CONNECTING COMMUNITIES

DELIVERING VALUE

ANNUAL REPORT 2017

Abridged Version

Cahya Mata Sarawak

Connecting Communities Delivering Value

The cover of Cahya Mata Sarawak Berhad's 2017 Annual Report portrays a striking night shot of the Darul Hana Bridge, Kuching's iconic new landmark which connects the northern and southern parts of the city, and which CMS had a hand in constructing. Our cover also carries the theme 'Connecting Communities. Delivering Value' which not only reflects the role that the bridge is playing in integrating communities and delivering tangible value, it also serves as an expression of how CMS is doing its bit to connect communities and deliver real value.

As a leading proponent of the Sarawak's growth story, CMS continues to identify opportunities to help build and strengthen linkages between markets, businesses and communities, as well as create tangible value for our four key stakeholders. These include the host of infrastructure projects and related services required across the State and the energy-intensive opportunities under the Sarawak Corridor of Renewable Energy (SCORE) initiative. By continuously reinvesting into our core competencies and expanding into related infrastructure facilitation activities, we continue to create a long-term, sustainable growth pathway for both CMS and Sarawak, as well as good value for our stakeholders. As we maximise our participation in the Sarawak's growth story, CMS undoubtedly remain one of the best proxy-listed investments for Sarawak's dynamic growth.

Our Vision

To be the **PRIDE** of Sarawak & Beyond

Our Stakeholders

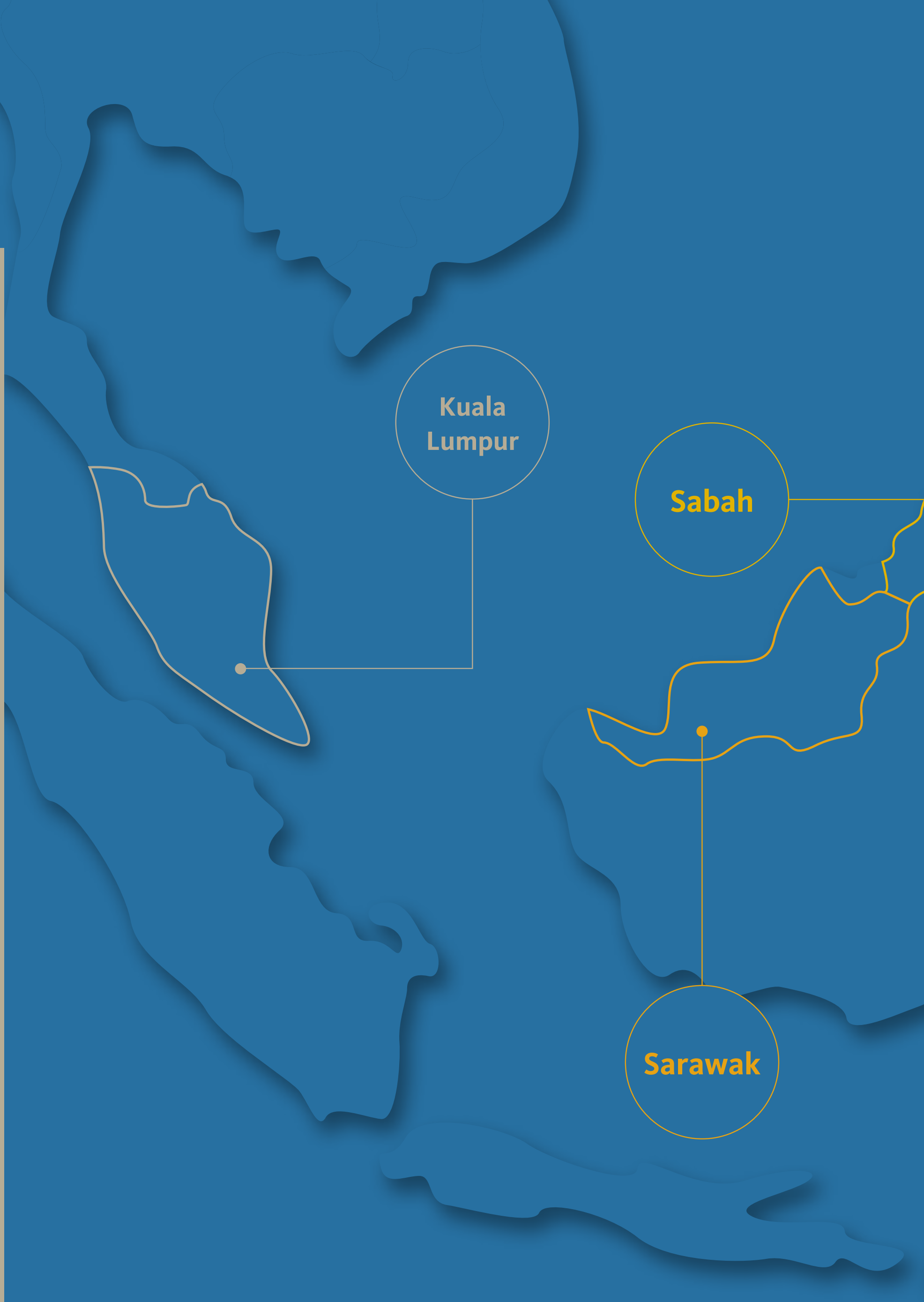
Our Shareholders, Staff, Customers & Community

Our Mission

- (P) Producing Quality, On Spec & On Time
- (R) Respect & Integrity
- (I) Improving, Innovating & Investing in People
- (D) Delivering Sustainable Growth
- (E) Environmentally Conscious, Safe & Conducive Workplace

TABLE OF CONTENTS

Our Business



Cahya Mata Sarawak Berhad (CMS) is Sarawak's leading infrastructure facilitator and a prime mover in Sarawak's growth story.

Originally established as a cement manufacturer some 43 years ago, CMS has steadfastly grown from strength to strength amidst the challenges of the marketplace and successfully diversified into the manufacturing and trading of Cement and Construction Materials; Construction; Road Maintenance; Township, Property and Infrastructure Development; Education; Financial Services; and Alloys Smelting. In 2015, CMS bolstered its role as an infrastructure facilitator by venturing into the telecommunications infrastructure arena.

CMS' solid progress over the years is very much a reflection of Sarawak's own dynamic progress. As the State moves into a new era of growth with the Sarawak Corridor of Renewable Energy (SCORE), CMS' expansion path too is moving into a new trajectory to take advantage of the business investment opportunities in energy-intensive industries and their infrastructure and related needs. Given the vast business potential within SCORE and throughout the State of Sarawak, CMS continues to leverage on its healthy balance sheet, local knowledge, an experienced management team, proven strategies and a synergised portfolio of Sarawak-based businesses, to maximise its participation in the Sarawak's growth story.

Today, CMS is listed on the Main Market of Bursa Malaysia Securities Berhad (Bursa Malaysia), the Malaysian stock exchange. As of 31 December 2017, CMS' market capitalisation stood at RM4.19 billion.

CMS' Stable of Businesses:

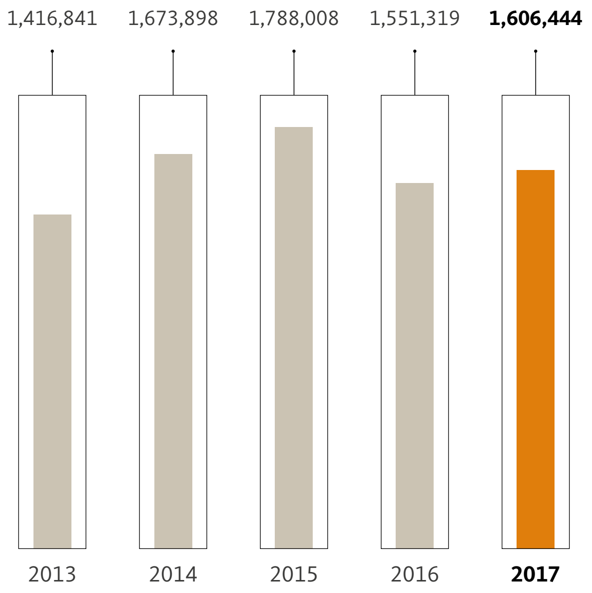
- Cement & Clinker
- Construction
- Construction Materials Trading & Agencies
- Education
- Ferrosilicon & Manganese Alloys Smelting
- Financial Services
- Hotel & Workers' Accommodation
- Industrialised Building System (IBS) Products & Solutions

- Precast Concrete Products
- Premix
- Project Management
- Road Maintenance
- Steel Fabrication & Engineering
- Steel Pipe Manufacturing & Laying
- Stone Aggregates
- Telecommunications Infrastructure
- Township & Property Development
- Wire Mesh

Performance at a Glance

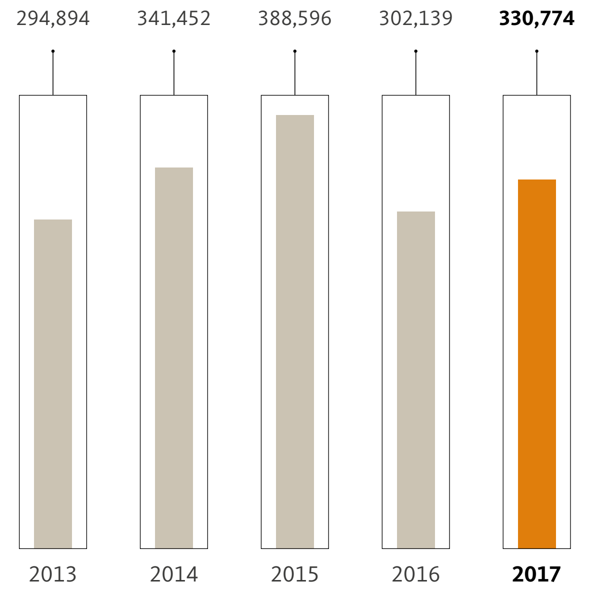
Revenue

(RM'000)



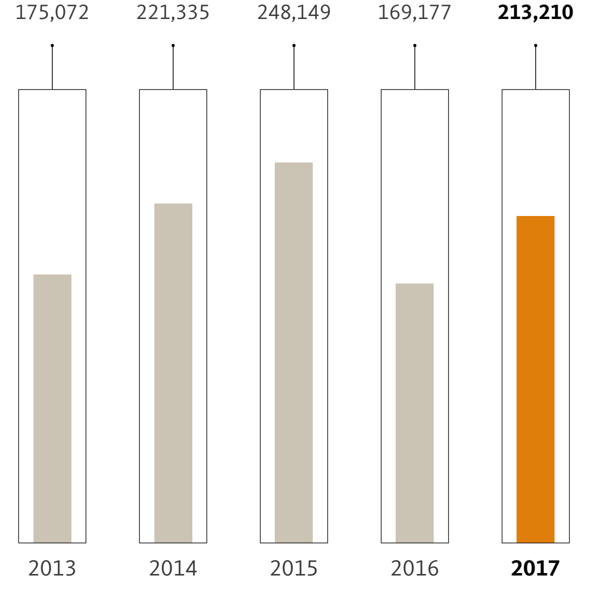
Profit Before Taxation

(RM'000)



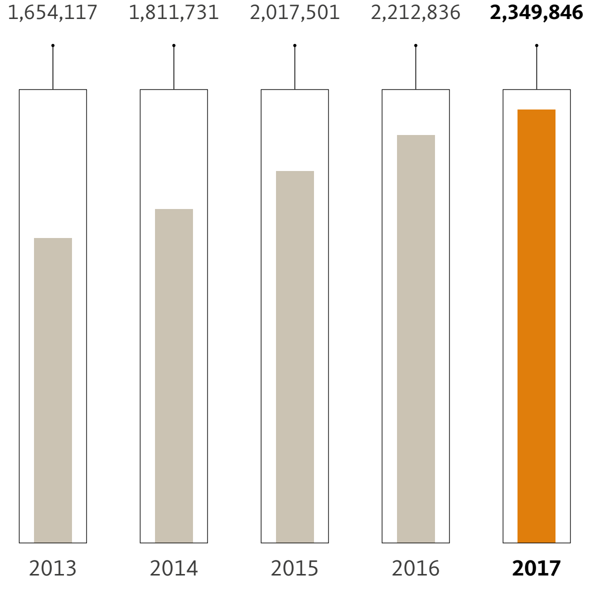
Profit Attributable to Owners of the Company

(RM'000)



Total Shareholders' Funds

(RM'000)



Financial Highlights

	2013	2014	2015	2016	2017
Revenue (RM'000)	1,416,841	1,673,898	1,788,008	1,551,319	**1,606,444**
Profit before taxation (RM'000)	294,894	341,452	388,596	302,139	**330,774**
Profit attributable to owners of the Company (RM'000)	175,072	221,335	248,149	169,177	**213,210**
Weighted average number of shares ('000)	999,276 *	1,033,352	1,064,741	1,074,376	**1,074,376**
Basic earnings per share (sen)	17.52 *	21.42	23.31	15.75	**19.85**
Gross dividends per share (sen)	17	8.5	4.5	6.3	**8.0**
Total shareholders' funds (RM'000)	1,654,117	1,811,731	2,017,501	2,212,836	**2,349,846**
Total assets (RM'000)	2,423,892	2,800,131	3,231,079	3,451,337	**4,087,202**
Net tangible assets per share (RM)	4.70	1.68	1.82	2.00	**2.13**
Net assets per share (RM)	4.88	1.74	1.88	2.06	**2.19**
Return on average shareholders' equity (%)	11.17	12.77	12.96	8.00	**9.35**
Return on total assets (after tax) (%)	7.22	7.90	7.68	4.90	**5.22**
Total borrowings (RM'000)	100,102	104,796	163,678	247,956	**636,364**
Gearings (times)	0.06	0.06	0.08	0.11	**0.27**
Current assets (RM'000)	1,349,054	1,602,401	1,307,756	1,371,984	**2,033,084**
Current liabilities (RM'000)	451,313	639,462	611,112	687,867	**689,628**
Current ratio (times)	2.99	2.51	2.14	1.99	**2.95**

* Adjusted for the share split and bonus issue

2017 Share Price Performance (RM)

	2013	2014		2015	2016	2017
		Before split and bonus issue	After split and bonus issue			
Low	2.99	6.55	3.30	3.80	3.17	**3.30**
High	6.99	11.46	4.72	6.00	5.23	**4.70**
Closing	6.89	10.50	3.96	5.13	4.00	**3.90**

Y A M TAN SRI DATO' SERI SYED ANWAR JAMALULLAIL
Group Chairman

Dear Shareholders,

I am pleased to report that Cahya Mata Sarawak Berhad (CMS or the Group), maintained an unwavering focus to turn in a resilient performance in 2017 despite difficult market and operating conditions. While the year proved to be a another challenging one for us, we were able to successfully weather 2017's headwinds and turn in a stronger performance in comparison to the year before. It is with confidence that I say that CMS has regained its growth momentum and is back on course to deliver sustainable, long-term growth.

Total Revenue

RM1.61 billion

Profit Before Tax (PBT)

RM330.77 million

IMPROVING MARKET CONDITIONS

The year 2017 saw the global economy growing stronger than expected on the back of faster growth in the advanced economies, as well as continued improvements in the emerging market and developing economies. The global pickup in activity that began in the second half of 2016 gained further momentum throughout 2017. According to the IMF's World Economic Outlook update (January 2018), global output is estimated to have grown by 3.7% in 2017 (2016: 3.2%). In the advanced economies, the notable growth pickup was broad based, with stronger activity in the United States, Canada, the European area, and Japan. Growth in China and other parts of emerging Asia too remained strong while the difficult conditions faced by commodity exporters showed some signs of improvement towards the end of the year.

The Malaysian economy registered real GDP growth of 5.9% in 2017 (2016: 4.2%) on the back of stronger investments and the recovery in world trade. Malaysia's robust GDP growth was largely underpinned by strong private-sector expenditure, with additional impetus from an improvement in external demand. Meanwhile, Sarawak is forecast to have registered an economic growth of 3.2% in 2017 (2016: 4%) against earlier projected growth of between 6%-7% per annum from 2016-2020.

Despite the steadily improving global and domestic economy, many companies including CMS had to contend with still sluggish private and public sector demand in part as a result of bank lending restraints for a good part of the year. A strong US dollar added more pressure to already tough conditions and saw us having to deal with higher costs of raw materials which adversely affected the performance of our Cement Division. Thankfully, the Ringgit began strengthening in the final quarter of 2017.

Amidst this backdrop, the Group's core Divisions, namely our Cement, Construction & Road Maintenance, Construction Materials & Trading, as well as Property Development Divisions, all registered better results. The Group's 25% associate, OM Materials (Sarawak) Sdn Bhd, in particular posted an improved performance in comparison to the year before. OM Materials (Sarawak)'s performance levels are expected to continue improving even as the Company ramps up towards full production and the market sectors it supplies see more demand growth and price improvements once again.

RESILIENT FINANCIAL PERFORMANCE

I am pleased to report that CMS regained its growth momentum in 2017 and turned in total revenue of RM1.61 billion and profit before tax (PBT) of RM330.77 million for the financial year ended 31 December 2017 (FY 2017). This was a 4% and 9% increase in revenue and PBT respectively in comparison to the preceding year's (FY 2016's) revenue of RM1.55 billion and PBT of RM302.14 million. Year-on-year, the Group registered profit after tax and non-controlling interests (PATNCI) of RM213.21 million for FY 2017, which was 26% higher than the PATNCI of RM169.18 million reported previously.

The main contributors to the Group's revenue were the Cement Division, Construction & Road Maintenance Division, and Construction Materials & Trading Division. Together, these three Divisions made a combined contribution of 85% to the Group's total revenue in FY 2017.

These three Divisions were also the main contributors to the Group's PBT FY 2017 collectively contributing 77% to the Group's PBT (FY 2016: 101%).

Your Board of Directors is pleased with the good progress made by all our core Business Divisions, particularly amidst the year's challenging market conditions. Their resilience in tackling challenges in a prudent manner, as well as capitalising on opportunities and optimising cost structures, continues to hold them in good stead. These businesses' steadfast performance is also a reflection of Sarawak's own resolve to rise above a lacklustre economic environment to return to higher growth levels

KEY CORPORATE DEVELOPMENTS

In 2017, a number of key developments took place thus reinforcing the Group's position as one of the best proxy-listed investments for Sarawak's dynamic growth.

As at end FY 2017, CMS' basic earnings per share (EPS) stood at 19.85 sen in comparison to EPS of 15.75 sen as at end FY 2016. Meanwhile, the Group turned in a Return on Equity (ROE) of 9.35% as compared to a ROE of 8% in the preceding year.

On 15 September 2017, our 51%-owned subsidiary, CMS Resources Sdn Bhd acquired 80% equity interest in Betong Premix Sdn Bhd for RM1.83 million, in a bid to increase the Group's premix operations and production capacity. Betong Premix is a company principally involved in supplying premix and road maintenance contract works.

The year saw CMS' work on the Darul Hana Bridge coming to a close with the bridge launched on 11 November 2017. In terms of its design and engineering, this project is the first of its kind in Southeast Asia. This symbolic mid-river construct is also proving to be one of the iconic landmarks of Kuching. With two covered viewing platforms to provide pedestrians with a resting spot, the bridge provides easy access for residents, commuters and tourists from the Kuching Waterfront at the southern bank, to the Dewan Undangan Negeri Sarawak Complex, Orchid Garden and Fort Margherita at the northern bank. The project, originally known as the Golden Anniversary Bridge project as it was commissioned to celebrate Sarawak's 50th anniversary as a partner in Malaysia, was implemented by the Sarawak Economic Development Corporation (SEDC) for the State Government of Sarawak. The turnkey contract for the bridge was awarded to the consortium of PPES Works (Sarawak) Sdn Bhd and Naim Land Sdn Bhd.

