zaini who will now focus on his key role as SACOFA Sdn Bhd’s Managing Director.

On 1 July 2018, CMS welcomed Encik Karim bin Reduan as the Chief Executive Officer of CMS Works Sdn Bhd and Head, Construction & Road Maintenance Division. Karim held various managerial positions and prior to joining the company, he was appointed as Head of Commercial Department, PPES Works (Sarawak) Sdn Bhd and a Konsultant Timur consultant. Karim oversees the management and development of the Division which includes all support services functions.
The RM67.0 million ‘shallow underpass’ was open to the public a day before Hari Raya Aidilfitri to ease road traffic during the festive season. Deemed a ‘pilot project’, the underpass is one of the components of the interchange project meant to ease traffic congestion in Petra Jaya, especially the traffic flow to and from Matang.

The shallow underpass provides an actual clearance of 2.6 metres but an allowable clearance of 2.2 metres is enforced for safety reasons and driving comfort. This higher clearance was determined based on a traffic study conducted during peak hours where 95% of commuters drive vehicles that measured below 2.2 metres. Hence, having such an underpass would ease the flow of traffic for motorcycles and vehicles below 2.2 metres, while those above 2.2 metres will have to use the normal junctions or roundabouts.
CMS Roads Sdn Bhd confirmed that the rehabilitation works of the 43.2km Miri-Marudi Road is ahead of schedule with 61.60% completed. Despite the erratic weather, the holiday seasons and election on 9 May 2018, our CMS Roads team worked tirelessly and ‘round the clock’ to ensure critical stretches of the road remains as smooth as possible for ‘balik-kampungers’ during Gawai and Hari Raya. The project is scheduled for completion in 2Q 2019. The road rehabilitation began on 15 September 2016. CMS Roads updates the general public on the progress of the construction on a quarterly basis through advertorials in major newspapers. The next planned update on the Miri-Marudi road is scheduled for 4Q 2018.

CMS GRABS SILVER AT THE 2018 ARA
20 JUNE 2018

CMS Annual Report 2016 received the Silver Award at the 2018 Australasian Reporting Awards (ARA) held in Sydney. ARA provides organisations that produce annual reports the opportunity to benchmark against world best practice. CMS was among the few companies in the region who met the high standards set by ARA. Dato Isaac Lugun, Group CEO – Corporate said, “Our report captures the accomplishments and challenges of that particular year and provides a record of our corporate journey as we progress towards our vision. We are pleased that our publication has met the standards of this international level award and hope that we will achieve even higher-level awards in the future. As a company listed on the main board of Bursa Malaysia, we are bound by the regulated disclosure requirements of Securities Commission Malaysia.”
SARAWAK MUSEUM CAMPUS
achieves Safety Milestone
29 JUNE 2018

The Sarawak Museum Campus & Heritage Trail project marked its safety milestone with an achievement of more than 1,000,000 man-hours without injury. This shows the project team’s consistent and uncompromising commitment to a safe work culture by focusing on the company’s stringent safety rules, backed by a strong and visible leadership from line management. The relevant authorities continue to ensure that health and safety rules and regulations are not only met but exceeded. PPES Works (Sarawak) Sdn Bhd was awarded the Design and Build and Negotiated Contract of the Sarawak Museum Campus & Heritage Trail on 14 April 2015. The RM308.0 million project is scheduled for visitation in 2020.

CMS and The Institution of Engineers, Malaysia (Sarawak Branch) (IEM Sarawak) signed a Memorandum of Understanding (MoU) to establish collaborative relations between the two parties in developing technical interchange. It is the first step in establishing a collaborative relationship which includes research, training and exchange of information between the two parties. The signing of the MoU was witnessed by YB Tan Sri Datuk Amar Dr. James Jemut Anak Masing, Sarawak Deputy Chief Minister and Minister for Infrastructure Development and Transportation.
A 1-day seminar on “Cold in Place Pavement Recycling (CIPR) Technology” was held on 5 July 2018 in Kuching, in collaboration with Lebuhraya Borneo Utara Sdn Bhd, CMS Pavement Tech Sdn Bhd and Wirtgen (M) Sdn Bhd, and organised by the Institution of Engineers, Malaysia (Sarawak Branch). The seminar provided a 2-pronged collaborative platform to discuss and determine firm strategies to enhance the State’s road management and maintenance approach. It also discussed potential solutions to the construction process and quality of road using CIPR and how CIPR solutions can be implemented via in-place methods such as Ordinary Portland Cement, lime and bitumen, which are useful in the construction of the Sarawak Pan Borneo Highway.