You would have noticed that our annual report cover pays tribute to this iconic new landmark under the theme 'Connecting Communities. Delivering Value'. This not only serves to reflect the role that the bridge is playing in integrating communities and delivering tangible value for its multiple stakeholders, it also serves as an expression of how CMS is doing its bit to connect communities and deliver real value. As a leading proponent of the Sarawak's growth story, CMS continues to identify strategies that will help build and strengthen linkages between markets, businesses and communities, as well as create tangible value for diverse stakeholders.

SHAREHOLDER VALUE CREATION

As at end FY 2017, CMS' basic earnings per share (EPS) stood at 19.85 sen in comparison to EPS of 15.75 sen as at end FY 2016. Meanwhile, the Group turned in a Return on Equity (ROE) of 9.35% as compared to a ROE of 8% in the preceding year.

The Group's dividend policy provides for a net payout ratio of 40% of our 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, ROE and retained earnings, projected levels of capital expenditure (CAPEX) and other investment plans. On the Board's part, we will endeavour to do our best to observe our dividend policy as we understand how reliant many of our shareholders are on us following through this policy in a consistent manner.

In light of the above, the Board is proposing a first and final tax exempt (single-tier) dividend of 8.0 sen per share (FY 2016: 6.30 sen per share) subject to shareholders' approval at the forthcoming Annual General Meeting. This represents a payout ratio of 40.31% and amounts to a dividend payable of RM85.95 million for FY 2017 (FY 2016: RM67.69 million).

Today, CMS continues to maintain a healthy balance sheet and a comfortable level of gearing. As at the year's end, our gearing level had risen to 0.27 against 0.11 in the previous reporting period, mainly as a result of the introduction of the Sukuk Programme in 2017.

In April 2017, CMS closed off on the extremely successful issuance of its first sukuk with an oversubscription of more than six times. This underscores investors' confidence in the programme. On 5 May 2017, the Group made its sukuk issuance amounting to RM500.00 million in nominal value. The sukuk, with a five-year tenure, was issued under the Islamic medium-term notes programme of up to RM2.0 billion in nominal value. The proceeds raised from this exercise will help fund CMS' working capital, and CAPEX, as well as be utilised for other general funding requirements and/or general corporate purposes. By having substantial cash reserves, strong positive cash flows and access to long-term debt funding through the sukuk in this challenging economic climate, we today have the flexibility to more easily capitalise on any attractive investment opportunities that may arise such as brownfield expansion on an existing business or a new investment.

CMS continues to create value for our shareholders in other ways and make Sarawak proud through the accolades that we receive. I am delighted to report that the Group successfully maintained its position as a constituent of the FTSE4Good Bursa Malaysia (F4GBM) Index for the second year running. The F4GBM Index is a globally recognised index launched by the FTSE Group which is owned by the London Stock Exchange. It measures and recognises companies across the world demonstrating strong Environmental, Social and Governance (ESG) practices. The F4GBM Index constituents are selected from the top 200 Malaysian stocks in the Bursa Malaysia Index, screened in accordance with transparent ESG criteria.

CMS' inclusion into the F4GBM for the second consecutive year attests to the fact that we continue to gain good ground as we implement tangible corporate responsibility practices and entrench ourselves as a progressive and ethical company. On top of this, this achievement is doing much to reduce our perceived non-financial risk profile by positioning us as a company that is upholding a sustainability-based (and thus safer) business model which will ultimately draw more investors in. This repeat achievement is a result of the worthy efforts put in by the entire Group including our Board, Senior Management team and employees, and I sincerely thank them for their efforts.

UPHOLDING RESPONSIBLE PRACTICES

Your Board remains committed to upholding and implementing strong standards of corporate governance, as well as robust risk management and internal control measures throughout our organisation. Time and time again, we have seen how good governance translates into good business. These fundamental components of our business are helping ensure the sustainable, long-term growth of our businesses, bolstering investor confidence, protecting our corporate reputation, and ensuring continued shareholder value creation. In continuously seeking to uphold the highest corporate governance standards, the Group subscribes to the principles, guidelines and recommendations set out in the Third Edition of the Corporate Governance Guide issued by Bursa Malaysia Berhad and the Malaysian Code on Corporate Governance (MCCG) 2017.

We also continue to undertake the necessary measures to strengthen our risk profile and practices, as well as strengthen our bottom-up approach to embed a more robust risk management process and culture across all levels of the organisation. We firmly believe in undertaking the necessary due diligence for new investments while maintaining conservative and prudent evaluation criteria, particularly in this current economic climate. In line with this, all new investments undergo a stringent risk mitigation process before they are brought before the Board.

The Board recognises the importance that business sustainability plays in creating sustainable stakeholder value and ensuring CMS' long-term success. Being a conscientious corporate citizen, CMS is genuinely committed to balancing out our economic performance with responsible environmental and social considerations. This year, we are also releasing our third standalone Sustainability Report titled 'Connecting Communities. Delivering Value' which ties in well with Bursa Malaysia's sustainability requirements.

MOVING INTO 2018 AND BEYOND

While 2017 was indeed a challenging year for the Group, it proved the resilience of our businesses and the mettle of our management as we got back on track to regain our lost momentum. Moving forward, we are determined to gain new ground and will continue to leverage on proven strategies, as well as a combination of demonstrable factors that are ensuring our long-term growth. We will continue to ride the Sarawak's growth story to be the '**PRIDE** of Sarawak and Beyond' through a continued focus on proven and sustainable core businesses that revolve around, firstly, infrastructure and related services businesses that support the State's growth, and secondly, the energy-intensive industry sector that lead the State's growth. By ensuring we focus our efforts on investments back into these two core business focuses, we are ensuring that we create a sustainable growth pathway for the long-term.

We are also privileged to have a very dedicated Board of Directors, a professional management team and diligent workforce who continue to step up to the plate and deliver on their commitments. These elements coupled with our healthy balance sheet, sustainable profits, robust corporate governance practices and keen local insights, are all paving a pathway for the Group's sustainable growth. Our growth momentum also continues to be quickened by the many opportunities, particularly the energy-intensive opportunities under the Sarawak Corridor of Renewable Energy (SCORE).

As we move into FY 2018, the business landscape is replete with challenges and opportunities. It is important that we tackle and harness these positively if the Group is to go up to the next level. We believe we can accomplish this by focusing on both the internal and external factors affecting the Group.

Internally, we will work on developing energetic employees with a keen business focus; build a reputation for professionalism; embed new top management to steer the company forward; and continue tapping into the synergies between our respective core competencies. We will also work on identifying ways and means to optimise operational efficiency, lower costs and drive growth, as well as continue to implement our *Edging Strategy* i.e. a focus on business opportunities in our near field (or immediate periphery) to provide profits growth. Externally, we will continue being an ally to the State – especially with its new political leadership; by maintaining our strong relationships with our many business partners and embracing the opportunities under the digital economy. As we leverage on all these elements, as well as maximise our participationin the Sarawak's

The Board recognises the importance that business sustainability plays in creating sustainable stakeholder value and ensuring CMS' long-term success. Being a conscientious corporate citizen, CMS is genuinely committed to balancing out our economic performance with responsible environmental and social considerations.

Being a passionate, people-led organisation, we will endeavour to exceed the expectations and uphold the responsibilities placed on us, taking a lead on the big issues, while maintaining our legacy of financial success and sustainable growth.

growth story, CMS, will undoubtedly remain one of the best proxy-listed investments for Sarawak's dynamic growth.

As we venture forth, your Board envisages that CMS will continue on a sustainable growth trajectory as we position ourselves for long-term sustainable revenue and profitability growth. Being a passionate, people-led organisation, we will endeavour to exceed the expectations and uphold the responsibilities placed on us, taking a lead on the big issues, while maintaining our legacy of financial success and sustainable growth. Your Board is confident that the Group will deliver another satisfactory performance in FY 2018.

ACKNOWLEDGEMENTS

As CMS stays the course and gathers new momentum on its journey of sustainable growth, I wish to acknowledge several parties for their worthy support. On behalf of the Board of CMS, I wish to express my sincere gratitude to you, our shareholders, for your unwavering trust and belief in CMS. My heartfelt appreciation also goes to our valued customers and clients, bankers, government departments and agencies, vendors, suppliers and all others who have lent us their steadfast support and cooperation.

To the many external partners that work with or alongside us and whose support and reliability has contributed to our success, please accept the Board's utmost appreciation for your kind support and cooperation. These parties include the State Government and its agencies for having the vision to develop Sarawak, as well as design and manage SCORE in such an admirable manner; as well as our joint venture partner, SEDC, and our co-shareholders in our Strategic Investments. The Board certainly looks forward to maintaining a mutually beneficial relationship with each of you for the long-term.

Not forgetting the Group's over 2,600 employees, as well as the management teams of all the Group's companies. Please accept my heartfelt appreciation for your dedication, diligence and resilience, especially amidst another challenging year. To my colleagues on the Boards of all the Group's companies, my heartfelt thanks for your insights and wise counsel which continue to guide CMS and its subsidiaries forward amidst opportunistic and challenging times.

At this time, on behalf of everyone at CMS, I wish to take this opportunity to express our utmost gratitude to Dato' Richard Curtis who had retired from his role as our Group Managing Director. I wish to acknowledge Dato' Richard for his hard work, worthy contributions and remarkable commitment to the Company over the last 11 years. Dato' Richard was instrumental in implementing CMS' 10-year strategic plan that sought to expand and diversify CMS' business portfolios. This has enabled CMS to lay solid foundations for sustainable growth, helped us realise our potential as a company, and seen us making good inroads among the communities around us. Dato' Richard will remain on the Board for another year as a Non-Independent Non-Executive Director.

Moving forward, the Board has decided to implement a dual leadership strategy whereby two talented leaders from within CMS has stepped up to the plate to manage the Group. Please join me in welcoming Dato Isaac Lugun and Mr Goh Chii Bing who have both been retained and promoted respectively to the positions of Group Chief Executive Officer - Corporate and Group Chief Executive Officer - Operations respectively, over different but complementary portfolios. Between them, these two gentlemen have over 45 years of experience serving CMS.

Dato Isaac brings to the table his corporate and strategic investment expertise, while Mr Goh Chii Bing brings to the table his expertise in handling our core business operations. Both these 'CMS-grown' gentlemen, who are also Sarawakians come with proven track records having served under Dato' Richard and the Board of Directors to deliver on our unprecedented decade of growth. They have full oversight over their respective business sectors as Group CEOs and will serve as back-ups to each another. In addition, our very able and long-serving Group Chief Financial Officer, Tuan Syed Hizam Alsagoff, will continue in his role to ensure continuity and a smoother transition.

In closing, I ask that all our stakeholders continue extending your cooperation and support to our Board, our new management team and all the CMS family, as we work together to build a promising future for the Group and truly establish CMS as the '**PRIDE** of Sarawak and Beyond'. Thank you.

Yours sincerely,

Y A M TAN SRI DATO' SERI
SYED ANWAR JAMALULLAIL
Group Chairman

Management Discussion and Analysis by Group Managing Director

DATO' RICHARD CURTIS
Group Managing Director

Dear Shareholders,

In 2017, Cahya Mata Sarawak Berhad (CMS or the Group) regained its growth momentum amidst sluggish market conditions to turn in a stronger performance. While economic activity in the first quarter of 2017 (1Q 2017) remained rather weak on the back of challenging market and operational conditions that had spilled over from 2016, things began to pick up by 2Q 2017. By the year's end, there was a noticeable improvement in terms of higher commodity prices, lower raw material costs and a stronger Ringgit. Overall, 2017 was the year in which global growth picked up and the domestic economy strengthened after some time in the doldrums. I am pleased to report that most of the Group's businesses were able to mitigate the year's challenging conditions by leveraging on operational efficiencies and proven growth strategies to turn in stable earnings.

Total Revenue
RM1.61 billion

Profit Before Tax
RM330.77 million

Several of the Group's businesses also made good strides forward to strengthen their positions in financial year 2017 (FY 2017). The improved performance of CMS' 25% associate, OM Materials (Sarawak) Sdn Bhd, is a case in point. Having reported substantial losses the year before, our associate company delivered improved results in FY 2017. Reduced losses came on the back of upward commodity price movements, the firing-up and above-spec production levels from the smelter's furnaces, as well as the opening of the new Samalaju Port which brought about significant cost savings (through avoiding costly trans-shipment expenses through Bintulu Port). Moving forward, the Company's performance levels are expected to continue improving even as the plant ramps up to full production and the market sectors it supplies see demand growth and price improvements.

Another clear example was the Group's acquisition of an 80% equity stake in Betong Premix Sdn Bhd, a company principally involved in supplying premix and road maintenance contract works. This helped reinforce our market position and expand our production capacity on the premix front. Our associate SACOFA Sdn Bhd, too continued to make significant inroads in the area of communications infrastructure as it positioned itself to capitalise on the many opportunities stemming from the launch of the State's new digital economy blueprint. Our success in securing contracts for both a works package and for the supply of construction materials for the Pan Borneo Highway project too is set to be a game changer for us. The works package is progressing satisfactorily while the materials supply component and related activities are expected to kick in in 3Q 2018.

As a result of these developments, coupled with solid profit contributions from across the various Business Divisions and associates, the Group's position strengthened from the year before. Our resilient performance thus far is testament that our robust business model, prudent and professional management approach, as well as our unrelenting focus on delivering long-term sustainable growth, are all working together for CMS' good. I applaud the steadfastness of our management team and employees who under the guidance of our Board of Directors (Board), once again stepped up to the plate and proved their mettle. This aptly reflects the growing maturity of the Group and the calibre and depth of our management. We envisage even better prospects for the Group as we move forward into FY 2018.

FINANCIAL PERFORMANCE

I am pleased to report that there was an upswing in the Group's financial performance for the financial year ended 31 December 2017 despite the challenging market and operational conditions we faced. While demand for construction materials and related services was sluggish in FY 2017, this was offset by the robust performance of our Property Development Division, the strong contribution from our joint ventures and the turnaround of our associate, OM Materials (Sarawak), which was buoyed by the improvement in commodity prices.

As a result, the Group registered total revenue of RM1.61 billion in FY 2017, a 4% rise over revenue of RM1.55 billion in FY 2016. The main contributors to the Group's revenue were the Cement Division (contributing 31% of Group revenue), Construction & Road Maintenance Division (28% of Group revenue) and Construction Materials & Trading Division (27% of Group revenue). Together, these three Divisions contributed 85% of the Group's total revenue in FY 2017.

Rivervale Residences

For the full financial year, the Group posted a pre-tax profit (PBT) of RM330.77 million for FY 2017, a 9% hike over PBT of RM302.14 million in FY 2016. The main contributors to the Group's PBT were the Cement Division (contributing 31% of Group PBT), Construction & Road Maintenance Division (28% of PBT), and Construction Materials & Trading Division (18% of PBT). These three Divisions collectively made a contribution of 77% to the Group's PBT (FY 2016: 101%).

The Group also recorded a higher share of profit of RM31.91 million in FY 2017 from the share of results of its joint ventures in comparison to FY 2016's profit contribution of RM23.28 million. The increase was mainly attributable to the excellent performances by COPE Private Equity Sdn Bhd *(formerly known as CMS Opus Private Equity Sdn Bhd)* and two private equity funds.

Moreover, the Group recorded a profit of RM40.64 million in FY 2017 from the share of results of its associates, a significant improvement of 216% in comparison to FY 2016's losses of RM35.17 million. This was largely due to the Group's 25% associate, OM Materials (Sarawak)'s improved performance, which is expected to be sustained if ferrosilicon and manganese alloy prices and production outputs are maintained at the current levels. The OM Materials (Sarawak)'s loss in FY 2016 was mainly due to the unwinding of its currency hedging position.

For FY 2018, we have approved RM268.88 million in capital expenditure (CAPEX) for certain projects as part of our expansion plans. This CAPEX will include the acquisition of new land throughout Sarawak for the relocation of operations when the need arises, the purchase of raw materials, and the addition of an unloader to the Cement Division's stable. A certain amount of CAPEX has also been earmarked for a second line for one of our quarries along with the associated machinery, as well as for new asphaltic bitumen batch plants in anticipation of demand for asphalt from the Pan Borneo Highway project when it takes off. CMS remains fully committed to investing in all required CAPEX to maintain our growth trajectory and to take advantage of opportunities arising from the State's development plan including the Pan Borneo Highway project.

Cement Division

Construction Materials & Trading Division

Construction & Road Maintenance Division

Property Development Division

Samalaju Development Division

Strategic Investments Unlisted Associates

Strategic Investments Listed Associates

Strategic Investments Others

Cement Division

The Group's Cement Division – comprising CMS Cement Sdn Bhd, CMS Cement Industries Sdn Bhd and CMS Concrete Products Sdn Bhd – remains the sole cement and clinker manufacturer in Sarawak. One of CMS' largest PBT contributors, the Division continues to deliver resilient growth on the back of continuing Government infrastructure projects and private-sector funded construction activities within the State.

Mambong Integrated Plant

The year in review saw the Cement Division's revenue and cement sales volume continuing to decline due to reduced construction activities within the State of Sarawak. Back in 2016, construction activities with the State reached their lowest level in four years on the back of moderating economic growth and this continued to impact demand growth for cement in 2017.

Against this backdrop, revenue for the Cement Division dropped by 7.5% to RM520.91 million in FY 2017 (FY 2016: RM563.07 million). However, the Division was able to maintain a healthy PBT level of RM101.34 million, marginally short of FY 2016's PBT of RM105.00 million. The Division's resilient PBT performance came on the back of enhanced operational and production efficiencies that brought about lower production costs, as well as savings from lower coal and key raw material costs.

Being Sarawak's leading infrastructure facilitator, as well as a committed ally to the State Government and to Sarawak's construction industry, the Division has always focused its efforts on providing a sufficient and consistent supply of quality cement at reasonable and stable prices. In FY 2017, the Division continued to uphold this commitment by maintaining cement prices despite the weakening Ringgit. Moving forward, the Division will continue to look for ways to strengthen its operational efficiencies and product offerings.

CEMENT OPERATIONS

The Group's cement operations are managed by CMS Cement Sdn Bhd and CMS Cement Industries Sdn Bhd *(formerly known as CMS Clinker Sdn Bhd)* which produce the CEM 1 42.5N grade and 52.5N grade (MS EN 197-1 standard) of Portland Cement. A third product is currently at the final stages of testing and is expected to be introduced to the market in the second half of 2018 (2H 2018).

The Cement Division operates production and distribution facilities in every major city in the State. These include two plants in Kuching (Mambong Integrated Plant and Pending Grinding Plant), one plant in Bintulu (Bintulu Grinding Plant), as well as bulk terminals in Sibu and Miri. Through its plants and terminals (which are outfitted with packing and bulk distribution capabilities), the Division is able to ensure all of Sarawak's main centres of economic activity, namely Kuching, Sibu, Bintulu, Miri, as well as emerging markets such as Samalaju and Mukah and their hinterlands, have a stable and sufficient supply of quality bag and bulk cement to meet their needs.

The year saw the Division's new Mambong Integrated Plant, which is also East Malaysia's first integrated cement plant, continuing to make good progress. Located in Mambong, some 30km from the Kuching city centre, this integrated plant was officially launched in November 2016. It features fully integrated operations that include components such as a raw materials' quarry, a clinker plant and a new cement grinding plant.

The clinker plant component of the integrated operations is today managed by CMS Cement Industries Sdn Bhd *(formerly known as CMS Clinker Sdn Bhd, the entity previously responsible for the Division's clinker operations)*. With a production capacity of 0.84 million metric tonnes per annum (MTpa), the clinker plant is able to meet up to 50% of the Division's total clinker demand. A key strength of the clinker operation is the raw material quarry located adjacent to the plant which ensures a consistent and sufficient supply of raw materials at low costs. The raw materials' reserves are estimated to last for at least the next 50 years. The clinker plant received ISO 50001 Energy Management System certification in FY 2016, attesting to the Division's continuous efforts to improve efficiencies on the power consumption front, as well as to moderate its carbon footprint by reducing fossil fuel consumption.

The new 1.0 million MTpa cement grinding plant features state-of-the-art European technology including a ball mill (with a rated capacity of 150 MT per hour), a high efficiency separator, two units of 10,000 MT cement silos, four line bulk loaders and a 3,000 bag/hour packing and palletising machine. These features are aimed at maximising both efficiency and quality with minimum downtime for the plant.

By combining the Mambong Integrated Plant with the Pending and Bintulu grinding plants, the Division today has increased its total rated cement production capacity by some 60% to 2.75 million MTpa, well above current local demand of around 1.5 million to 1.7 million MTpa. This additional capacity will enable the Division to adequately meet cement demand for mega projects such as the Baleh Dam and the Pan Borneo Highway projects, as well as support the State's long-term cement demand. Operating multiple plants also accords the Group benefits on several levels. It ensures we have a significant reserve production capacity to materially reduce the risk of supply disruptions; enables us to potentially extend supply into nearby export markets; and provides us the ability to produce multiple types of cement.

CMS CONCRETE PRODUCTS

CMS Concrete Products Sdn Bhd is tasked with managing the Division's concrete products operations. Formed in 1995, CMS Concrete Products is renown in the market as a highly reliable producer of Ready-Mix Concrete (RMC) and pre-formed concrete products.

Today, the Company offers products ranging from various grades of RMC, reinforced concrete square piles (RCP) and bridge beams, to pipe and box culverts, as well as Industrialised Building System (IBS) components and solutions. The bridge beams, which are a product that the Company has pioneered, have been used in the construction of a great number of bridges throughout Sarawak.

Through its 70,000 MTpa main facility in Kuching, CMS Concrete Products has the capacity to produce a full range of IBS components, including precast wall panels, beams and columns, as well as half slabs and pre-stressed slabs. The Company offers its clients complete solution packages which include design services for IBS projects, supply throughout the State over land or by sea, as well as construction services such as pile driving and wall panel installation. The Company also prides itself on producing products that comply with all existing construction standards and safety requirements.

The Company has been operating an RMC plant within the Samalaju Industrial Park in Bintulu since 2012 to meet demand in the area. In FY 2017, CMS Concrete Products strengthened its operations by adding a manufacturing plant in Bintulu (with product lines that include RMC in concrete pipe culverts) and a RMC plant in Sarikei, central Sarawak (to supply parts of the Pan Borneo Highway project). By combining its existing facilities in Kuching and Samalaju together with its new facilities in Bintulu and Sarikei, the Division has greatly strengthened its position and competitive edge in Sarawak's concrete industry. Today, it is better able to meet demand for concrete products in all major parts of the State.

Revenue
RM520.91 million

Profit Before Tax
RM101.34 million

Construction Materials & Trading Division

The Group's Construction Materials & Trading Division is focused on quarrying and premix manufacturing operations, pavement laying services, the production of wire mesh and cold drawn wires, as well as trading activities related to construction, electrical and water management products.

Sibanyis Quarry

Revenue
RM491.99 million

Profit Before Tax
RM59.71 million

In FY 2017, the Division's revenue dropped by 15% to RM491.99 million as compared to a revenue of RM581.06 million previously. This came on the back of reduced road maintenance activities in the northern region of Sarawak. As a result, the Division's PBT dropped 44% to RM59.71 million in FY 2017 from RM106.75 million in FY 2016.

QUARRY OPERATIONS

The Division's quarry operations are managed by CMS Quarries Sdn Bhd and CMS Penkuari Sdn Bhd, companies that undertake the production of crushed aggregates of granite, microtonalite and limestone types of stone. CMS' quarrying operations today are spread across five quarries, namely Stabar, Penkuari, Sibanyis, Akud and Sebuyau. Together, these quarries have a combined rated capacity of 2.19 million MTpa.

Plans are in the offing to increase the Division's production capacity by installing a second production line at Sibanyis with a crushing plant capacity of 1.30 million MTpa to compensate for the closure of the Division's quarry at Penkuari. The second production line is scheduled to commence full operations by 1Q 2019. This will enable the Division to provide an increased supply of quality crushed aggregates at competitive prices to meet growing market demand throughout the State.

Back in FY 2016, upgrading works on the jetty at Sebuyau's quarry were completed with its loading capacity increased to 400 MT per hour. With a new telescopic conveyor system in place, the jetty is today able to cater to barges bound for international waters. Meanwhile, Phase 1 of construction works was carried out on the planned wharf facility at Kota Samarahan, while Phase 2 (involving infrastructure works and ramp construction activities), will be completed by 2Q 2019. This will increase the Division's loading capacity and speed up deliveries of crushed aggregates by barge to areas outside Kuching.

The year also saw the Company successfully upgrading its ISO 9001 and ISO 14001 certifications (to the latest 2015 standard) in 3Q 2017. Together with its OHSAS 18001:2007 certification, the Company today boasts accreditation for an Integrated Management System encompassing the IMS: ISO 9001:2015, ISO 14001:2015 and OHSAS 18001:2007 standards.

Moving forward, the Division will continue to seek out new viable quarry concessions to grow its production capacity to meet long-term upward demand trends and to address limited supply issues.

PREMIX OPERATIONS

The Group's premix operations are undertaken at seven premix plants in Kuching, Sarikei, Sibu, Bintulu, Miri and Limbang under the ambit of CMS Premix Sdn Bhd, CMS Premix (Miri) Sdn Bhd and Betong Premix Sdn Bhd. With a combined rated capacity of 1,140 MT per hour, as well as a 10 MT per hour Bitumen emulsion plant in Kuching, these three companies serve approximately 60% of the asphaltic concrete (premix) and bitumen emulsion markets in Sarawak.

Premix Plant

CMS Infra Trading Sdn Bhd remained profitable in FY 2017, recording significant sales for its core water management products (namely its water treatment chemicals and water pipes) which contributed more than 80% of the Company's gross profit.

Following the purchase of two mobile premix plants with a capacity of 150 MT and 100 MT per hour respectively in FY 2016, a 150 MT per hour plant was installed at Samalaju in FY 2017. Over the course of FY 2018, a further 100 MT per hour plant will be mobilised on a project basis.

Under the Group's *Edging Strategy* rolled out in FY 2017, the premix business had expanded its operations to Betong by acquiring 80% of Betong Premix, as well as broadening its customer base. The Division had also purchased two additional mobile premix batch plants for the Pan Borneo Highway project.

In 3Q 2017, CMS Premix successfully completed the upgrading of its ISO 9001 and ISO 14001 standards to the latest 2015 standard. Together with its OHSAS 18001:2007 accreditation, the Company is today certified as having an Integrated Management System (IMS: ISO 9001:2015, ISO 14001:2015 and OHSAS 18001:2007).

WIRE OPERATIONS

CMS Wires Sdn Bhd is involved in the manufacture of steel drawn wires and wire mesh for the local construction industry. In FY 2017, the Company's sole 5,500 MTpa plant produced some 4,150 MT of steel wires and mesh. The Company today has approximately 20% market share and continues to face stiff competition from 11 other wire mesh manufacturers in Sarawak, a huge number given the relatively small market. However, CMS Wires remains undeterred and is seeking to take advantage of supply opportunities to contractors involved in the Pan Borneo Highway project.

TRADING OPERATIONS

Functioning as the trading arm of the Group, CMS Infra Trading Sdn Bhd distributes a varied range of products and services relating to water management, as well as mechanical, electrical and construction materials. The Company remained profitable in FY 2017, recording significant sales for its core water management products (namely its water treatment chemicals and water pipes) which contributed more than 80% of CMS Infra Trading's gross profit. Encouraging results also came on the back of the sales of steel bars, as well as diesel and road furniture and fittings.

For the year in review, the Company actively participated in competitive bids and successfully secured several sizeable new supply contracts amounting to some RM12.31 million from the Kuching Water Board, Sarawak Energy Berhad and Jabatan Bekalan Air Luar Bandar.

The year saw the Company adding a line of new water pipe products to its existing water management product line. It is also actively promoting offerings such as its Solar-Powered Streets Lighting System, LED High Mast Lighting System and Uninterruptible Power Supply System for traffic lights in the market, all of which have received encouraging response by clients. Moving forward, CMS Infra Trading will continue to explore long-term opportunities to further expand its product range and customer base.

Construction & Road Maintenance Division

CMS' Construction & Road Maintenance Division is responsible for a wide range of infrastructure construction projects and road maintenance activities across Sarawak. These projects, comprising road maintenance, water infrastructure, buildings and pavement rehabilitation works, are executed primarily through subsidiaries PPES Works (Sarawak) Sdn Bhd, CMS Roads Sdn Bhd and CMS Pavement Tech Sdn Bhd. The Division continues to derive stable recurring income from its two road concessions that currently entail the maintenance of approximately 241km of Federal roads and 5,847km of State roads throughout Sarawak.

Darul Hana Bridge

Revenue
RM458.81 million

Profit Before Tax
RM93.35 million

In FY 2017, the Division registered a revenue of RM458.81 million (FY 2016: RM367.88 million), of which approximately RM218.03 million (FY 2016: RM132.18 million) was derived from construction works, roads, water infrastructure projects and building works, while approximately RM240.78 million (FY 2016: RM235.70 million) came from the two road maintenance concessions. Road maintenance revenue was 2% higher in FY 2017 due to an increase in the length of State roads maintained. However, this was partially negated by a reduction in the length of Federal roads maintained due to the construction of the Pan Borneo Highway. Construction revenue was 65% higher in FY 2017 mainly due to contributions from two new road construction projects namely the Pan Borneo Highway project and the Miri-Marudi road rehabilitation project. The Division maintained its PBT of RM93.35 million in FY 2017 (FY 2016: RM93.79 million).

In December 2017, CMS Roads Sdn Bhd was awarded a six-month contract extension for its 15-year road maintenance concession contract with the State Government that came to an end on 31 December. The extended contract (worth some RM87.70 million) that began on 1 January 2018 and ends on 30 June 2018, will contribute positively to the Division's earnings over the tenure of the contract. The Group is hopeful that the extension will give us adequate time to negotiate and finalise the terms for a renewed long-term concession agreement with the State.

The Division remains committed to strengthening its technical capabilities via investments in new machinery. The year saw it rolling out continuous employee training activities to bolster operational efficiencies and productivity, as well as undertaking Division-wide employee teambuilding initiatives to intensify employee engagement and loyalty. By continuing to place an emphasis on the quality of work it undertakes in line with the Group's Mission of 'Producing Quality, On Spec & On Time', the Division is reinforcing its reputation as a trusted contractor within Sarawak.

Moving forward, the Construction & Road Maintenance Division will set its sights on maintaining its competitive edge as it bids for new projects to grow its current construction order book of RM1.30 billion. This includes the 70:30 joint venture partnership between PPES Works (Sarawak) Sdn Bhd and Bina Puri Sdn Bhd for the Pan Borneo Highway project, namely the Works Package Contract WPC06 for the Sg. Awik to Bintangor Junction section, for RM1.36 billion. Given the reduction of road length by the Federal Government (in view of the construction of the Pan Borneo Highway), the Division is targeting to sustain its earnings from ongoing, as well as new longer-term construction projects and extending the length of road under the State road maintenance concession.

Property Development Division

The Group's Property Development Division is the custodian of two land banks in Kuching – a 3,911-acre land bank in Petra Jaya named Bandar Samariang, and a 246-acre land bank in Muara Tebas called The Isthmus. On top of this, the Division is also tasked with developing some other smaller parcels within Kuching. The Division is also responsible for the development of a new township, commercial/service hub, light industrial park, workers' accommodation, a hotel and ancilary services within the Samalaju Industrial Park (SIP). The SIP is the largest industrial park in Malaysia and one of the five growth nodes under the Sarawak Corridor of Renewable Energy (SCORE) initiative.

Rivervale Residences

For FY 2017, the Property Development Division posted a revenue of RM200.27 million (FY 2016: RM104.66 million) and PBT of RM47.22 million (FY 2016: RM23.51 million), registering a windfall increase in revenue and PBT of 91% and 101% respectively. This was mainly due to the increase in revenue recognition of the Rivervale Residences housing project and the Raintree Square commercial project, and, additionally, the rental income from a hypermarket in Bandar Samariang.

Revenue
RM200.27 million

Profit Before Tax
RM47.22 million

DEVELOPMENT ACTIVITIES WITHIN THE VICINITY OF KUCHNG

Within the vicinity of Kuching, the Property Development Division is responsible for the Bandar Samariang and The Isthmus developments. Bandar Samariang comes under the ambit of Projek Bandar Samariang Sdn Bhd (PBS), whilst The Isthmus is vested with CMS Land Sdn Bhd.

Meanwhile, CMS Property Development Sdn Bhd provides project management services to companies within the Division whilst also undertaking the development of the Division's other land banks. The sizeable land banks held by the Division provide sustainable long-term growth in tandem with the steadily urbanising population and the needs of Kuching city itself.

Bandar Samariang

Bandar Samariang is located approximately 7km from the Kuching city centre and is within easy reach of the resort areas of Damai and Santubong. Home to more than 25,000 residents, this integrated township encompasses a variety of residential homes, a commercial centre and schools, with the scenic Santubong Mountain as its backdrop.

On 26 August 2017, PBS celebrated the 20th anniversary of its inception with much fanfare. The township continues to draw interest due to improved road access, an increase in critical mass, the affordability of its properties and CMS' superior build quality. The Federal Administrative Centre road, linking Bandar Samariang to Matang too continues to provide a positive pull effect for the residential and commercial properties from a larger population base. Bandar Samariang can now also lay claim to having the first water theme park in Kuching, with the Borneo Samariang Resort City project under Sentoria Group Berhad slated to open its water theme park in 1Q 2018.

As at end FY 2017, a total of 4,432 residential units and 180 shop-houses under Phase 1 covering some 600 acres within the township had been completed by PBS. In the immediate future, PBS aims to provide 596 units of affordable housing under Phase 2, in line with the Government's call for more housing for the people.

Rivervale Residences

The estimated Gross Development Value (GDV) for the Bandar Samariang developments under PBS is estimated to be in the region of RM404.00 million for developments between 2018 and 2020.

PBS had earlier executed strategic sales of land with a view to co-developing and jointly bringing greater vibrancy to the Bandar Samariang township. These sales included 135 acres for an industrial park and 500 acres to the Sentoria Group for a water theme park, safari park, meetings, incentives, conferences and exhibitions (MICE) facilities, as well as niche residential and affordable housing. The estimated Gross Development Value (GDV) for the Bandar Samariang developments under PBS is estimated to be in the region of RM404.00 million for developments between 2018 and 2020.

The Isthmus

The year in review saw the completion of the iconic Green Building Index or GBI-certified Land Custody and Development Authority Headquarter building at The Isthmus with the occupation permit issued in 3Q 2017. The Sarawak Economic Development Corporation headquarters, being the other iconic twin signature GBI-certified gateway tower, was also substantially completed in FY 2017 and is expected to be occupied in 1Q 2018.

The UCSI Hotel made its public debut and opened for business in 2Q 2017. To recap, the campus component located within the UCSI Hotel and Campus development opened for student intake in 3Q 2016.

The Raintree Square development, comprising 54 units of 3-storey commercial shops, was substantially completed in FY 2017. Slated for occupation by 1Q 2018, the development had achieved a take-up rate of 70% as at the end of FY 2017.

The Isthmus is poised to see more exciting times, with a residential and commercial development being planned to bring in a resident population and generate greater economic activity in the near future. The Division is looking to capitalise on the riverine aspects of the development's location by incorporating a highly desirable waterfront component into it. Towards this end, a niche waterfront housing development with various residential typologies is being explored.

Other Developments

The Division also owns several other land parcels that represent significant future development opportunities to be unlocked, some immediately and others upon development in and around Kuching ramping up. The Division is actively exploring various joint venture and collaboration opportunities within its area of expertise that will make a positive contribution to the development of Kuching city aside from strengthening the Group's profitability.

CMS Property Development Sdn Bhd is the developer for the Rivervale Residences (consisting of 76 exclusive gated and guarded semi-detached houses) and the Rivervale Condominium (comprising 292 units in two tower blocks). As at end 2017, only eight units of the Rivervale Residences were as yet unsold with the sold units

receiving their occupation permits in 3Q 2017. This development received a Commendation Award in the Landed Residential Development category at the SHEDA Excellence Awards 2017, underscoring not only its quality features but its commitment to providing a green and pleasant environment that engendered a sense of community for residents.

By the year's end, some 80% of the Rivervale Condominium had been completed. Encompassing a lush garden and cascading water features amidst a swimming pool and garden facilities, the development had a commendable take-up rate of 50% despite slowing sales in the local property market. The sale of these semi-detached homes and condominium units underpinned the commendable financial results of the Division in FY 2017.

To further strengthen the Division's earnings and contribution to CMS, the Division continues to explore mutually beneficial joint venture arrangements with private parties and State agencies to develop land banks around Kuching and major towns in Sarawak. This is especially important amidst the muted outlook for the coming year.

DEVELOPMENT ACTIVITIES WITHIN SAMALAJU INDUSTRIAL PARK

The Group also has a 51% equity stake in Samalaju Properties Sdn Bhd which in turn has responsibility for the development of specific components within the Samalaju Industrial Park or SIP. Samalaju Properties is a joint venture between CMS-owned Samalaju Industries Sdn Bhd (51%), Naim Land Sdn Bhd (39%) and State agency, Bintulu Development Authority (10%).

Samalaju Eco Park

CMS is involved in the SIP by virtue of our undertaking the development of the new, approximately 2,000-acre Samalaju Eco Park township, as well as the adjoining services and light industrial areas to create an attractive township to enhance the SIP's appeal to investors, potential employees and support industries. The first phase of the township was launched in FY 2015 and completed in FY 2017.

Samalaju Eco Park is the fruit of a vision to provide a balanced, healthy and sustainable lifestyle to the thousands working at the SIP. The Samalaju Eco Park township leverages on the natural semi-undulating terrain of the area and is designed to preserve as much of the land's natural landscape and gentle water features. Green and blue spaces in the form of parks and community gardens will dot the township and provide attractive living spaces for the community. Construction of the first residential phase comprising 256 units of apartment blocks was completed back in 3Q 2016, and the Occupation Permit issued in 3Q 2017. The construction of 16 units of 2-storey shop lots was completed in 1Q 2017 with the Occupation Permit issued in 3Q 2017.

Samalaju Central

Strategically located at the heart of the SIP is Samalaju Central, a visually attractive and well-planned commercial/service hub. Within the radius of the hub lie large heavy industry manufacturing plants in the metals and polysilicon processing sectors such as OM (Sarawak) Sdn Bhd, Pertama Ferroalloys (Bintulu) Sdn Bhd, Press Metal Sarawak Sdn Bhd, OCIM Sdn Bhd *(formerly known as Tokuyama Malaysia Sdn Bhd)* and Sakura Ferroalloys Sdn Bhd.

Samalaju Central covers an area of 81.4 acres and comprises a variety of development mixes. These include commercial and office spaces, food courts and eateries, as well as light industrial buildings and vacant lots for small and medium industries to complement the heavy industries within the industrial park. The first phase of Samalaju Central comprising 34 shops was completed in 4Q 2016 and the Occupation Permit was issued in 4Q 2017. Subsequent developments will be rolled out in phases in tandem with market demand.