Sarawak Housing and Real Estate Developers’ Association (SHEDA) celebrated its 21st anniversary with a 3-day exhibition supported by the Ministry of Local Government and Housing Sarawak, and the Construction Industry Development Board, attracting some 9,100 visitors to the event. CMS Property Development Sdn Bhd was one of the main sponsors of the expo who received a token of appreciation presented by Sarawak Chief Minister, YAB Datuk Patinggi (Dr) Abang Haji Abdul Rahman Zohari bin Tun Datuk Abang Haji Openg to CMS Head of Property Development Division, Vincent Kueh during the opening ceremony.
In conjunction with the month of Syawal, Group Executive Director, Datuk Syed Ahmad Alwee Alshee and wife, Dato Hanifah Taib-Alsree organised their annual Majlis Ramah-Tamah Aidilfitri on 7 and 8 July 2018 at their home where close to 1,300 employees and 135 anak-anak yatim came. On 30 May 2018, a berbuka puasa followed by terawih (prayers) were also held at their home where 120 employees and 30 villagers attended.
On 11 June 2018, CMS Cement Division organised a ‘breaking of fast’ with CMS employees and guests from SHEDA, Kuching Port, Kuching Samarahan Division Building & Civil Engineering Contractor Association, Land & Survey Department, Kementerian Perdagangan Dalam Negeri, Koperasi dan Kepenggunaan Sarawak, Malaysia Productivity Corporation, UNIMAS, CIDB Negeri Sarawak, Portrade International, vendors and dealers. Three weeks later, on 29 June 2018, the Division held its annual Majlis Ramah-Tamah Gawai Raya at their clinker plant which saw close to 400 employees from the Group attending.
TPS stuns audience with Annie Jr! production
6-8 JULY 2018

Audiences were treated to a fantastic three-day performance of Annie Jr by the students of Tunik Putra School (TPS) held at TPS Multi-Purpose Hall. The globally-renowned and much-loved family production is directed by the school’s Head of Creative and Performing Arts, Angela Williams, and features the timeless story of the plights of Little Orphan Annie (permission of Musical Theatre International) book by Thomas Meehan, with music by Charles Strouse, and lyrics by Martin Charnin.

“With such a wide age range in the cast (the youngest performer was 8 years old and the oldest 17), it truly was a whole school opportunity, and the students cannot wait to get started on the next one. Make sure you keep an eye out for next year’s production as we are sure it will be just as good! Congratulations to the whole cast for their wonderful performances across the weekend!” said Acting Principal Mr Phang.
The ‘Smart e-Saver’ team from Tunku Putra School (TPS) clinched the top gold prize for its project which is focused on saving young lives, at the recently-concluded ‘Young Innovators Challenge’ (YIC) Sarawak, hosted by Swinburne University of Technology (Sarawak Campus). The TPS representatives Joseph Chung Ming Chong, Kelly Chong Kai Xuan and Thomas Brabbs – mentored by Swinburne Sarawak student, Ericson Tan Peng Hong and supervised by teacher, Bong Poh Kwong – defeated 65 teams from 22 secondary schools in the Southern Region of Sarawak. Joseph, Kelly and Thomas chose the theme ‘automotive/mobility’ for their project, which was based on the ‘Hot Car Death’ or ‘Forgotten Baby Syndrome’ – a situation where a baby or a young child is accidentally left inside a locked car, resulting in death caused by heat stroke or suffocation.

The students developed a device called the ‘Smart e-Saver’, where thermal and pressure sensors are able to detect the amount of passengers present inside a car. An ultrasonic sensor above the passenger’s head calculates the body height of the passenger, which will determine whether that person is under the age of six. Once a car carrying a child reaches the destination and the driver turns off the engine, the device enables an alarm to go off with the warning ‘Children in the car!’ displayed. If the child is still left unattended after five minutes, the device will send a message to alert the driver and the family of the child. If there is still no response within the next 15 minutes, the ‘Smart e-Saver’ would send the GPS location and report to the police.
EMPLOYEE DEVELOPMENT

ITC Programme 2018 continues...