CMS is involved in the SIP by virtue of our undertaking the development of the new, approximately 2,000-acre Samalaju Eco Park township, as well as the adjoining services and light industrial areas to create an attractive township to enhance the SIP's appeal to investors, potential employees and support industries.

Apartment blocks at Samalaju Eco Park

Samalaju Light Industrial Park

The 206-acre Samalaju Light Industrial Park, which is located adjacent to the Samalaju Eco Park township development with highly undulating terrain, has been deemed as difficult to develop given current low market demand. The Management is currently pursuing a land swap deal with the State authorities on land that is almost similar in size and which is strategically located at the entrance to the SIP. The planning brief has been submitted and the Division is currently awaiting the State's decision. The proposed development will offer various types of light industrial units upon its completion and has been designed to cater to both small and medium-sized companies, as well as other supporting industries looking to gain a foothold in the area.

Samalaju Lodges

Through CMS' involvement in another core area of the SIP – the provision of workers' accommodation and a hotel – the Division is addressing the immediate accommodation needs of industries locating to the industrial park. To this end, we have developed Samalaju Lodges and a hotel to provide short to medium-term accommodation for factory workers, supervisors, managers and visiting consultants of industries in the SIP, both during construction and pending completion of the adjoining township. The Samalaju Lodges' development is also catering to the medium to long-term lodging needs of construction workers and their supervisors while the new township is under construction.

For the year in review, the occupancy rate at Samalaju Lodges showed a slight improvement as compared to the previous year. There were minimal construction activities at the SIP while most plants were at the commercial production stage. New projects such as the Malaysian Phosphate Additives (Sarawak) Sdn Bhd and Cosmos Petroleum and Mining Sdn Bhd, too had not fully commenced their onsite construction activities. Nonetheless, Samalaju Lodges remains the preferred accommodation for operation and maintenance operations from the plants in the immediate vicinity of SIP given its accessibility and wide-ranging facilities.

Samalaju Properties will continue to improve hospitality services and to sustain standards at Samalaju Lodges. It will also work hard to maintain the current pricing structure despite rising operational and material costs. In the meanwhile, the marketing team continues to proactively identify and engage prospective tenants looking for short to medium-term accommodation at the SIP by looking at possible ways to reconfigure the accommodation at Samalaju Lodges in line with clients' needs.

Samalaju Resort Hotel

Perched on a 23-acre site along Tanjung Similajau, the 175-room Samalaju Resort Hotel development accords picturesque views of both the South China Sea and the Similajau National Park. Designed to be an oasis of calm amidst the bustle of the fast-growing SIP, the hotel offers 148 rooms and suites, as well as nine chalets (housing three rooms each). Equipped with amenities for both business travellers and those looking for a comfortable getaway, the hotel's amenities include swimming pools, a gym, a karaoke room, meeting and function rooms, a coffee house, a lounge, plus a business centre. Samalaju Resort Hotel also caters for corporate events, training sessions, meetings, and team building exercises making it an excellent training venue for both the private and public sectors.

The hotel is situated within short driving distance of companies that have established themselves at the SIP, thereby making it the accommodation of choice for employees of these companies, as well as the many sub-contractors and consultants visiting Samalaju.

Samalaju Development Division

The Group's Samalaju Development Division continues to capitalise on developments under the Sarawak Corridor of Renewable Energy or SCORE initiative via several associate companies.

SAMALAJU INDUSTRIAL PARK

One of five growth nodes under the SCORE initiative, the Samalaju Industrial Park or SIP is the largest single industrial park in Malaysia. Spread over 7,000 hectares and home to a host of energy-intensive industries, the SIP is SCORE's most successful node and makes up the bulk of the investment projects approved under SCORE thus far.

As at end 2016, SCORE is reported to have attracted over RM104.0 billion in investments from the private and public sectors with some RM33.64 billion of this going towards 22 approved projects within the SIP. The approved investments into the SIP are envisaged to lead to the creation of over 17,000 job opportunities and the development of a significant long-term sustainable industrial base that will elevate the Malaysian economy into new areas of opportunity. Among the largest approved SIP investments in the pipeline include the US$3.0 billion steel project by two of China's largest firms, Hebei Xinwuan Steel Group and MCC Overseas Limited, and the US$2.0 billion methanol project in Bintulu.

Mandated and promoted extensively by the State, the SIP remains an attractive drawing card to investors, particularly heavy and energy-intensive industries that are keen to tap into the competitive edge afforded by Sarawak. Myriad benefits await the participants of the SIP including the State's competitive long-term renewable energy costs, its quality infrastructure, its business-friendly government and its strategic proximity to fast growing East Asian markets.

The appeal of the SIP was given a tremendous boost in 2Q 2017, when its Samalaju Industrial Port component opened its doors to existing and growing energy-intensive industries within Samalaju. Strategically located within the SIP, the new world-class port covers 393 hectares and is fully equipped with sophisticated systems and equipment. This includes diverse berths, harbour cranes, storage facilities, a conveyer system, reach stackers, heavy and high mast forklifts, excavators, cranes and wheel loaders, among other things.

Developed at a cost of RM1.80 billion, the port is capable of handling seven big vessels at any one time with a productivity capacity or cargo volume of 1,000 tonnes per hour by each of the four conveyor lines. Samalaju Industrial Port can readily increase its capacity with newer and advanced technology in the near future to make it the fastest handling port in the country. It is set to play a vital role in facilitating regional economic growth and delivering significant economic benefits to the players within the SIP, the State of Sarawak and throughout the region.

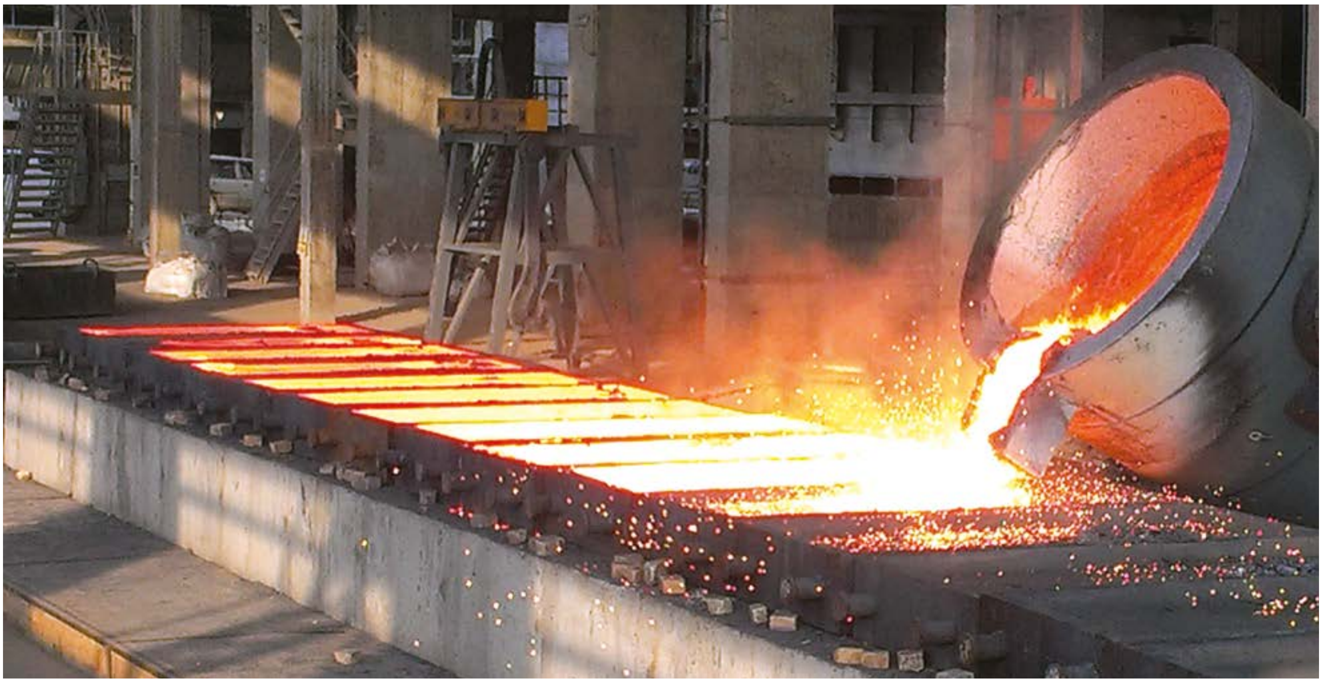
Today, CMS is capitalising on a variety of opportunities to be a major local participant within SCORE. Our continued involvement in the SIP is expected to serve as a major engine of growth for the Group. Our participation in the SIP comes by way of our being involved in the development of the township adjacent to the SIP. As highlighted in the aforementioned Property Development Division write-up, CMS through our 51%-owned subsidiary company Samalaju Properties Sdn Bhd, continues to be an active participant in the SIP in two core areas, firstly, our property development activities; and secondly, the provision of temporary workers' accommodation through our lodges and our hotel.

We are also participating in the SIP via our 25% equity stake in OM Materials (Sarawak) Sdn Bhd and in OM Materials (Samalaju) Sdn Bhd. This involves the development of a smelter with a 170,000 - 200,000 MTpa ferrosilicon alloys capacity and 250,000 - 300,000 MTpa manganese alloys capacity. The smelter began production in FY 2017.

Another investment in the SIP involves us taking up a 44.25% stake in Malaysian Phosphate Additives (Sarawak) Sdn Bhd which is developing a phosphate additives (and related products) plant with an annual production capacity of approximately 1.5 million MT. The plant is expected to be commissioned by 2020.

The approved investments into the SIP are envisaged to lead to the creation of over 17,000 job opportunities and the development of a significant long-term sustainable industrial base that will elevate the Malaysian economy into new areas of opportunity.

Strategic Investments
Unlisted Associates



Ferrosilicon and Manganese Alloys Smelter

Total Ferrosilicon Production
174,539 MT

Total Manganese Alloy Production
173,910 MT

FERROSILICON AND MANGANESE ALLOYS SMELTING PLANT

CMS is involved in the development and operations of a ferrosilicon and manganese alloys smelter in the SIP via a 25% equity stake in OM Materials (Sarawak) Sdn Bhd and OM Materials (Samalaju) Sdn Bhd, while the remainder 75% is owned by OM Holdings Ltd, an Australian-listed vertically integrated miner, smelter and trader of ferroalloys and ores. The project centres on the development of a production facility with a 170,000 - 200,000 MTpa ferrosilicon alloys capacity and a 250,000 - 300,000 MTpa manganese alloys capacity (silicomanganese and high carbon ferromanganese).

While physical construction of Phase 1 of the ferrosilicon production facility was completed back in 2015, excessive production and inventory of ferroalloys in the overall ferroalloys markets at that time led to a substantial market slowdown. In order to diversify the product mix and reduce the impact of unfavourable market conditions on any one product type, the Company shut down six furnaces in plant A in FY 2016 and proceeded to undertake a reconfiguration of the product mix, adding manganese alloys to its production capability.

As a result of this, among other measures, OM Materials (Sarawak) was able to realign its business and diversify its product offerings. By reducing its reliance on the weakened ferrosilicon market, the business was able to position itself to benefit from the stronger market that began to emerge in 2017, as well as explore opportunities to fill the regional manganese alloy supply gap. The year in review saw demand for ferrosilicon recovering on the back of the revival in steel industry margins and reduced production in China. Today, against the backdrop of Sarawak's lower-than-market power pricing and its logistical advantages, the reconfiguration of the product mix is enabling OM Materials (Sarawak) to package different types and grades of alloys to end-users and distributors in markets such as Japan, Taiwan and Southeast Asia.

By the end of FY 2017, nine ferrosilicon furnaces and six manganese alloy furnaces were in operation. Ferrosilicon production output achieved a total production of 174,539 MT for the entire year which exceeded the nameplate daily production capacity of 55 MT per furnace. Meanwhile, total manganese alloy production touched some 173,910 MT in FY 2017 with most of the manganese alloy furnaces having been successfully ramped up to full production during the year on the back of in-house engineering and production expertise.

In FY 2017, even though OM Materials (Sarawak) was profitable in the second half of the financial year, the Company recorded a loss before tax of RM18.33 million primarily due to the delay in its ramp-up schedule and unrealised exchange losses arising from the weakening of the US Dollar. Given that 15 furnaces are now in operation, and that the price of ferrosilicon is soaring due to tight supply, management expects the Company to be profitable in FY 2018, even after allowing for currency exchange fluctuations. Notwithstanding market conditions, Management will do its part to continuously optimise production efficiencies and the sales-mix to meet market requirements, while simultaneously leveraging on strong technical teams with a good execution track record.

Over the long-run, we envisage that market demand for both ferrosilicon and manganese alloys from the smelter will strengthen on the back of long-term growth prospects for steel production in the region. The smelter too is expected to reap the benefits of competitive energy costs, a 10-year tax holiday with no import and or export duties, and its strategic proximity to growing East Asian markets.

Moreover, the binding market price-linked offtake arrangements with leading industry players for over 60% of production, the changes in industry dynamics (largely driven by rising power prices and labour costs), rising Asian demand for non-China sourced ferrosilicon, higher environmental standards affecting older plants, and the Chinese Government's disincentives to export lower value energy intensive products such as alloys, all bode well for the smelter's future growth.

INTEGRATED PHOSPHATE COMPLEX

In 2013, CMS joined forces with several parties to construct Southeast Asia's first integrated phosphate complex in Samalaju at a projected cost of approximately RM2.0 billion. At the time, CMS' wholly-owned subsidiary, Samalaju Industries Sdn Bhd (SISB) entered into a shareholders' agreement with Malaysian Phosphate Ventures Sdn Bhd (MPV) and Arif Enigma Sdn Bhd (AESB) to form a joint venture company called Malaysian Phosphate Additives (Sarawak) Sdn Bhd (MPAS). As at 31 January 2018, the shareholding of MPAS was revised with SISB holding a 44.25% equity stake and MPV holding a 37.61% equity stake (previously, each entity held a 40% equity stake in MPAS). Meanwhile, AESB holds the remaining 18.14% equity stake (previously, a 20% equity stake).

Today, MPAS is focusing its efforts to raise the financing for the integrated phosphate complex that will have an annual production capacity (by 2020) of approximately 500,000 MTpa of food, feed and fertiliser phosphate additives, 100,000 MTpa of ammonia and 900,000 MTpa of coke. The project, that will see nine integrated plants built on 350 acres of land near the Samalaju deep-water port, will tap into Sarawak's competitive power rates. It will employ nearly 1,200 skilled workers and employees and is likely to be funded via a mixture of shareholders' equity and long-term bank funded debt.

February 2016, saw the formalisation of the power purchase agreement between Sarawak Energy Berhad and MPAS for the supply of 150 MW of power to Southeast Asia's first integrated phosphate complex in Samalaju. This was followed by the signing of the engineering, procurement and construction agreement in May 2016. Negotiations for project financing contracts are currently underway and MPAS has obtained a Public-Private Partnership UKAS grant incentive from the Malaysian Government because of its significant GNI contribution and its role in strengthening the nation's food security.

The project is important for a number of reasons. It is the first high-impact industrial project within the SIP by a 100% Malaysian-owned company. It involves direct domestic investment of up to approximately RM2.0 billion and promotes the development of local intellectual property and the sharing of technology through a mutually beneficial joint venture. As the first non metal or alloy based plant in SCORE's SIP, it propels SCORE and CMS into a dynamic new industrial sector that offers long-term sustainable growth. It also offers opportunities for investment in downstream manufacturing in the animal feed, fertiliser, cleaning and detergent sectors. It is envisioned that businesses in these sectors will be drawn to the SIP themselves so they can locate adjacent to their feedstock supplier.

The project is also set to thrust Malaysia forward as a leader in the production of halal certified animal feed for poultry, fisheries, cattle and other ruminant livestock as it eliminates the use of meat and bone meal (ex-bones of pigs and cattle) that contain phosphorous in animal feed. Phosphorus is an essential base nutrient for animal and plant growth with no substitute and is widely used in food, feed and fertiliser products. Demand continues to grow on the back of population growth, changing dietary preferences and the increased use of fertilisers. As the first large scale producer of soluble phosphates in Malaysia, the project will also contribute significantly towards the Government's effort to increase food security and the palm oil industry's competitiveness.

INFORMATION & COMMUNICATION TECHNOLOGY BUSINESS

CMS' Information & Communication Technology (ICT) Division is tasked with growing our ICT-related businesses. The Division's efforts currently centre on looking after the Group's interests in our associate company, SACOFA Sdn Bhd, in which we have a 50% non-controlling equity stake.

SACOFA is a Sarawak-based telecommunications infrastructure and services provider that was accorded a 20-year exclusive right (back in March 2002) to build, manage, lease and maintain telecommunication towers in Sarawak. The Company was also granted "deemed native status" allowing it to acquire native lands in the State for the construction of telecommunication facilities.

CMS' investment in SACOFA ties in with the Group's strategy of supporting the State as an ally in infrastructure development, in this instance, via a private-public partnership arrangement. We see this as an extension of our core infrastructure capabilities and are honoured to help the State strengthen its telecommunications infrastructure. Within the scope of responsibility and resources that SACOFA has, it is well positioned to support the State's ambitious telecommunications and broadband coverage targets, and in the longer-term to help make Sarawak both a regional hub for telecommunications-related activities and to help strengthen its economy.

In FY 2017, SACOFA maintained its strong earnings with revenue totalling RM205.00 million (FY 2016: RM194.77 million) and PBT amounting to RM105.82 million (FY 2016: RM98.20 million).

SACOFA continues to grow its asset portfolio through strong organic growth by expanding and fiberising its network. In FY 2017, it rolled out more than 270 towers bringing the total number of telecommunication towers it now operates throughout Sarawak to

SACOFA's Four-legged telecommunications tower

more than 1,300 with more than 11,000km of fibre optic cabling in place.

In 2Q 2017, SACOFA's efforts received a boost when Chief Minister of Sarawak, YAB Datuk Patinggi (Dr.) Abang Haji Abdul Rahman Zohari Bin Tun Datuk Abang Haji Openg announced the rollout of the blueprint to transform Sarawak's economy into a digital economy. To underscore the State Government's commitment in this area, an initial RM1.0 billion investment has been allocated to ensure Sarawak's ICT infrastructure is able to support the digital industries, commerce and investment that the State intends to draw in.

In November 2017, the Sarawak State Legislative Assembly passed the Sarawak Multimedia Authority Bill 2017, paving the way for the formation of the Sarawak Multimedia Authority (SMA). At the same time, the first version of the Sarawak Digital Economy Strategy Book 2018-2022, a document outlining the 'Vision, Mission and Strategies and 47 Strategic Actions', was launched thus heralding the start of the transformation of Sarawak into a digital economy.

Sarawak's digital economy aims to create an entirely new dimension of development and growth for the State by creating new jobs for young people in both the urban centres and rural areas, transforming the way they live and do business. It will challenge the traditional models of doing business in Sarawak and allow young, new entrepreneurs and business people to move to the forefront. The formation of an E-Commerce Transformation Plan up to 2030 for the youth, dubbed E-Com Y30, will prepare youth at the Digital Village within the Samajaya Free Industrial Trade Zone to graduate as e-Commerce start-ups and entrepreneurs with digital knowledge. All these developments augur well for SACOFA which fully supports the State's Digital Economy policy and vision.

The year in review saw SACOFA making strong inroads in several areas. The Company was awarded nine clusters (89 sites) by the Malaysian Communications and Multimedia Corporation (MCMC) under the T3E Phase 3, demonstrating SACOFA's strength in delivering world-class infrastructure in the State, on time and within budget. The project will take seven months to complete commencing 1Q 2018. SACOFA was also successful in renewing its NFP, NSP and ASP(C) Licences with the MCMC thereby demonstrating the confidence the regulator has in SACOFA's legal and regulatory compliance undertakings and its day-to-day operations.

The SACOFA Open Fibre Internet Access (SOFIA) platform continues to be rolled out throughout the State. The most recent phase in FY 2017 involved SACOFA partnering with Celcom to deliver high speed internet access to tenants at Samalaju Properties' Eco Park Project.

SACOFA also went on to sign a memorandum of understanding (MOU) with PT Super Sistem Ultima (PT SSU), a telecommunications infrastructure specialist from Indonesia, for shared usage of an undersea fibre-optic cable linking East Malaysia with Peninsular Malaysia, Singapore and Indonesia under the SEA Cable Exchange-1 (SeaX-1) Project. Encompassing a 250km high-speed, large capacity, 24-fibre pair undersea fibre optic cable, this initiative will connect Mersing in Malaysia, with cable landing stations located at Changi in Singapore and Batam in Indonesia. The interconnectivity is expected to enhance the broadband experience particularly for Bruneians, East Malaysians and Indonesians in the Riau and Kalimantan areas, who will have access to higher broadband speeds at affordable prices. The boost in internet connectivity, coupled with the State's abundant hydro-electric power, is also expected to enhance Sarawak's prospects of attracting data centres.

SACOFA also signed an MOU with Datastream Technology Sdn Bhd (DST), the largest telecommunication player in Brunei Darussalam, via DST's wholly-owned subsidiary, DST International (B) Sdn Bhd, to form a strategic collaboration to bring international broadband quality to Sarawak. This partnership will be highly beneficial to broadband consumers in Sarawak as the synergy of activities will leverage on DST's strong partnership with MyRepublic, a highly reputable industry player in the broadband services arena. DST's in-depth telecommunications experience, together with its association with MyRepublic, and SACOFA's experience in providing ICT infrastructure, will all lend towards the realisation of high quality and affordable broadband services in Sarawak.

As a responsible concession holder, SACOFA continues to roll out its SACOFA4U community outreach programme, among the primary goals of which are to bridge the digital divide by strengthening telecommunication penetration in the rural areas and to develop an e-knowledge society. To date, SACOFA4U has provided free high-speed Wi-Fi services to 10 locations and will continue to expand its reach to more communities in the future. The programme covers schools, institutions of higher learning, religious places, government buildings and public areas. The SACOFA4U initiative underscores the importance of connectivity as a catalyst for growth and development in Sarawak by reaching out to larger, more sparsely populated communities across the State. Moving forward, SACOFA will continue to work with the MCMC, SMA, as well as the State and Federal Governments to support the Sarawak Rural Transformation Programme and improve connectivity in the hinterland and rural communities.

Strategic Investments
Listed Associates

KENANGA INVESTMENT BANK BERHAD

CMS is today the single largest shareholder of Kenanga Investment Bank Berhad (Kenanga) and its Group of Companies by virtue of a 25.38% equity stake. Established more than four decades ago, Kenanga, is listed on the Main Board of Bursa Malaysia. Hailed as one of Malaysia's largest independent investment banks, Kenanga has extensive experience in equity broking, investment banking, listed derivatives, treasury, corporate advisory, Islamic banking, wealth management and investment management.

For FY 2017, Kenanga registered a revenue of RM697.63 million (FY 2016: RM585.32 million) and a PBT of RM40.62 million (FY 2016: RM32.54 million). The higher PBT was mainly due to higher brokerage income of RM188.67 million (FY 2016: RM143.05 million) as a result of the improved market condition whilst Bursa Average Daily Trading Value for the year under review has reached RM5.10 billion (FY 2016: RM3.90 billion) per day.

As part of its efforts to digitalise and diversify its offerings to capture the millennial segment, Kenanga entered into a joint venture in 2016 with Rakuten Securities, Inc - one of the main subsidiaries of Japanese e-commerce and Internet group, Rakuten Inc (Rakuten). The joint venture company, Rakuten Trade Sdn Bhd *(formerly known as EB Global JV Sdn Bhd)*, commenced business on 18 May 2017 as Malaysia's first fully online broker.

In 2017, Kenanga continued to garner a host of awards and accolades reflecting its strong market position. These included Outstanding Contribution in the Investment Banking Sector, Creativity in Digitalising Its Investor Outreach from Securities Commission Malaysia; Best Retail Equities Participating Organisation (Champion) and Best Remisier (1st Runner-Up) by Bursa Malaysia.

During the year, Kenanga's asset management subsidiary, Kenanga Investors Group (KIG), which consists of Kenanga Investors Berhad (KIB), and Kenanga Islamic Investors Berhad (KIIB), received its fair share of recognition. The Kenanga OnePRS Growth Fund, Kenanga OnePRS Conservative Fund and the Kenanga Growth Fund were selected as Fundsupermart.com's Recommended Unit Trusts, while KIG was awarded the Investors' Choice - Fund House of the year 2017 by Fundsupermart.com.

Asia Asset Management, a Hong Kong based publication, awarded Mr Ismitz Matthew De Alwis, Executive Director and Chief Executive Officer of KIG, the title "CEO of the Year", while Ms Lee Sook Yee, Chief Investment Officer, KIG was awarded the title "CIO of the Year". In addition, *Asia Asset Management* awarded KIB the Best Pension Fund Manager Award. KIG was also named Best Equity Group (Islamic) while two of its funds bagged awards: the Kenanga Syariah Growth Fund was lauded Best Equity Fund (Islamic) under the 10-years category, while Kenanga Malaysian Inc Fund was named Best Equity Fund (Provident) under the 3-years category at The Edge|Thomson Reuters Lipper Malaysia Fund Awards 2018 event.

Kenanga's derivatives subsidiary, Kenanga Futures Sdn Bhd (KF), clinched the title Best Trading Participant - Equity & Financial Derivatives (Champion), Best Overall Derivatives Trading Participant (1st Runner-Up), as well as Best Institutional Derivatives Trading Participant (1st Runner-Up) from Bursa Malaysia.

KKB ENGINEERING BERHAD

The CMS Group holds a 20% equity stake in Bursa Malaysia-listed KKB Engineering Berhad (KKB) whose principal business activities are steel fabrication, hot-dip galvanizing, civil construction, LP gas cylinders manufacturing, as well as the manufacture of steel pipes and pipe specials.

KKB is focusing its efforts on expanding its steel fabrication activities so that it can undertake larger and more complex projects, including those from the oil and gas sector. In line with this, KKB is leveraging on its new and modern fabrication plant that incorporates an open yard and heavy load-out jetty facility fronting the Sarawak River, as well as sizeable covered all-weather workshops.

KKB's associate, OceanMight Sdn Bhd (OMSB) has been licensed by PETRONAS as an Approved Service Provider to undertake major onshore fabrication for offshore facilities and related works. In 2017, OMSB successfully completed its two projects secured from Repsol Oil & Gas Malaysia Limited for Engineering, Procurement and Construction works on the Bunga Pakma Wellhead Riser platforms and Kinabalu Redevelopment Project. In January 2018, KKB increased its shareholding in OMSB, resulting in OMSB becoming a 60.81%-owned subsidiary company of KKB.

The slump in crude oil prices globally has inevitably affected oil and gas producing countries, including Malaysia. The CAPEX cut and deferment of most field developments by PETRONAS has resulted in the slowdown on both the upstream and downstream fronts. OMSB is undertaking several measures, including strengthening its operational efficiencies, to remain resilient amidst this challenging period.

In FY 2017, KKB recorded a net profit of RM3.26 million (FY 2016: Net loss of RM5.74 million) on the back of higher consolidated revenue of RM209.30 million (FY 2016: RM103.10 million). Notwithstanding this, the sound track record of the KKB Group, its experienced and prudent management team, coupled with its strong cash position, will enable the KKB Group to steady itself and pursue new business opportunities. Moving forward, the KKB Group of companies will focus their efforts on increasing their order book amidst a highly competitive market environment. Even as KKB continues to win oil and gas fabrication orders despite the industry slowdown, we remain confident and supportive of KKB's future long-term potential.

Strategic Investments

Others

> In FY 2017, the FUM by COPE Private Equity declared record returns on capital and a gain amounting to RM305.60 million to its investors. On the back of its good performance, COPE Private Equity managed to raise a capital commitment of RM275.00 million for its fourth fund, COPE Opportunities IV, in 2017.

COPE PRIVATE EQUITY SDN BHD

(formerly known as CMS Opus Private Equity Sdn Bhd)

COPE Private Equity Sdn Bhd is a private equity firm whose primary objective is to deliver long-term capital gains through investments in unlisted emerging growth companies in Malaysia. Established in 2006, COPE Private Equity has grown from strength-to strength to become one of the leading private equity firms in Malaysia. With Funds under Management (FUM) of over RM500.00 million, the Company today is one of the few established private equity firms adopting Shariah-compliant investment principles for some of its funds.

FY 2017 was a watershed year for COPE Private Equity, having successfully exited three investments in the Logistics, Water & Utilities and Engineering Services sectors. One of its divestments which returned a money multiple of 7.3 times the capital invested, was identified by the Centre for Asia Private Equity Research as attaining the top exit performance in South East Asia in 1H 2017. Preqin, the leading private equity publication, in 3Q 2017 identified the Company's COPE 2 Fund as being among the Top 5 Performing Growth Funds in the world between 2010 and 2014.

In FY 2017, the FUM by COPE Private Equity declared record returns on capital and a gain amounting to RM305.6 million to its investors. On the back of its good performance, COPE Private Equity managed to raise a capital commitment of RM275.00 million for its fourth fund, COPE Opportunities IV, in 2017. The final close for this fund is expected in FY 2018.

Moving forward, COPE Private Equity will continue to expand its FUM and add value to its investee companies, while identifying appropriate high growth investments and retaining its talent pool. In early 2018, the Company underwent a rebranding exercise and changed its name from CMS Opus Private Equity to COPE Private Equity. This name is meant to reflect a fresh identity and perspective as the Company prepares for the next chapter in its journey of growth.

CMS EDUCATION SDN BHD

CMS is involved in the development of our nation's future leaders through subsidiary CMS Education Sdn Bhd, the owner and operator of the Tunku Putra School. The School, which is located on an 18.51-acre campus in Kuching's Petra Jaya, first opened its doors to students in January 1997. Today, it provides kindergarten, primary and secondary-level classes for national and international streams.

The classes at the School are purposefully kept small, ensuring students have the assurance of quality attention. At the same time, a high standard of teaching by specialist expatriate and Malaysian teachers, together with a wide range of sporting and extracurricular activities, ensure students reap the benefits of a holistic education. Students who would benefit from additional English tuition are offered English as a Second Language. The School's National Public Examination results (UPSR and SPM) match the best Malaysia has to offer and its Cambridge IGCSE results are in the top echelon worldwide. The year in review saw one of the school's top students receiving the accolade "Highest achiever in Malaysia in IGCSE Geography" for achieving outstanding results in the November 2016 IGCSE session.

The School continues to explore ways and means to deliver top notch education. In late 2017, CMS Education formed a partnership with HELP Education Services to take the School up to the next level. Under this initiative, students will be exposed to an array of intellectual, emotional physical, social, moral and spiritual, as well as artistic and creative elements aimed at developing their full potential. These holistic learning experiences coupled with career and leadership development training will ensure students receive a solid, well-rounded education.

Consequently, in March 2018, CMS Education Sdn Bhd, Ibraco Berhad and the HELP Education Group announced a partnership to establish the Tunku Putra-HELP International School in Kuching. The new Tunku Putra-HELP International School will begin its first intake in January 2020 at its new purpose-built campus, which will have a 1,500-student capacity.

This move will strengthen Tunku Putra School 's role as a strategic asset that is contributing towards the State's development by ensuring staff of overseas investors working in Sarawak, as well as local parents, have access to a high standard of international schooling for their children.

For the year in review, Tunku Putra School generated gross revenue of RM10.40 million with 634 students enrolled at the end of the academic year. During the year, there were 156 new applications as compared to 133 new applications in FY 2016.

BUSINESS RISKS

As CMS moves forward amidst difficult market and operating conditions, we are aware of certain risks that we may be exposed to, particularly as a result of global uncertainties, that could impact our operational and financial performance. We outline these key risks below, as well as the respective risk mitigation strategies.

RISK #1 - INVESTMENT RISK

Over-reliance on joint venture (JV) partners

As one of the major corporations in a fast-developing State, there is a lot of untapped potential in Sarawak from which the Group could benefit. Having said that, the Group also recognises its limitations in terms of financial resources, technical expertise, human resources and so on to undertake these kinds of projects on its own. As such, over the years, the Group has entered into various joint ventures to leverage on our JV partners' expertise to undertake projects in the State. Whilst the Group is confident about the feasibility of the projects that we enter into, one of the challenges posed is that the Group must constantly remind itself that it must not be overly complacent to rely too heavily on our JV partners to drive these projects.

To manage this risk, the Group has identified mitigation actions which include setting up of JV/partnership working committees, as well as an in-house project management team to ensure sufficient internal project ownership and control. The Group also conducts regular meetings with JV partners, employees and other stakeholders to ensure that these projects can be completed on spec and on time and their operations optimised successfully.

RISK #2 - EXTERNAL RISK

Adverse economic and market conditions affecting the main markets of energy-intensive industries in Sarawak

Despite the gradual recovery of commodity markets over the course of the year, the Group is cautious that its operations remain vulnerable to volatile economic and market conditions including fluctuating global commodity prices, as well as overall market supply and demand.

Recognising that very limited mitigation actions can be undertaken to materially downgrade this risk, the Group aims to reduce this risk by putting in place initiatives relating to its two industrial plants – that is to carefully evaluate and limit CAPEX to only critical items. At the same time, the Group is taking measures to improve the overall efficiency and productivity of the plants to minimise operating costs and improve profit margins. This risk is further mitigated by competitive power prices which are a major cost of production and which ensure these two plants are in the first quartile of production costs when measured against their competitors.

In regard to risks pertaining to Samalaju Properties Sdn Bhd, such as the slow take-up of space at the Samalaju Industrial Park among other things, we have identified mitigation actions which include CAPEX deferrals, reductions in the land premiums payable, as well as strict cost controls and adjustments to product offerings so that the prices and supply are in line with market demand and trends.

RISK #3 - EXTERNAL RISK

Adverse changes in the political landscape and government policies

There is today an increasing destabilisation in what was generally once an increasingly stable world where trans-border collaboration and trade were leading towards a globally integrated economy. This destabilisation has started to change the dynamics of international trade and political relationships leading to more uncertainty. Within Sarawak, leadership changes have inevitably resulted in policy shifts which the Group needs to factor into its strategies. Developments in political and regulatory conditions may affect the growth and sustainability of the Group both over the short and in the longer-term at different levels. This risk remains one of the Group's top risks even though the Group has firstly visibly positioned itself as an ally supporting the State's overall economic development, as a result of its extensive pan-State presence, its strong balance sheet and its experienced management team.

Recognising these constraints, the Group has implemented several "preventive" controls to manage this risk. The Group maintains an active and positive rapport with regulatory authorities and government ministries to monitor new plans, strategies and pertinent political changes through regular multi-tiered engagement with all relevant political, governmental, private sector and community leaders. In addition, the Group has been constantly playing an active role as a socially responsible entity as part of its multi-stakeholder business model. Further, by remaining focused on ensuring the Group shows a steady upward trend both in profitability and in dividend payments and retains its positioning as the best listed proxy investment for Sarawak's growth story, the Group has been able to attract significant investment into its shares by leading Federal and State investment institutions, in addition to the many profitable joint ventures it has with State agency, Sarawak Economic Development Corporation. This has helped to improve the Group's image and positioning in the community generally, as well as among corporate and governmental circles where the Group is seen as a valuable partner and ally to the State by helping it achieve its developmental goals.

RISK #4 - EXTERNAL RISK

Exchange rate fluctuations

Following the sharp decline of the Ringgit Malaysia (Ringgit) to the US Dollars (USD) in 2016, relative volatility has continued to impact exchange rates. This affects our business investments and operations, especially the Cement Division, due to foreign currency denominated purchase of raw materials. Recognising that this volatility will continue, we are closely monitoring the movement of the USD against the Ringgit in order to decide on the timing of purchasing and use of USD.

However, there is limited mitigation action that can be taken to downgrade this risk at our associate level, as was the case at OM Materials (Sarawak) Sdn Bhd, which was impacted on this front in 2017. CMS' influence over its associate companies is at the Board level only, with the respective management of our associate companies being responsible for implementing their own mitigation actions.

RISK #5 - STRATEGIC RISK

Flawed strategic business development/investment strategies and execution

Even as the Group considers participating in investment opportunities both within its existing businesses, within its portfolio of strategic investments and beyond, it may be exposed to flawed strategic choices or direction, flawed investment decisions and flawed execution.

To mitigate these risks, the Group has identified mitigation actions which include seeking external advice and data which is cross verified; carrying out proper feasibility studies with the third-party consultants involved; and working closely with proven JV/strategic partners who have industry knowledge and can make the appropriate financial commitment. On top of this, we ensure that measures such as a multi-tiered approval process and a Project Risk Scorecard that can be reviewed, approved and periodically updated by the relevant Group Board, among other things are in place in every new venture.

For further details on the principal risks of the Group, please refer to the Group Risk Committee Report on pages 76 to 77.

2018 OUTLOOK

The global upswing in economic activity that began in 2016 continues to strengthen. Global growth, which in 2016 was the weakest since the global financial crisis at 3.2%, is projected to have risen to 3.7% in 2017 and its forecast to rise to 3.7% in 2018. Broad-based upward revisions in the euro area, Japan, emerging Asia, emerging Europe, and Russia – where growth outcomes in 1H 2017 were better than expected – more than offset downward revisions for the United States and the United Kingdom.

But the recovery is not complete: while the baseline outlook is strengthening, growth remains weak in many countries, and inflation is below target in most advanced economies. Commodity exporters, especially of fuel, are particularly hard hit as their adjustment to a sharp stepdown in foreign earnings continues. And while short-term risks are broadly balanced, medium-term risks are still tilted to the downside. The welcomed cyclical pickup in global activity thus provides an ideal window of opportunity to tackle the key policy challenges – namely to boost potential output while ensuring its benefits are broadly shared, and to build resilience against downside risks. A renewed multilateral effort is also needed to tackle the common challenges of an integrated global economy facing threats from nationalist sentiments.

The Malaysian economy is expected to remain resilient in 2018, with real GDP forecast to expand between 5% and 5.5% (2017: 5.9%), led by domestic demand. The domestic economy is expected to experience broad-based growth across a range of diversified sectors. Domestic demand is expected to remain the primary anchor of growth, underpinned by robust growth in private-sector expenditure.

Under Malaysia's Budget 2018, over RM6.80 billion has been allocated for a range of infrastructure development projects in both Sabah and Sarawak. This augurs well for the State of Sarawak and for the Group given that this impacts positively on the areas we are active in. Among the allocations is a RM1.0 billion allocation to the Malaysian Communications and Multimedia Corporation or MCMC for the development of communications infrastructure and broadband facilities in both States; RM2.0 billion for projects under the Pan-Borneo Highway; nearly RM500.00 million for rural road projects in Sabah and Sarawak; and another RM620.00 million for rural electrification projects in both States.

The Sarawak State budget continues to be development-focused to stimulate economic activities and sustain growth. Some RM5.75 billion or 70% of the total budget is allocated for development and RM2.48 billion for operating expenditure. Of the development allocation, some 53% or RM3.06 billion would be provided for rural areas in 2018, higher than the RM2.65 billion allocated in 2016 and RM2.98 billion in 2017. The rollout of the State' digital economy blueprint and the related budget allocation too augurs well for Sarawak which is fast becoming one of the region's most attractive investment destinations.