In line with CMS’ Digital Transformation Roadmap, a series of workshops were conducted by Group MIS Department to focus on the requirements, process assessments, benchmarking, prioritising and developing a business case for the immediate, mid-term and long-term initiatives of the Group.

Group HR Department continued its In-House Training Capability Programme for the second quarter of 2018, where all levels – managerial, executives and non-executives were trained in safety management, project management and first-aid skills.

Oracle Insight Day

Workshop Series II
Oracle Insight Day

A 2-day workshop on SAP was held on 26-27 April 2018 followed by an ORACLE demonstration on 4 July 2018. Sessions on our corporate functions, as well as the functions of our subsidiaries was subsequently conducted on 12 and 13 July 2018 by ORACLE.
CMS continued its friendly games against Lebuhraya Borneo Utara Sdn Bhd on 11 August 2018 where CMS emerged as Champions with a score of 7-1 out of 11 games (with 3 draws) (badminton). On 25 August 2018, CMS received second runners-up for bowling whilst Team Champion went to Polis DiRaja Malaysia, Sarawak Contingent.

On a happier note, our Cahya Bowlers emerged as Champions during the Megalanes Adventure World Corporate League held on 26 August 2018.
Kuching Toastmasters Club paid a courtesy call on CMS on 20 June 2018 to update on the Club’s activities. CMS has been a proud sponsor of the Toastmasters Youth Communication Camp since 2012 and to date, it has sponsored RM89,500 for the camp. The objectives of this camp is to provide the students aged from 15 to 18 years old, an avenue to build skills in communication, public speaking, leadership and teambuilding whilst gaining invaluable experience. This year’s camp will be held from 15 to 17 September 2018 in Serian.

In line with our ongoing commitment to community development and investment, CMS donated RM148,000 to the Muslim communities of Sarawak during the holy month of Ramadhan under its Adopt-a-Mosque programme. 74 mosques and suraus located in Kuching, Kota Samarahan, Betong, Sarakei, Bintangor, Sibu, Miri and Bintulu each received RM2,000 to help fund their Ramadhan activities and the upkeep of the mosques and suraus. CMS continues this yearly commitment as part of our CMS’ ‘Doing Good’ campaign to give back to the communities in which we operate.
Since 2009, CMS has been a proud sponsor of the SRAS’s Junior Development Programme which aims to provide an avenue for young players to engage in healthy competitive play and to improve their talent. Group CEO – Corporate, Dato Isaac Lugun attended the Squash Racquets Association of Sarawak’s (SRAS) welcoming dinner and prize presentation ceremony on 21 June and 24 June 2018 respectively.

CMS supported YOUNG TALENTS

21 & 24 JUNE 2018

Since 2009, CMS has been a proud sponsor of the SRAS’s Junior Development Programme which aims to provide an avenue for young players to engage in healthy competitive play and to improve their talent. Group CEO – Corporate, Dato Isaac Lugun attended the Squash Racquets Association of Sarawak’s (SRAS) welcoming dinner and prize presentation ceremony on 21 June and 24 June 2018 respectively.

Celebrating World Cup Fever with #RiohBolaCatsCMS

22 JUNE-15 JULY 2018

In collaboration with CatsFM, CMS Property Development Sdn Bhd organised #RiohBolaCatsCMS for residents of Bandar Samariang to enjoy the month-long FIFA World Cup 2018. The event which kicked off on 22 June 2018 saw football fans who not only came to watch the World Cup on the large screen but also to try their luck at activities such as lucky draws, trivia and target shooting. A mini concert was also held during the Finals (15 July 2018) between France and Croatia.
Concluding with a closing ceremony on 26 August 2018, the PurpleLily Aspiration & Leadership Building Camp for Girls 2018 continued to make an indelible mark on the lives of young girls throughout Sarawak. PurpleLily, which CMS sponsors annually as part of the company’s ongoing CSR programme, is an NGO committed to promote financial literacy and female empowerment in Sarawak. It achieves this by conducting workshops in schools around Kuching, as well as other similar activities, including its annual camp. CMS’ support of PurpleLily is consistent with the company’s agenda to promote equal opportunity in the workplace and in its belief that female empowerment, ambition and aspiration should be engendered from a young age.