In 2016, external headwinds buffeted Sarawak and economic growth declined. However, with global economic growth steadily on the uptrend again, the State is back on track to achieve its economic ambitions. Several factors, including the State's strong underlying fundamentals, are being brought into play to ensure Sarawak maintains its good growth momentum. One of these is the Sarawak Socio-Economic Transformation Plan or SETP (2016-2030), a comprehensive, integrated and balanced plan, which aims to spur income growth and reduce income disparity across all sectors of the economy. The SETP will focus on creating high-income opportunities in new potential sources rather than diluting attention by focusing on marginal improvements in old industries.

Under the SETP, a total allocation of some RM180.0 billion is required to transform the State from all angles. The first phase of SETP will be carried out under the 11th Malaysia Plan from 2016 to 2020 with Sarawak's nominal GDP expected to increase from RM122.50 billion in 2015 to RM171.30 billion in 2020. During the same period, nominal GDP per capita is also expected to increase from RM46,489 to RM61,406. While macroeconomic headwinds may have put a damper on some of the State's economic ambitions in the short-run, in the long-run, all these developments bode well for the future of Sarawak and SCORE.

Under the SCORE initiative, Sarawak envisages that it will attain the following growth milestones by 2030, namely a five-fold rise in the State's GDP and the creation of 1.60 million additional jobs. With RM334.0 billion expected to be injected into Sarawak's economy by 2030 (approximately 20% from the Government and 80% from the private sector), we are confident that both investment opportunities and demand for the Group's construction materials, our construction and road maintenance services and our property and township developments, will increase.

Some nine years on, SCORE is on track with its goal of diversifying and strengthening the State's economy and elevating the per capita income and quality of life of the people of Sarawak. Domestic and foreign equity investment and joint venture projects are on the rise within SCORE, attesting to its draw as an attractive investor value proposition.

In view of the Group's early involvement as a major local private sector participant in multiple areas of SCORE, CMS is in an ideal position to add real value to potential energy-intensive industrial investors looking for a local co-investing partner in SCORE. Given CMS' solid track record, strong balance sheet, unrivalled private sector knowledge of SCORE, our Management's professionalism and bandwidth, plus our synergised portfolio of Sarawak-based businesses, potential partners know they can count on us to strengthen their projects' appeal.

OUR PROVEN STRATEGIES FOR SUCCESS

As the Group moves forward to sustain its growth momentum, we will focus our efforts on strengthening the good foundations laid thus far. Hailed as one of the best proxy-listed investments for Sarawak's accelerating economic growth, CMS' long-term strategy calls for us to ride the Sarawak's growth story by leveraging on two key strategic, yet synergised, economic drivers to reinforce our position of strength: the first driver being the State's promotion of energy-intensive industries under SCORE; and the second, the array of notable infrastructure developments, as well as related services and supply needs that are arising across the State.

In the first instance, we have taken up a 25% equity stake in OM Materials (Sarawak) Sdn Bhd and OM Materials (Samalaju) Sdn Bhd, and a 44.25% equity stake in Malaysian Phosphate Additives (Sarawak) Sdn Bhd. While these businesses are not run by us, we do hold strategic stakes in them and expect them to yield long-term, sustainable and transformational profits growth through careful oversight and nurturing.

In the second instance, we expect our role as a key State infrastructure facilitator to strengthen with the Government having identified long-term initiatives such as the RM27.0 billion 1,663km-long Pan Borneo Highway as a key step towards boosting investment and economic activity in the State. Today, our core infrastructure-related businesses including our cement manufacturing, construction materials trading, premix, quarries, road maintenance and construction which contribute to the bulk of our revenues. As we ramp up the pace of development in relation to our Kuching land banks and the Samalaju township, our role in township and property development too is set to strengthen. Our investment in SACOFA, our ICT infrastructure development arm, also bodes well for us in the long-run.

Today, CMS is a professionally-run company in an economy which is set to grow for many years still. The market needs professionally-run companies like ours that transcend the political landscape and have the financial and management resources to play a strong role to help the economy grow. We have a responsibility to ensure we offer the market the right products and services on the right terms to meet evolving needs. To this end, we will adopt new ideas such as the digital economy, the Internet of Things, new types of cement and green buildings using recycled materials, as well as sustainable or new road surfacing materials. The list is endless and we will continue to scour the world for what we need to introduce or to adopt. At the same time, we will continue to listen closely to the State's agenda and priorities.

In our efforts to secure sustainable business growth these last few years, we have been guided by three business blueprints, namely the strategies under our *9-Point Scorecard* and our *ROAR V2 Strategy*, as well as the more recent *Edging Strategy*.

The strategies under our *9-Point Scorecard* have helped us maintain our good growth momentum and we will continue to look to them to stimulate growth and ensure we deliver a consistent, robust performance. These nine strategies dictate that we sustain solid and sustainable profits; uphold prudent financial policies to ensure a strong balance sheet; and ensure an experienced and professional management team is steering CMS forward. We are also called to undertake strong corporate governance measures; enhance ties and build respect among the communities that we serve; as well as gain strong support from our shareholders and bankers. Finally, we are to set our sights on private sector-driven profitability; leverage on a strong SCORE play; and develop, for future use, an expertise which will take us beyond Sarawak's shores.

This year will see us making one final roar under our *ROAR V2 Strategy* which we which we introduced in 2012 and which is nearing its end. Standing for *Restructure, Organise, Advance and Roar*, this strategy has been integral to ensuring we deliver a proven flow of sustainable profits from a portfolio of synergised businesses. *ROAR V2* has also been instrumental in helping us propel closer towards fulfilling our ambition of becoming a Top 30 Company in Malaysia with RM10.0 billion plus in market capitalisation.

Our third strategy, the *Edging Strategy*, which we introduced back in 2016, serves to complement our existing initiatives, as well as counter sluggish market conditions, the lack of large scale greenfield opportunities and operating constraints. This strategy calls for us to maximise opportunities on the "edges" of our current businesses within our existing portfolio to create significant growth. Often overlooked by companies, business opportunities in the "near field of vision" or on the "edge" of a company's range of focus, often carry missed opportunities for success with lower risks than a *Blue Ocean Strategy* or a greenfield expansion.

Following the incorporation of an *Edging Strategy* into their management plans and budgets, our core businesses have all met with some initial success. The Construction Materials & Trading Division for instance has been exploring the use of waste slag from smelters at Samalaju Industrial Park and using this as road base with good effect, as well as successfully finding new private sector customers to grow its sales. They have also been exploring the use of innovative new technologies for the premix plants, as well as the extension of a second line at the Sibanyis quarry. We are also looking at new construction revenue by securing additional works from existing concession contracts.

Our trading arm has extended its product lines, while our Property Development Division, having repositioned itself as a quality developer, is now initiating its own large-scale projects for pre-committed customers. Across all Divisions, there has been a successful drive to bring in new customers especially in the private sector. On the Human Resources front, we are automating our systems and across the board looking to develop a digital road map to optimise both our processes to improve efficiency and to identify new business opportunities. All in all, the Group's businesses are making good progress as they incorporate more out-of-the-box thinking and new technologies into their daily activities so that we do not get overtaken by other more dynamic entities.

As CMS goes about its business, we recognise that we need to stand out from other businesses, while remaining relevant to our diverse stakeholders. As such, we are focusing our efforts on becoming an *Extraordinary Organisation* where we will leverage on four criteria to set ourselves apart from others in the business world. These include demonstrating sustainable high performance; building up a unified workforce where our engaged employees outperform; making sure we work for and are respected by multiple stakeholders; and last but not least, to ensure that we are home to a 'Moral Community'. The last criterion calls for the setting up of a workplace environment with an abundance of moral values, loyalty, common purpose, empathy, team spirit and a sense of fairness. The same team that created this strategy is in place to roll out this strategy thereby ensuring continuity.

As we work on becoming an *Extraordinary Organisation*, we will look to our **PRIDE** Mission Statement to keep us on track. We will also tap into several other proven elements to advance forward. We will continue to leverage on the good synergies between our core Business Divisions, which are generating the bulk of the Group's revenue and earnings and are all set to grow in tandem with Sarawak's own growth story. At the same time, we will ensure we maintain a diversified earnings base so that we have a wider spread of income and profits outside of our cement business, thereby significantly reducing our risks.

Helming all these efforts will be our experienced and professional workforce. We are indeed very fortunate to have a dynamic management team and dedicated employees who not only have a keen understanding of how best to leverage our diverse strategies and initiatives, but have shown great resilience in weathering the storms over the years to deliver robust performances.

IN APPRECIATION AND GOODBYE

Some 43 years have passed since CMS was founded and CMS continues to grow from strength to strength as one of Sarawak's leading infrastructure facilitators. Our success to date comes on the back of the unstinting support of many parties.

On behalf of the Board of Directors, I wish to convey my heartfelt gratitude to our valued customers, suppliers, business partners, the Federal and State Governments and agencies, as well as our joint venture partners (including in particular State agency, Sarawak Economic Development Corporation) and our associate companies. Thank you for your unwavering trust and belief in CMS, as well as for extending us your firm support and cooperation.

I wish to express my utmost gratitude to our Board of Directors for their wise counsel and astute insights which helped guide us through the year's many challenges and emerge an even more resilient organisation.

To the CMS family of employees, my sincere gratitude for your hard work, unswerving loyalty and dedication to excellence. You never cease to amaze me with your amazing tenacity and I know you will all continue to step up to the plate in all that you are called on to do.

As you may know, I retired as Group Managing Director on 31 December 2017 after having served CMS for over 11 years. In that time, my team and I have worked hard to lay some solid groundwork for the next phase of CMS' transformational growth. The Group's businesses now all have a clear strategic direction that will carry them to greater heights. Our profits are now solidly sustainable, diversified and on a clear upward trend reflecting Sarawak's own economic growth. On top of this, we can now expect future transformational profit growth once our energy-intensive investments in OM Materials (Sarawak) and Malaysian Phosphate Additives (Sarawak) are completed, fully commissioned and accelerate into profitability. Moreover, today we have engaged, competent and high performing employees at all levels which gives us the bandwidth to manage our businesses and to grow.

As I retire from this position, I am pleased to have two talented leaders, who are both proudly Sarawakian and whom I have personally mentored, succeed me. This is all the more exciting for me, especially because I know them, their qualities, expertise and capabilities.

Dato Isaac Lugun and Mr Goh Chii Bing, who will serve as Group Chief Executive Officer - Corporate and Group Chief Executive Officer - Operations respectively, step up to the plate to manage the Group in two distinct areas as part of the Board's dual leadership strategy. Dato Isaac brings with him a wealth of experience in the corporate and strategic investment areas, while Mr Goh, brings his accumulated expertise in core business operations. Dato Isaac will manage the Group's corporate strategic investments that include our associate companies in smelting, financial services and telecommunications infrastructure, while Mr Goh will oversee the Group's core Business Divisions, including cement, construction materials, property development, construction and road maintenance. As both these distinct areas of our business need very focused attention to realise their considerable potential, the Board decided after due consideration that two separate but complementary CEOs would best serve our specific needs.

These two talented 'CMS-grown' leaders bring with them an intimate understanding of CMS' businesses built up over the last 20 years or so and a shared belief in the Group's direction. Collectively, their proven track record and profound business acumen translates into an absolute continuity that all stakeholders can leverage on as we usher in a new era of leadership for CMS. Both gentlemen will work together with our current Group Chief Financial Officer, Tuan Syed Hizam Alsagoff, to deliver on our targets while I will remain on the Board as a Non-Independent Non-Executive Director. These three gentlemen's familiarity with the workings of CMS instils in the Board a confidence that our succession planning is sound, solid and geared for even greater success.

As I bid you all goodbye, I wish to express my heartfelt gratitude to all our stakeholders. Thank you for your very kind support all these years. A big thank you to my CMS family of the past 11 years, the Directors, Management and staff of CMS. Please accept my sincerest and humblest apologies for any offence caused and for any shortcomings in my time with CMS. It has been a wonderfully fulfilling time for me and I owe a very special thanks to our Chairman (who first suggested I should apply for this job) and for our Group Executive Director for their support and guidance over the years.

I wish the entire CMS family every success, especially my successors whom I know can lead CMS to the next level. Thank you and may our CMS truly become the '**PRIDE** of Sarawak and Beyond'.

Yours sincerely,

DATO' RICHARD CURTIS
Group Managing Director

Administrative Guide

43RD ANNUAL GENERAL MEETING ("AGM") OF CAHYA MATA SARAWAK BERHAD

Date	:	Wednesday, 25 April 2018
Time	:	10:00 a.m.
Venue	:	Colosseum 1, Level 2, Pullman Hotel, 1A Jalan Mathies, 93100 Kuching, Sarawak

PARKING

1. Parking bays are available at Basement 1 and 2 of the Pullman Hotel with a flat parking rate of RM3.00. You are advised to endorse your parking ticket at the Front Desk at Level 1 of the Pullman Hotel.

REGISTRATION

2. Registration will start at 9:00 a.m. at the foyer of Colosseum 1 of the Pullman Hotel.
3. Please read the signage to ascertain where you should register yourself for the AGM and join the queue accordingly.
4. Please produce your original National Registration Identity Card ("MyKad") or passport to the registration clerk for verification. Please make sure you collect your MyKad or passport thereafter.
5. After the verification, you are required to write your name and sign on the Attendance List placed on the registration table.
6. You will also be given a barcoded wristband. No person will be allowed to enter the meeting room (Colosseum 1) without the barcoded wristband. There will be no replacement in the event that you lose or misplace the barcoded wristband.
7. Once you have collected your barcoded wristband and signed the Attendance List, please proceed to collect your door gift.
8. No person will be allowed to register on behalf of another person even with the original MyKad or passport of that other person.
9. The registration counter will handle only verification of identity and registration. If you have any enquiry, please proceed to the **Help Desk**. The Help Desk will be located next to the registration counters at the foyer of Colosseum 1 of the Pullman Hotel.

DOOR GIFT

10. Each member or proxy who is present at the AGM will be entitled to one (1) door gift upon registration, irrespective of the number of members he/she represents.

GENERAL MEETING RECORD OF DEPOSITORS

11. For the purpose of determining a member who shall be entitled to attend the 43rd AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Article 77A(2) of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at 18 April 2018. Only a depositor whose name appears on the Record of Depositors as at 18 April 2018 shall be entitled to attend the AGM or appoint proxies to attend and/or vote on his/her behalf.

PROXY

12. A member entitled to attend and vote is entitled to appoint a proxy, to attend and vote instead of him. If you are unable to attend the AGM and wish to appoint a proxy to vote on your behalf, please submit your Form of Proxy in accordance with the notes and instructions printed therein.
13. If you wish to attend the AGM yourself, please do not submit any Form of Proxy for the AGM that you wish to attend. You will not be allowed to attend the AGM together with a proxy appointed by you.
14. If you have submitted your Form of Proxy prior to the AGM and subsequently decided to attend the AGM yourself, please proceed to the Help Desk to revoke the appointment of your proxy.
15. If you wish to submit your Form of Proxy, please ensure that the original Form of Proxy is deposited at the Registered Office of Cahya Mata Sarawak Berhad not less than forty-eight (48) hours before the time set for holding the AGM, i.e. before 10:00 a.m. on 23 April 2018 or at any adjournment thereof. The submission of Form of Proxy via facsimile transmission or email is not acceptable.

SEATING ARRANGEMENT FOR THE AGM

16. Free seating. All shareholders/proxies/corporate representatives will be allowed to enter the Colosseum 1 from 9:00 a.m. onwards.
17. All shareholders/proxies/corporate representatives are encouraged to be seated at least ten (10) minutes before the commencement of the AGM.

MOBILE DEVICES

18. Please ensure that all mobile devices, i.e. phones/other sound emitting devices are switched off or put on silent mode during the AGM to ensure smooth and uninterrupted proceedings.

NO SMOKING POLICY

19. A no smoking policy is maintained inside the Pullman Hotel building. Your co-operation is much appreciated.

SURAU/PRAYER ROOM

20. The Surau is located at Level 2 of the Pullman Hotel.

VOTING PROCEDURE

21. The voting at the AGM will be conducted on a poll. Symphony Share Registrars Sdn Bhd is appointed as Poll Administrator to conduct the polling process. Malaysian Issuing House Sdn Bhd is appointed as Independent Scrutineers to verify the results of the poll.

PERSONAL BELONGINGS

22. Please take care of your personal belongings. The organiser will not be held responsible for any item that has gone missing.

ENQUIRY

23. If you have any enquiry prior to the AGM, please contact the following persons during office hours:

(a) **Cahya Mata Sarawak Berhad** (21076-T)
Level 6, Wisma Mahmud
Jalan Sungai Sarawak
93100 Kuching, Sarawak

Telephone Number:	+60 82 238 888
(1) Ms Shirly Ann Clarke	+60 82 257 078
(2) Ms Denise Koo	+60 82 235 953
Facsimile Number:	+60 82 341 719

(b) **Symphony Share Registrars Sdn Bhd** (378993-D)
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan

Telephone Number:	+60 3 7849 0777
(1) Puan Rozleen Monzali	+60 3 7841 8279
(2) Encik Zulkernaen Abdul Samad	+60 3 7841 8052
Facsimile Number:	+60 3 7841 8151

LUNCH

24. Lunch will be served after the conclusion of the AGM at Level 2, Petra Hall of the Pullman Hotel.

Pullman Hotel 1.555940, 110.351123

Notice of 43rd Annual General Meeting

NOTICE IS HEREBY GIVEN that the 43rd Annual General Meeting ("AGM") of Cahya Mata Sarawak Berhad ("CMS" or "the Company") will be held at Colosseum 1, Level 2, Pullman Hotel, 1A Jalan Mathies, 93100 Kuching, Sarawak on Wednesday, 25 April 2018 at 10:00 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the year ended 31 December 2017 and the Reports of the Directors and Auditors thereon.

2. To declare a first and final tax exempt (single-tier) dividend of 8.0 sen per ordinary share in respect of the financial year ended 31 December 2017. **Ordinary Resolution 1**

3. To re-elect the following Directors who retire pursuant to Article 110 of the Company's Articles of Association:

   a) Y D H Dato' Richard Alexander John Curtis **Ordinary Resolution 2**
   b) Y Bhg Datuk Seri Yam Kong Choy **Ordinary Resolution 3**

4. To re-elect Madam Umang Nangku Jabu who retires pursuant to Article 112 of the Company's Articles of Association. **Ordinary Resolution 4**

5. To approve the payment of Directors' fees amounting to RM150,000 per annum for the Non-Executive Chairman, RM150,000 per annum for the Non-Executive Deputy Chairman and RM100,000 per annum for each of the Non-Executive Directors for the financial year ended 31 December 2017. **Ordinary Resolution 5**

6. To approve the payment of Directors' remuneration (excluding Directors' fees) to the Non-Executive Directors up to an amount of RM2,508,833 from the date of the forthcoming AGM to the next AGM of the Company. **Ordinary Resolution 6**

7. To re-appoint Messrs Ernst & Young as Auditors of the Company for the financial year ending 31 December 2018 and to authorise the Directors to fix their remuneration. **Ordinary Resolution 7**

AS SPECIAL BUSINESS

To consider and if thought fit, pass the following Ordinary Resolutions:

8. Authority to Allot and Issue Shares Pursuant to Section 76 of the Companies Act 2016

"THAT subject always to the Companies Act 2016, the Articles of Association of the Company and the approvals of the relevant authorities, the Directors be and are hereby authorised pursuant to Section 76 of the Companies Act 2016, to allot and issue shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares issued does not exceed 10% of the total number of issued share of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company." **Ordinary Resolution 8**

9. Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature and New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Shareholders' Mandate for RRPT")

"THAT subject always to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with those related parties as set out in Part A of the Circular to Shareholders dated 27 March 2018 ("Circular") which are necessary for the CMS Group's day-to-day operations subject to the following:

(a) the transactions are in the ordinary course of business and are on terms not more favourable to the related parties than those generally available to the public and not to the detriment of minority shareholders; and

(b) disclosure of the aggregate value of recurrent transactions conducted pursuant to the Proposed Shareholders' Mandate for RRPT will be disclosed in the Annual Report for the said financial year AND that such approval shall continue to be in force until:

(i) the conclusion of the next Annual General Meeting of the Company, at which time it will lapse, unless by a resolution passed at a general meeting, the authority is renewed;

(ii) the expiration of the period within which the next Annual General Meeting of the Company subsequent to the date it is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("the Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or

(iii) revoked or varied by resolution passed by the shareholders in a general meeting,

whichever is the earlier.

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Shareholders' Mandate for RRPT.

AND THAT the estimated value given on the recurrent related party transactions specified in Sections 2.1.4 and 2.1.5 of Part A of the Circular being provisional in nature, the Directors of the Company be hereby authorised to agree to the actual amount or amounts thereof provided always that such amount or amounts comply with the review procedures set out in Section 2.1.8 of Part A of the Circular." **Ordinary Resolution 9**

10. Proposed Renewal of Shareholders' Mandate in respect of the Authority for Purchase by the Company of its Own Shares ("Proposed Shareholders' Mandate for Share Buy-Back")

"THAT subject to Section 127 of the Companies Act 2016, provisions of the Memorandum and Articles of Association of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and any other relevant authorities, the Company be and is hereby authorised to renew the approval granted by the shareholders of the Company at the Forty-Second Annual General Meeting of the Company held on 26 April 2017, authorising the Directors of the Company to exercise the power of the Company to purchase such amount of ordinary shares in the Company from time to time through Bursa Securities subject further to the following:

(a) the aggregate number of shares purchased does not exceed 10% of the total number of issued shares of the Company ("Purchased Shares") at the point of purchase;

(b) the maximum funds to be allocated by the Company for the purpose of purchasing the Purchased Shares shall not exceed the Company's audited retained profits as at 31 December 2017 amounted to RM4.624 million; and

(c) the authority conferred by this resolution will commence immediately upon passing of this resolution and will continue to be in force until:

(i) the conclusion of the next Annual General Meeting of the Company;

(ii) the expiration of the period within the next Annual General Meeting of the Company subsequent to the date it is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("the Act") but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act; or

(iii) revoked or varied by a resolution passed by the shareholders in general meeting,

whichever occurs first.

(d) Upon the completion of the purchase(s) of the Purchased Shares, the Directors of the Company be and are hereby authorised to deal with the Purchased Shares in the following manner:

(i) to cancel the Purchased Shares so purchased; or

(ii) to retain the Purchased Shares so purchased as treasury shares for distribution as dividend to the shareholders, resell in accordance with the relevant rules of Bursa Securities, transfer for the purposes of or under an employees' share scheme, transfer as purchase consideration, cancel the shares and/or sell, transfer or otherwise use the shares for such other purposes as the Minister may be order prescribe; or

(iii) to retain part of the Purchased Shares so purchased as treasury shares and cancel the remainder; or

(iv) to deal in such other manner as Bursa Securities and such other relevant authorities may allow from time to time.

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary to implement, finalise and give full effect to the Proposed Shareholders' Mandate for Share Buy-Back with full power to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed by the relevant authorities and with fullest power to do all such acts and things thereafter as the Directors may deem fit and expedient in the best interest of the Company." **Ordinary Resolution 10**

To consider and if thought fit, pass the following Special Resolution:

11. Proposed adoption of new Constitution of the Company

"THAT approval be and is hereby given to the Company to adopt new Constitution of the Company as set out in Appendix III of Part B of the Circular to Shareholders dated 27 March 2018." **Special Resolution 1**

FURTHER NOTICE IS HEREBY GIVEN THAT for the purpose of determining a Member who shall be entitled to attend, speak and vote at the 43rd AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Article 77A(2) of the Company's Articles of Association to issue a General Meeting Record of Depositors ("ROD") as at 18 April 2018. Only a Depositor whose name appears in the Register of Members/ROD as at 18 April 2018 shall be entitled to attend the said meeting or appoint proxy/proxies to attend, speak and vote on his/her behalf.

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT subject to the approval of the shareholders at the 43rd AGM of the Company to be held on 25 April 2018 for the payment of the first and final dividend under single-tier system in respect of the financial year ended 31 December 2017 ("Dividend") under Ordinary Resolution 1, the Dividend will be paid on 25 May 2018 to Depositors whose names appear in the ROD on 11 May 2018.

Depositors shall be only entitled to the Dividend in respect of:

(a) securities transferred into the Depositor's Securities Account before 4:00 p.m. on 11 May 2018 for ordinary transfers; and
(b) securities bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

BY ORDER OF THE BOARD

DENISE KOO SWEE PHENG
Group Company Secretary

Kuching, Sarawak
27 March 2018

Notes:

1. Audited Financial Statements for financial year ended 31 December 2017

Agenda 1 is for discussion at the meeting and no voting is required.

2. First and final tax exempt (single-tier) dividend

Pursuant to Section 131 of the Companies Act 2016 ("Act"), a company may only make a distribution to the shareholders out of profits of the company available if the company is solvent. On 23 February 2018, the Board had considered the amount of dividend and recommended the same for the shareholders' approval.

The Directors of the Company are satisfied that the Company will be solvent as it will be able to pay its debts as and when the debts become due within twelve (12) months immediately after the distribution is made on 25 May 2018 in accordance with the requirements under Section 132(2) and (3) of the Act.

3. Re-election of Directors who retire by rotation in accordance with Article 110

Article 110 of the Company's Articles of Association provides that one third (1/3) of the Directors of the Company for the time being shall retire by rotation at the AGM of the Company. Pursuant to Paragraph 7.26(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Main Market Listing Requirements"), all the Directors shall retire from office at least once in every three (3) years but shall be eligible for re-election. Y D H Dato' Richard Alexander John Curtis and Y Bhg Datuk Seri Yam Kong Choy are standing for re-election as Directors of the Company and being eligible have offered themselves for re-election. Details of the assessment of the directors standing for re-election are on page 69 of the Corporate Governance Overview Statement in the 2017 Annual Report.

4. Re-election of Director who retires in accordance with Article 112

Article 112 of the Company's Articles of Association provides that the Directors shall have power at any time and from time to time to appoint any other person to be a Director of the Company either to fill a casual vacancy or as an addition to the existing Directors but so that the total number of Directors shall not at any time exceed the maximum number fixed by the Company's Articles of Association. Any Director so appointed shall hold office until the next AGM of the Company and when he shall retire, he shall be eligible for re-election. Madam Umang Nangku Jabu who was appointed as a Director of the Company on 21 September 2017 is standing for re-election as a Director of the Company in accordance with Article 112 of the Company's Articles of Association and being eligible has offered herself for re-election. Details of the assessment of the director standing for re-election are on page 69 of the Corporate Governance Overview Statement in the 2017 Annual Report.

5. Directors' Remuneration

Section 230(1) of the Act provides amongst others, that "the fees" of the directors and "any benefits" payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. In this regard, the Board has proposed to seek shareholders' approval for Directors' remuneration in two (2) separate resolutions as follows:

- Ordinary Resolution 5 on payment of Directors' fees for the year ended 31 December 2017
- Ordinary Resolution 6 on payment of Directors' remuneration (excluding Directors' fees) from the date of the forthcoming AGM to the next AGM of the Company

The Directors' remuneration (excluding Directors' fees) comprises the allowances and other emoluments payable to the Non-Executive Chairman, Deputy Chairman, members of the Board, Board Committees and subsidiaries of CMS. The current Non-Executive Director ("NED")s' remuneration policy is as set out below:

Cahya Mata Sarawak Berhad ("CMS")

Description	Chairman	Deputy Chairman	NED who is Chairman of subsidiary company
Monthly Fixed Allowance	RM50,000	RM40,000	Nil
Other Benefits	Driver, motor vehicle, petrol	Driver, motor vehicle, petrol	Driver, motor vehicle, petrol

Board Committee Fees	Chairman	NED/Member
Group Audit Committee	RM24,000	RM16,000
Nomination and Remuneration Committee	RM16,000	RM12,000
Group Risk Committee	RM16,000	RM12,000

Type of Meeting Allowance (per meeting)	Chairman	NED/Member
Board of CMS	RM2,000	RM2,000
General meeting of CMS	RM2,000	RM2,000
Board Committee	RM2,000	RM2,000
Board of Subsidiary	RM3,000	RM2,000

Directors' fees are paid in arrears on a monthly basis to directors of subsidiary companies of CMS.

The Executive Directors are not entitled to Directors' fees or meetings allowances for Board and Board Committee meetings that they attend and are members of. The Executive Directors who are appointed as nominated representatives on the Boards of subsidiary companies are also not entitled to Directors' fees and/or meetings allowances paid to the Boards of subsidiary companies. However, they are entitled to Directors' fees and/or meetings allowances paid to the Boards of listed and/or selected unlisted associate companies of the Group in view of their duties, responsibilities and time commitment on them.

5. Directors' Remuneration (cont'd.)

The current Directors' fee policy for subsidiary companies in the Group is set out in the table below:

Subsidiary Company Directors' fee (per annum)	Chairman	NED/Member
Subsidiary company which achieves an annual turnover of RM90 million and over	RM18,000	RM12,000

The estimated total amount of remuneration (excluding Directors' fees) for the NEDs is based on number of meetings of the Board, Board Committees, subsidiary Boards as well as the number of NEDs involved in these meetings. The estimated amount is derived for the period from the forthcoming AGM up to April 2019 where the next AGM is provisionally scheduled. Payment of the said remuneration (excluding Directors' fees) is made by CMS or its subsidiaries on a monthly basis and/or as and when incurred subject to Ordinary Resolution 6 being passed by shareholders at the 43rd AGM. The Board's view is that it is equitable for the NEDs to be paid Directors' remuneration (excluding Directors' fees) after they have rendered their services to the Company and/or its subsidiaries and discharged their duties and responsibilities.

6. Re-appointment of Auditors

The Board at its meeting held on 12 March 2018 approved the recommendation by the Group Audit Committee on the re-appointment of Messrs Ernst & Young ("EY") as Auditors of the Company. The Board and Group Audit Committee had considered and collectively agreed that EY has met the relevant criteria prescribed by Paragraph 15.21 of the Main Market Listing Requirements.

7. Abstention from Voting

All the NEDs who are shareholders of the Company will abstain from voting on Ordinary Resolution 5 and Ordinary Resolution 6 concerning Directors' fees and Directors' remuneration (excluding Directors' fees) at the 43rd AGM. Any Director referred to in Ordinary Resolutions 2, 3, and 4 who is a shareholder of the Company will abstain from voting on the resolution in respect of his/her re-election or retention as a Director at the 43rd AGM.

8. Renewal of Authority to Allot and Issue Shares Pursuant to Section 76 of the Companies Act 2016

The proposed Ordinary Resolution 8, if passed, will give a renewed mandate to the Directors of the Company, pursuant to Section 76 of the Companies Act 2016 ("Renewed Mandate") for such purposes as the Directors may deem fit and in the interest of the Company. The Renewed Mandate, unless revoked or varied by the Company in a general meeting will expire at the conclusion of next AGM of the Company.

As at the date of this Notice, no new shares were issued pursuant to the mandate granted to the Directors at the 42nd AGM held on 26 April 2017 and the said mandate will lapse at the conclusion of the forthcoming 43rd AGM.

The Company is seeking the approval from the shareholders on the Renewed Mandate for the purpose of a possible fund raising exercise including but not limited to placement of shares for the purpose of funding future investment project(s), working capital and/or acquisitions and to avoid any delay and cost in convening general meetings to specifically approve such an issue of shares.

9. Proposed Shareholders' Mandate for RRPT

The proposed Ordinary Resolution 9, if passed, will allow the CMS Group to enter into recurrent related party transactions of a revenue or trading nature pursuant to the provisions of the Main Market Listing Requirements. The authority under this resolution will expire at the conclusion of the next AGM or the expiry of the period within which the next AGM is required by law to be held, or the same is revoked or varied by ordinary resolution of the shareholders of the Company in a general meeting, whichever occurs first. Further information on the Proposed Shareholders' Mandate for RRPT is set out in the Circular to Shareholders dated 27 March 2018 which is dispatched together with the Company's 2017 Annual Report.

10. Proposed Shareholders' Mandate for Share Buy-Back

The proposed Ordinary Resolution 10, if passed, will empower the Directors of the Company to purchase the Company's shares of an aggregate amount of up to 10% of the total number of issued shares of the Company for the time being. The authority under this resolution will expire at the conclusion of the next AGM or the expiry of the period within which the next AGM is required by law to be held, or the same is revoked or varied by ordinary resolution of the shareholders of the Company in a general meeting, whichever occurs first. The Proposed Shareholders' Mandate for Share Buy-Back is set out in the Statement Accompanying Notice of AGM which is dispatched together with the Company's 2017 Annual Report.

11. Proposed adoption of new Constitution of the Company ("Proposed Adoption")

The proposed Special Resolution 1 is primarily for the purpose of streamlining the Company's existing Memorandum and Articles of Association ("M&A") to be in line with the Act, the Main Market Listing Requirements, the prevailing statutory and regulatory requirements as well as to update the existing M&A of the Company, where relevant, to render consistency throughout in order to facilitate and further enhance administrative efficiency. Further information on the Proposed Adoption is set out in Part B of the Circular to Shareholders dated 27 March 2018 which is dispatched together with the Company's 2017 Annual Report.

12. Proxy and Entitlement of Attendance

i. A member entitled to attend and vote at the meeting is entitled to appoint a proxy (or in the case of a corporation, a duly authorised representative) to vote in his stead. If the proxy is not a member, he shall be any person and there shall be no restriction as to the qualification of the proxy. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.

ii. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint a proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

iii. Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

iv. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or, if the appointer is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.

v. The instrument appointing a proxy must be deposited at the Registered Office of the Company at Level 6, Wisma Mahmud, Jalan Sungai Sarawak, 93100 Kuching, Sarawak not less than forty-eight (48) hours before the time set for holding the meeting or at any adjournment thereof. The instrument appointing a proxy via facsimile transmission or email is not acceptable.

vi. Only members whose names appear in the Record of Depositors as at 18 April 2018 shall be entitled to attend and vote at the meeting.

13. Poll Voting

Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements, all the Resolutions set out in this Notice will be put to vote by poll.

14. Publication of AGM Notice on the Company's Website

Pursuant to Section 320 of the Companies Act 2016, the Notice of the Company's 43rd AGM is also available on the Company's website www.cmsb.com.my throughout the period beginning from the date of notice until the conclusion of the 43rd AGM.

Statement Accompanying Notice of 43rd Annual General Meeting

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

A. The profiles of the Directors who are standing for re-election as per Agenda 3 and Agenda 4 of the Notice of 43rd Annual General Meeting ("AGM") are stated on pages 48, 49 and 52 of this Annual Report.

B. The profiles of the Directors are stated on pages 45 to 52 of this Annual Report. Their shareholdings in the Company and subsidiary company are set out on page 198.

C. Details on the authority to allot and issue shares in the Company pursuant to Section 76 of the Companies Act 2016 are set out in Note 8 of the Notice of 43rd AGM on page 215 of this Annual Report.

SHARE BUY-BACK STATEMENT

1. IMPORTANCE

If you are in any doubt as to the course of action to be taken, you should consult your Stockbroker, Bank Manager, Solicitor, Accountant or other Professional Adviser immediately.

Bursa Malaysia Securities Berhad ("Bursa Securities") has not perused this Share Buy-Back Statement ("Statement") prior to its issuance as it is an exempt Statement. Bursa Securities takes no responsibility for the contents of this Statement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Statement.

2. DETAILS OF THE PROPOSED SHAREHOLDERS' MANDATE FOR SHARE BUY-BACK

2.1 Introduction

At the Forty-Second Annual General Meeting ("AGM") held on 26 April 2017, Cahya Mata Sarawak Berhad ("CMS" or "the Company") obtained shareholders' approval for the purchase of up to a maximum of ten percent (10%) of the total number of issued shares of the Company on Bursa Securities.

This authority conferred by the shareholders will expire at the conclusion of the forthcoming 43rd AGM of the Company.

On 23 February 2018, the Board of Directors of CMS ("Board") announced to Bursa Securities that CMS proposed to seek shareholders' approval for the renewal of the Shareholders' Mandate at the forthcoming Forty-Third AGM to allow the Directors to exercise the power of the Company to purchase its own Shares (referred to the Ordinary Shares of CMS "Share(s)" or "CMS Shares") of up to a maximum of ten percent (10%) of the total number of issued shares of CMS at any point in time through Bursa Securities ("Proposed Shareholders' Mandate for Share Buy-Back" or "Proposed Share Buy-Back").

The purpose of this statement is to provide you with information on the Proposed Share Buy-Back, and to seek your approval for the ordinary resolution to be tabled under special businesses at the forthcoming 43rd AGM of the Company.

The Proposed Shareholders' Mandate for Share Buy-Back will take effect immediately after the passing of the ordinary resolution at the forthcoming 43rd AGM and will continue in force until:-

(a) the conclusion of the next AGM of the Company;

(b) the expiration of the period within the next AGM of the Company subsequent to the date it is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("the Act") but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act; or

(c) revoked or varied by a resolution passed by the shareholders in general meeting,

whichever is the earlier.

The Shareholders' Mandate for Share Buy-Back, if obtained, would give authority to the Directors to exercise the power of the Company to purchase its own Shares in circumstances which the Directors consider would be in the interest of the Company.

SHARE BUY-BACK STATEMENT (CONT'D.)

2. DETAILS OF THE PROPOSED SHAREHOLDERS' MANDATE FOR SHARE BUY-BACK (CONT'D.)

2.2 The maximum number or percntage of share to be acquired

The Board proposes to seek a mandate from the shareholders of CMS to purchase and/or hold in aggregate up to ten percent (10%) of the total number of issued shares of the Company at any point in time through Bursa Securities.

2.3 Funding

The Board proposes to allocate a maximum amount not exceeding the audited retained profits of CMS for the purchase of its own Shares. As at 31 December 2017, the audited retained profits of the Company amounted to RM4.624 million. As at 28 February 2018, the unaudited retained profits of the Company amounted to RM215,227.

The funding of the Proposed Share Buy-Back will be sourced from internally generated funds and/or bank borrowings, the proportion of which will depend on the quantum of purchase consideration as well as the availability of internally generated funds and borrowings and repayment capabilities of the Company at the time of purchase. In the event that the Proposed Share Buy-Back is to be partly financed by bank borrowings, the Board will ensure that the Company will have sufficient funds to repay such borrowing and that the repayment would not have any material effect on the cash flow of CMS and its subsidiaries companies, collectively ("CMS Group" or "the Group").