The 3-day, 2-night camp venue this year was Sumiran Eco Camp, Batu Kawa, Kuching and included a schedule of activities specifically tailored for rural and urban girls from the ages of 15 to 19 years old. Attendance at this year’s camp was especially high, with an increase in participation from 58 girls last year, to 80 this year.

CMS has been involved in this programme since last year, sponsoring RM10,000 in 2017 and RM16,000 in 2018 and has committed an additional RM24,000 for next year’s camp, bringing CMS’ total sponsorship of the PurpleLily Aspiration & Leadership Camp to RM50,000 over three years.

PurpleLily, a Sarawak-based organisation, is committed to inspiring and empowering women to thrive and shine by providing them with essential life skills and basic financial literacy training. With the same module, they have helped women internationally in countries like Nepal, Cambodia, Ethiopia, Tanzania and India.
This year, CMS notched up its CSR efforts by introducing an in-house crowdfunding exercise to raise funds to run the CMS Tribal Run 4.0 and 5th Kuching Marathon on 5 and 12 August 2018 respectively. The past few CMS Tribal Runs have been a major success, each raising in excess of RM100,000 of which 100% were donated to local charities and NGOs.

With full-on support and backing by our Group Executive Director and Group CEOs, 12 avid runners from across the Group came forward to run different. We decided to call our team the Back2Back (B2B) runners as the two events were held just a week apart. The conditions were simple – each runner had to run a minimum of 10km for both events and raise a minimum of RM300. The response was immediate from the crazy runners who were eager to participate as a team. We were going to be kitted up in cool running gear!

Our team comprised representatives from the Main Board of Directors (Peter Chin), HQ Departments (Beatrice, Danny, Denise, Diana, Jacqueline), CMS Cement (Benjamin, Kheng Leng, Sylvester), Tunku Putra-Help International School (Mark), CMS Pavement (Saiful) and Samalaju Properties (Willson). Chong Wan Siang and Tang Tung Teck from Group Procurement also joined us. We quickly formed a group chat and started a weekly Saturday morning run to build up the momentum. Over a span of seven weeks, the CMS Team forged new friendships, great support and team spirit for this maiden and worthy cause. Some of us had not met each other before and it is an amazing experience not just to run as a team but to share each other’s run journey and spurring each other on. We only discussed running, motivated each other and offered all sorts of run tips and stories.

We are especially proud of our three Top-200 finishers at the Kuching Marathon. Mark, who took 1st Place in the 50km Category at the Bayan Atuh Trail Ultra 2018 on 29 July 2018, ranked 30 in the 42km Men Open with a time of 3:47, Saiful ranked 78 in the 42km Men Open with a time of 4:14 and Chong ranked 126 in the 21km Men Open with a time of 2:13. Congratulations to them for the amazing feat! The B2B runners are delighted to raise a whopping RM16,785.70 (including sponsorship from CMS) to be donated to Sarawak Society for Parents of Children with Special Needs (PIBAKAT). Group CEO – Corporate, Dato Isaac Lugun said, “If everyone in the company consciously and consistently does his/her bit in the community like what you have all just done, CMS, over time, will be looked upon differently.”

We thank the Board and Top Management for their tremendous support, our Group CEO – Operations, Goh Chii Bing who mooted the idea of a CMS run team, Jacqueline Yang, Esther Ambin and Shily Ann for their help throughout and Mohd Hadzwan for designing our beautiful tshirt/cap. A big shout out to all our kind and generous donors – YOU ARE ALL CHAMPS!

Written by Denise Koo
MILO DAY RUN promotes healthy eating
1 JULY 2018

Over 7,000 people including CMS employees participated in the 6th Milo Malaysia Breakfast Day Run 2018 held at the Sarawak Stadium, Petra Jaya. The 3km-run was flagged off at 6.30am by North Kuching City Commission (DBKU) Mayor, Datuk Haji Abang Abdul Wahap Haji Abang Julai. The event aimed to raise awareness on the importance of having breakfast and maintaining a healthy eating habit amongst Malaysians. Initiated in 2012, this running event has received overwhelming response year after year.

RUNNING FOR THE BLIND
1 JULY 2018

While many Kuchingites joined the Milo Breakfast Day Run held on the same morning of the Milo Day Run, other CMS employees ran for the blind. Led by the Parent-Teacher Association of SK Pendidikan Khas Kuching, the outreach programme was organised to raise funds for the school and at the same time, promote the school to disabled and visually impaired students. Runners who completed the 6km and 3km routes received a unique medal in the shape of a Perkins Brailler with Braille’s Code engraved on it. It was definitely a keeper!
DOING GOOD

Fire at Bandar Baru Samariang leaves 24 people homeless

KUCHING: Twenty-four people, including three children, were left homeless after fire destroyed three houses at Bandar Baru Samariang yesterday.