3. SHAREHOLDINGS OF DIRECTORS AND MAJOR/SUBSTANTIAL SHAREHOLDERS AND PERSON CONNECTED WITH THE DIRECTORS AND MAJOR SHAREHOLDERS

As at 28 February 2018 being the latest practicable date prior to printing of this Statement ("LPD") and assuming that CMS purchases shares of up to ten percent (10%) of its total number of issued shares and that the Purchased Shares are from public shareholders, the effects of the Proposed Share Buy-Back on the shareholdings of the Directors, Major/Substantial Shareholders and persons connected with the Directors and/or Major Shareholders are as follows:-

	No. of CMS Shares held							
	As at LPD				After Proposed Shareholders' Mandate for Share Buy-Back assuming 10% of the ordinary share capital are bought back and cancelled			
Directors	Direct	%	Indirect	%	Direct	%	Indirect	%
Dato Sri Mahmud Abu Bekir Taib	24,138,455	2.25	-	-	24,138,455	2.50	-	-
Datuk Syed Ahmad Alwee Alsree	1,000,000	0.09	136,890,306(2)	12.74	1,000,000	0.10	136,890,306(2)	14.16
Dato' Richard Alexander John Curtis	1,550,000	0.14	-	-	1,550,000	0.16	-	-
Datuk Seri Yam Kong Choy	60,000	0.01	-	-	60,000	0.01	-	-

SHARE BUY-BACK STATEMENT (CONT'D.)

3. SHAREHOLDINGS OF DIRECTORS AND MAJOR/SUBSTANTIAL SHAREHOLDERS AND PERSON CONNECTED WITH THE DIRECTORS AND MAJOR SHAREHOLDERS (CONT'D.)

Major/Substantial Shareholders	No. of CMS Shares held							
	As at LPD				After Proposed Shareholders' Mandate for Share Buy-Back assuming 10% of the ordinary share capital are bought back and cancelled			
	Direct	%	Indirect	%	Direct	%	Indirect	%
Dato Hajjah Hanifah Hajar Taib-Alsree	2,115,000	0.20	135,775,306[1]	12.64	2,115,000	0.22	135,775,306[1]	14.04
Datuk Syed Ahmad Alwee Alsree	1,000,000	0.09	136,890,306[2]	12.74	1,000,000	0.10	136,890,306[2]	14.16
Majaharta Sdn Bhd	134,775,306	12.54	-	-	134,775,306	13.94	-	-
Jamilah Hamidah Taib	-	-	134,775,306[1]	12.54	-	-	134,775,306[1]	13.94
Lejla Taib @ Datuk Patinggi Dr. Hajjah Lejla Taib (deceased)	111,000,000	10.33	-	-	111,000,000	11.48	-	-
Dato Sri Sulaiman Abdul Rahman Taib	88,395,255	8.23	-	-	88,395,255	9.14	-	-
Sarawak Economic Development Corporation	60,896,080	5.67	-	-	60,896,080	6.30	-	-
Citigroup Nominees (Tempatan) Sdn Bhd for Employees Provident Fund Board	117,703,727	10.96	-	-	117,703,727	12.17	-	-
Lembaga Tabung Haji	97,659,800	9.09	-	-	97,659,800	10.10	-	-
Person Connected with Directors and/or Major Shareholders								
Mohamed Zaid bin Mohamed Zaini	5,000	0.00#	-	-	5,000	0.00#	-	-

Notes:

(1) Deemed interested pursuant to Section 8(4) of the Act.
(2) Deemed interested pursuant to Section 59(11)(c) of the Act.
\# negligible

SHARE BUY-BACK STATEMENT (CONT'D.)

4. POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED SHARE BUY-BACK

4.1 Potential Advantages

The Proposed Share Buy-Back will enable the Company to utilise its surplus financial resources not immediately required for use, to purchase its own Shares. The Proposed Share Buy-Back may enhance the Earnings Per Share ("EPS") and reduce the liquidity level of the Shares of the Company in Bursa Securities, which generally shall have a positive impact on the market price of the Shares of the Company. Other potential advantages of the Proposed Share Buy-Back to the Company and its shareholders are as follows:-

(a) to allow the Company to take preventive measures against speculation particularly when its Share are undervalued which would in turn stabilize the market price of the Shares and hence, enhance investors' confidence;

(b) when the Shares bought back by the Company are cancelled, shareholders of the Company are likely to enjoy an increase in the value of their investment in the Company as the net EPS of the Company and the Group will increase proportionately; and

(c) the Purchased Shares may be held as Treasury Shares and distributed to shareholders as dividends and/or resold in the open market with the intention of realising a potential capital gain in the Purchased Shares are resold at price(s) higher than their purchase price(s).

4.2 Potential Disadvantages

The potential disadvantages of the Proposed Share Buy-Back to the Company and its shareholders are as follows:-

(a) the Proposed Share Buy-Back will reduce the immediate financial resources of the Group;

(b) the Proposed Share Buy-Back will reduce the amount of financial resources available for distribution to shareholders of the Company in the form of cash dividends;

(c) CMS Group foregoing other better investment opportunities which may emerge in the future and/or any income that may be derived from other alternatives uses of such funds as deposit in interest bearing instruments; and

(d) The cash flow of the Company may be affected if the Company decides to utilise bank borrowing to finance the Proposed Share Buy Back.

Nevertheless, the Board is of the view that the Proposed Share Buy-Back is not expected to have any potential material disadvantages to the shareholders of the Company as well as the Group as it will be implemented only after careful consideration of the financial resources of the Group and the resultant impact on the shareholders of the Company.

5. FINANCIAL EFFECTS

Based on the assumption that the Proposed Shareholders' Mandate for Share Buy-Back is carried out in full, the effect of the Proposed Share Buy-Back on the share capital, dividend, Net Assets ("NA"), EPS and working capital of CMS are as set out below:-

(a) Share capital

Based on the total number of issued shares of CMS as at LPD of 1,074,375,720 CMS Shares, a maximum of 107,437,572 CMS Shares may be purchased and cancelled pursuant to the Proposed Share Buy-Back.

The Proposed Shareholders' Mandate for Share Buy-Back will not have any effect on the total number of issued share of the Company if all the Shares purchased are retained as Treasury Shares.

SHARE BUY-BACK STATEMENT (CONT'D.)

5. FINANCIAL EFFECTS (CONT'D.)

(a) Share capital (cont'd.)

The effect of the Proposed Shareholders' Mandate for Share Buy-Back on the total number of issued share of the Company if all the Shares Purchased are cancelled is outlined below:-

	No. of CMS Shares
Existing total number of issued shares as at LPD	1,074,375,720
Purchased and held as treasury shares as at LPD	-
If maximum number of shares are purchased pursuant to the Proposed Share Buy-Back	(107,437,572)
Total number of issued share, if 107,437,572 Treasury Shares are cancelled	966,938,148

(b) Dividends

Assuming the Proposed Shareholders' Mandate for Share Buy-Back is implemented in full and the dividend quantum is maintained at historical levels, the Proposed Share Buy-Back will have the effect of increasing the dividend rate of CMS as a result of the reduction in the issued share capital of CMS as described under Section 5 (a) above.

(c) NA Per Share and EPS

The NA per share of the Company may be increased or decreased, depending on the purchase prices of the Shares to be bought back by the Company. Should the purchase prices exceed the existing NA per share, the NA of the remaining Shares should decrease accordingly. And conversely, should the purchase price be lower than the existing NA per share unit, the resultant NA per share should increase accordingly. The effective reduction in the issued share capital of the Company pursuant to the Proposed Share Buy-Back would generally, all else being equal, increase the consolidated EPS of the Company. However, the Proposed Share Buy-Back, if exercised, is not expected to have any material effect on the NA per share and EPS of the Company for the financial year ending 31 December 2018.

(d) Working Capital

The Proposed Share Buy-Back, as and when implemented will reduce the working capital and cash flow of the Group, the quantum being dependent on the number of Purchased Shares, the purchase price of CMS Ordinary Shares and the amount of financial resources to be utilized for the purchase of CMS Ordinary Shares. However, it is not expected to have a material effect on the working capital and cash flow of the Group.

For Purchased Shares which are retained as treasury shares or transfer, upon its resale or transfer, the working capital and cash flow of the Company will increase. Again, the quantum of the increase in the working capital and cash flow will depend on the actual selling price of the Treasury Shares and the number of Treasury Shares resold or transferred.

6. IMPLICATION OF THE MALAYSIAN CODE ON TAKE-OVERS AND MERGERS, 2010, AS AMENDED FROM TIME TO TIME AND ANY RE-ENACTMENT THEREOF ("CODE")

Based on the Company's issued share capital and the shareholdings of the substantial shareholders of the Company as at LPD, the Proposed Share Buy-Back is not expected to trigger any obligation by the substantial shareholders of the Company and/or parties acting in concert with them to undertake a mandatory offer under the Code. The effect on the shareholdings of the substantial shareholders of the Company after the implementation of the Proposed Share Buy-Back is shown in Section 5 of this Statement.

SHARE BUY-BACK STATEMENT (CONT'D.)

7. PURCHASE AND RESALE OF ITS OWN SHARES IN THE PRECEDING 12 MONTHS

CMS does not have any transaction on purchase and resale of its own Shares in the preceding 12 months prior to the LPD.

8. PRICING

(a) CMS shall purchase its own Shares or resell its Treasury shares (if applicable) only on the market of Bursa Securities. The price for the purchase shall not be more than fifteen percent (15%) above the weighted average market price of CMS Shares for the five (5) market days immediately preceding the date of purchase.

(b) If the Purchased Shares are subsequently resold on Bursa Securities, the price for the resale or transfer of Treasury Shares shall:-

(i) not be less than the weighted average market price for CMS Shares for five (5) market days immediately prior to the resale or transfer; or

(ii) not be more than 5% to the weighted average market price for CMS Shares for five (5) market days immediately prior to the resale or transfer provided that:-

(aa) the resale or transfer takes place no earlier than 30 days from the date of the purchase; and

(bb) the resale or transfer price is not less than the cost of purchase of the Purchased Shares being resold or transferred.

9. SHARE PRICES

The following table sets out the monthly highest and lowest transacted prices of the Company's Shares on Bursa Securities for the last twelve (12) months from March 2017 to February 2018:-

Year		Highest (RM)	Lowest (RM)
2017 -	March	4.35	4.13
	April	4.57	4.16
	May	4.70	4.00
	June	4.14	4.00
	July	4.15	3.56
	August	4.06	3.82
	September	4.16	3.80
	October	4.01	3.69
	November	4.04	3.30
	December	3.97	3.61
2018 -	January	4.37	3.77
	February	4.42	3.89

(Source: Yahoo Finance)

The last transacted price per share unit of the Company on 28 February 2018 being the LPD prior to the printing of this Statement, was RM4.30.

SHARE BUY-BACK STATEMENT (CONT'D.)

10. TREATMENT OF SHARES PURCHASED

In accordance with Section 127 of the Act, the Company would be able to deal with any CMS Ordinary Shares so purchased by the Company in the following manner:-

(i) to cancel the Purchased Shares so purchased; or

(ii) to retain the Purchased Shares so purchased as Treasury Shares for distribution as dividend to the shareholders, resell in accordance with the relevant rules of the Bursa Securities, transfer for the purposes of or under an employees' share scheme, transfer as purchase consideration, cancel the shares and/or sell, transfer or otherwise use the shares for such other purposes as the Minister may be order prescribe; or

(iii) to retain part of the Purchased Shares so purchased as treasury shares and cancel the remainder; or

(iv) to deal in such other manner as the Bursa Securities and such other relevant authorities may allow from time to time.

The decision whether to retain the Purchased Shares as treasury shares, or to cancel the Purchased Shares or a combination of both, will be made by the Board at the appropriate time.

11. PUBLIC SHAREHOLDING SPREAD

The Proposed Share Buy-Back will be carried out in accordance with the prevailing laws at the time of the purchase including compliance with the 25% public shareholding spread as required under paragraph 8.02 (1) of the Listing Requirements.

As at LPD the public shareholding spread of the Company was 60.48%. The Board will ensure that the Company complies with the minimum public spread of 25% in implementing the Proposed Share Buy-Back.

12. DIRECTORS' RECOMMENDATION

The Board of Directors having considered all aspects of the Proposed Shareholders' Mandate for Share Buy-Back is of the opinion that the said Proposed Shareholders' Mandate for Share Buy-Back is in the best interest of the Company and therefore recommends that you vote in favour of the Ordinary Resolution No. 10 on the Proposed Shareholders' Mandate for Share Buy-Back to be tabled at the 43rd AGM.

13. DIRECTORS' RESPONSIBILITY STATEMENT

This Statement has been seen and approved by the Directors of the Company and they collectively and individually accept full responsibility for the accuracy and correctness of the information contained in this Statement and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts the omission of which would make this Statement misleading.

14. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents will be available for inspection at the Registered Office of the Company at Level 6, Wisma Mahmud, Jalan Sungai Sarawak, 93100 Kuching, Sarawak, during the normal office hours from Mondays to Fridays (except public holidays) from the date of this Statement to the time set for the convening of the 43rd AGM:-

(i) Memorandum and Articles of Association of the Company; and

(ii) Statutory financial statements of the Company for the past two (2) financial years ended 31 December 2016 and 31 December 2017.

This Statement is dated 27 March 2018.

This page has been intentionally left blank

This page has been intentionally left blank

REQUEST FORM

DEAR SHAREHOLDERS OF CAHYA MATA SARAWAK BERHAD (21076-T),

We are pleased to provide our Annual Report 2017 in CD-ROM, which will enable you to download, print any relevant page or e-mail the file as an attachment to your intended recipient. The same is also available on Cahya Mata Sarawak Berhad's website, www.cmsb.com.my under Investor Relations-Reports-Annual Reports.

Copies of the following documents are enclosed together with the Annual Report 2017 Abridged Version for your kind attention:

1. Notice of 43rd Annual General Meeting ("AGM");
2. Statement Accompanying Notice of 43rd AGM;
3. Share Buy-Back Statement;
4. Form of Proxy for the 43rd AGM; and
5. Administrative Guide for the 43rd AGM.

Should you require a printing copy of the Annual Report 2017, please forward your request by completing the Request Form provided below.

The printed copy of the Annual Report will be forwarded to you by ordinary post within four market days from the date of receipt of your verbal or written request.

We would like to thank you for your support of Cahya Mata Sarawak Berhad. Should you have any queries, please do not hesitate to contact us at the numbers given below.

Yours sincerely,
Y A M Tan Sri Dato' Seri Syed Anwar Jamalullail
Chairman

REQUEST FORM FOR PRINTED COPY OF ANNUAL REPORT 2017 OF CAHYA MATA SARAWAK BERHAD

Cahya Mata Sarawak Berhad (21076-T)
Level 6, Wisma Mahmud
Jalan Sungai Sarawak
93100 Kuching
Sarawak

t +60 82 238 888 : Ms Shirly Ann Clarke
f +60 82 487 078
e www@hq.cmsb.com.my

Symphony Share Registrars Sdn Bhd (378993-D)
Level 6, Symphony House
Pusat Dagangan Dana 1, Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan

t +60 3 7849 0777 : Mr Zulkernaen Abdul Samad
f +60 3 7841 8151 / +60 3 7841 8152
e ask_us@symphony.com.my

Please send to me/us a printed copy of Cahya Mata Sarawak Berhad Annual Report 2017.

PARTICULARS OF SHAREHOLDER

Name : ....

Identity Card No./Passport No./Company No. : ....

CDS Account No. : ....

Mailing Address : ....

....

....

Tel No. : ....

Dated this.......... day of.............................. 2018

....
Signature of Shareholder

Folding line

Stamp

The Company Secretary
Cahya Mata Sarawak Berhad (21076-T)
Level 6 Wisma Mahmud
Jalan Sungai Sarawak
93100 Kuching
Sarawak
Malaysia

Folding line

FORM OF PROXY

CAHYA MATA SARAWAK
CAHYA MATA SARAWAK BERHAD
(Company No. 21076-T)
(Incorporated in Malaysia)

Number of shares held:
CDS Account No.:

I/We (full name) ______________________________ NRIC/Co. No. ______________________

of (full address) ____

being a member/members of Cahya Mata Sarawak Berhad ("the Company") hereby appoint (full name & NRIC No.) ______________________

____

of (full address) ____

or, failing him, the Chairman of the Meeting as my/our proxy to attend and vote for me/us and on my/our behalf at the 43rd Annual General Meeting of the Company to be held at Colosseum 1, Level 2, Pullman Hotel, 1A Jalan Mathies, 93100 Kuching, Sarawak on Wednesday, 25 April 2018 at 10:00 a.m. and at any adjournment thereof and to vote as indicated below:

No.	Ordinary Resolutions	For	Against
1.	Declaration of first and final tax exempt (single-tier) dividend		
2.	Re-election of Y D H Dato' Richard Alexander John Curtis as Director		
3.	Re-election of Y Bhg Datuk Seri Yam Kong Choy as Director		
4.	Re-election of Madam Umang Nangku Jabu as Director		
5.	Approval of Payment of Directors' fees 2017		
6.	Approval of Payment of Directors' remuneration (excluding Directors' fees)		
7.	Re-appointment of Messrs Ernst & Young as Auditors		
8.	Authority to Directors to allot and issue shares		
9.	Proposed Shareholders' Mandate for RRPT		
10.	Proposed Shareholders' Mandate for Share Buy-Back		
No.	**Special Resolution**	**For**	**Against**
1.	Proposed adoption of new Constitution of the Company		

Date: 2018

Signature: ....

Notes:

Proxy and/or Authorised Representatives

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy (or in the case of a corporation, a duly authorised representative) to vote in his stead. If the proxy is not a member, he shall be any person and there shall be no restriction as to the qualification of the proxy. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
2. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint a proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
3. Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
4. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or, if the appointer is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.
5. The instrument appointing a proxy must be deposited at the Registered Office of the Company at Level 6, Wisma Mahmud, Jalan Sungai Sarawak, 93100 Kuching, Sarawak not less than forty-eight (48) hours before the time set for holding the meeting or at any adjournment thereof. The instrument appointing a proxy via facsimile transmission or email is not acceptable.
6. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the Resolutions set out in the Notice will be put to vote by poll.

Members entitled to Attend

For the purpose of determining a member who shall be entitled to attend the 43rd AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Article 77A(2) of the Company's Articles of Association to issue a General Meeting Record of Depositors ("ROD") as at 18 April 2018. Only a depositor whose name appears in the Register of Members/ROD as at 18 April 2018 shall be entitled to attend the said meeting or appoint proxy/proxies to attend, speak and vote on his/her behalf.

Folding line

Stamp

The Company Secretary
Cahya Mata Sarawak Berhad (21076-T)
Level 6 Wisma Mahmud
Jalan Sungai Sarawak
93100 Kuching
Sarawak
Malaysia

Folding line

OPERATING INSTRUCTIONS

This is an Auto-Play CD-ROM. Simply put the CD-ROM into your CD-ROM drive and follow the instructions on-screen. Please note the initial start-up will require some time to view. If you have disabled the auto-play feature on your computer, or if the CD-ROM does not start automatically, please follow these instructions to proceed:

Double click on
...“My Computer”
...CD-ROM drive “CMS AR2017”
...icon marked “CMS AR2017”

Recommended System Requirements:

For Windows users
- Intel Core i5 or above
- Windows 8 or later
- 4GB RAM or higher
- High Colour (32-bit)
- Recommended screen resolution: 1366 x 768 pixels
- 16x speed CD-ROM super drive or higher
- Adobe Acrobat Reader 10.3 or later

For Mac users
- Mac OS X 10.7.5 or later
- 4GB RAM or higher
- Minimum 32-bit colour display
- Recommended screen resolution: 1366 x 768 pixels
- 16x speed CD-ROM super drive or higher
- Adobe Acrobat Reader 10.3 or later

www.cmsb.com.my

CAHYA MATA SARAWAK BERHAD (21076-T)
Wisma Mahmud, Jalan Sungai Sarawak
93100 Kuching, Sarawak
t +60 82 238 888
f +60 82 333 828