According to Fire and Rescue Department Sarawak spokesman, firefighters rushed to the scene upon the receipt of an emergency call at 5.38pm.

Of the three units, one was razed by fire to the ground while the other two had substantial damage.

“The firefighters managed to prevent the flames from spreading to other houses. “There is no report of injuries and casualties in the incident,” said the spokesperson.

The cause of the fire is still being investigated.

Thick smoke can be seen billowing up from the burning houses.

PROJEK BANDAR SAMARIANG

donates to fire victims

10 AUGUST 2018

Three families from Bandar Samariang were left homeless after their houses were razed by fire on 6 August 2018. To help the families get back on their feet, Projek Bandar Samariang Sdn Bhd donated a total of RM14,000, which were handed over by CMS Property Development’s Senior Sales & Marketing Manager, Gary Kho.

CMS Land Hands Over Caretaker House To PERKATA

24 AUGUST 2018

CMS Land Sdn Bhd and the Sarawak Economic Development Corporate (SEDC) handed over the RM200,000 ‘Caretaker House’ to Persatuan Bagi Kebajikan Kanak-Kanak Terencat Akal Sarawak (PERKATA) at a ceremony held at the school hall, officiated by the Chairman of SEDC and President of PERKATA, Tan Sri Datuk Amar (Dr) Haji Abdul Aziz bin Dato Haji Hus. This CSR initiative first came into light in May 2017 when CMS Land was approached by SEDC to build new staff quarters for PERKATA. CMS Land agreed to sponsor the construction and material cost by undertaking the building works. The other companies which were also involved in the planning and construction were Perunding Dayacipta (architect), Jurutera Minsar Sdn Bhd (consultant) and Song Kao Construction (labour). SEDC also donated furniture and fittings such as curtains, dining tables, cupboards and sofas; while fixtures, fittings and furnishings were contributed by the Grand Margherita Hotel and Riverside Majestic Hotel.
As a yearly tradition of COPE Private Equity Sdn Bhd (COPE), 22 orphans from Sekolah Maahad Tahfiz Al-Mustakim orphanage were treated to a ‘Majlis Berbuka Puasa’ followed by prayers. RM50 ‘duit raya’ was also handed out to the orphans by COPE Managing Director, Dato’ Hj Azam Azman.

**Majlis Berbuka Puasa**

with COPE

9 JUNE 2018

**CMS Employees raise funds for**

**Cheshire Home Charity Sales**

1 JULY 2018

**PIBAKAT Food Fair & Charity Sales**

22 JULY 2018
CMS CEMENT INDUSTRIES
‘Do Good’
4-31 MAY 2018

CMS Cement Industries Sdn Bhd sponsored electrical items for lucky draws to the Women Bureau, Youth Club of Kampung Bratan, St. Augustine Church (4 May 2018), Dayak Bidayuh National Association (30 May 2018), and chairs to St. Jerome Catholic Chapel, Kampung Patung on 31 May 2018.

As part of the School Engagement Initiatives for the students of SK St. Augustine, CMS Cement Industries Sdn Bhd organised a UPSR Excellence Award Ceremony for students who achieved outstanding UPSR results in 2017 (scoring 3As and above). General Manager of Production, Encik Hisham Mohmurad Amin presented Nur Aleeyah Mazlan (6As), Nur Khairunnisa Mohd. Affendi (5As) and Plandrester Paul (3As) with a hamper and RM50 for each ‘A’ grade that they scored.
GOTONG-ROYONG at St. Mathew Mundai
6 MAY 2018

A total of 24 employees from CMS Quarries Sdn Bhd participated in gotong-royong activities at St. Mathew Mundai which included laying and levelling the quarry waste at the parking space in front of the school compound. 200 metric tonnes of quarry waste was donated earlier by the company.

GENEROSITY IS ALWAYS GRATIFYING
12 MAY 2018

The Catholic Memorial and Pilgrimage Centre at Mount Singai, Bau receives a lot of visitors especially on weekends to attend mass services, retreats and other religious related events. Trekkers would pass through or stop over for a rest at the Centre on their way up to the peak of Mount Singai. As a result of increased activity, many facilities needed upgrading to accommodate more visitors. The Church committee requested for some cement and the help of our CMS employees to carry such building materials up before renovation works could start.

In a special act of kindness, Mr Chan Fook Hong, Chief Operating Officer of Construction Materials & Trading Division made a personal donation of 100 cement bags to the Church. 41 employees from CMS Quarries Sdn Bhd and CMS Premix Sdn Bhd hiked the steep wooden steps carrying 5kg-cement bags, gravel and sand. Division Head, Mr Chong Swee Sin also joined the men in carrying the heavy loads. Some creative workers even carried bags of cement on bamboo poles. Charity work is always gratifying but nothing is more satisfying than having a good meal after a hard day’s work, courtesy of Mr Chong.
Thirty-six CMS Cement Industries Sdn Bhd employees built a hut for the community of Kampung Benuk. Our volunteers displayed strength and endurance when they carried gravel to the hill top!

**GOTONG-ROYONG**

by CMS Cement Industries

19 MAY 2018

Thirty-six CMS Cement Industries Sdn Bhd employees built a hut for the community of Kampung Benuk. Our volunteers displayed strength and endurance when they carried gravel to the hill top!

**CMS QUARRIES**

constructs Church Carpark

13 MAY 2018

Thirty-seven employees from CMS Quarries Sdn Bhd volunteered to construct a carpark for Christ Baptist Church at Jalan Stakan, Kota Sentosa. The company also donated 615 metric tonnes of 3” DCR stones.
Three groups from our Cement Division volunteered to construct a futsal court at Rumah Kanak Kanak Toh Puan Hajah Norkiah, Jalan Kuching-Serian. The gotong-royong stretched over three weekends (14, 22 and 29 July). The Division also contributed RM5,000 for the purchase of raw materials such as wire mesh, limestone, planks, etc to carry out this CSR activity.
CORRUPTION & BRIBERY
RISK AWARENESS

In today’s dynamic business landscape with marked regional and cultural differences, companies are exposed to significant business risks. Key among those risks are bribery, corruption and fraud which have brought down some notable global companies in the past and continue to be of grave concern. Malaysian Anti-Corruption Act 2009 defines corruption as “the act of giving or receiving of any gratification or reward in the form of cash or in-kind of high value for performing a task in relation to his/her job description”.

According to the 2017 Corruption Perceptions Index reported by Transparency International, Malaysia is ranked the 62nd least corrupt nation out of 175 countries. This shows a tremendous decline from being ranked 23rd in 1995 to 62nd in 2017 and should be of great concern to all of us. These issues, if ignored, can slowly drain a company’s assets or severely impact short and long-term growth plans. High-risk areas associated with bribery and corruption includes hiring/employment, third-party/vendor management, gifts, entertainment, procurement, sales, finance, IT, upper management and government relations.

It is worthwhile to note that whilst financial impact of bribery and corruption may be minimal to a company, the reputational impact may be severe and this may ultimately affect its sustainability in the long run. Comprehensive controls are needed to combat bribery and corruption risks. The development of effective controls requires in-depth knowledge of an organisation’s internal and external operations. The key to successful implementation of these controls will be the right tone from the top i.e. board of directors and awareness of all staff and management of the code of ethics expected.

In an effort to promote good corporate governance and to show commitment to high ethical and moral standards, as well as good business conduct, CMS has established a Code of Ethics/Conduct for directors and employees which encompasses anti-fraud management to encourage staff to report any red flags noted or occurrences of fraud.

At CMS, a confidential/anonymous whistleblowing channel is readily available on the company website accessible by employees or public to report any violations (or suspected violations) of any law or company policies by Company staff, management and even board. This can be accessed at: http://www.cmsb.com.my/about-us/corporate-governance-2-2-2/whistle-blowing-2/.

Want to learn more about identifying red flags to detect fraud and corrupt practices? Do join Group Internal Audit’s upcoming workshop – WHAT THE FRAUD! - as we delve into understanding and an in-depth discussion on fraud indicators and what we can do to play a part in combating fraud.

References:
• https://www.transparency.org/news/feature/corruption_perceptions_index_2017

Contributed by: Group Internal Audit Department
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