



## CAHYA MATA SARAWAK BERHAD REPORTS IMPROVED EARNINGS

Friday, 23 February 2018

### CAHYA MATA SARAWAK BERHAD REPORTS IMPROVED EARNINGS

**Year-on-year profit after tax and non-controlling interests (PATNCI) up 27% to RM215.24 million**

**Kuching (Sarawak), Friday, 23 February 2018** – Cahya Mata Sarawak Berhad (CMSB - 2852), the State's leading infrastructure facilitator, is pleased to announce its financial performance for the financial year ended 31 December 2017 (FY2017). The Group reported total revenue of RM1.61 billion and a pre-tax profit (PBT) of RM332.79 million for FY2017. Both Revenue and PBT increased by 4% and 10%, respectively, in comparison to the preceding year's (FY2016) result of RM1.55 billion and RM302.14 million.

Year-on-year, the Group's profit after tax and non-controlling interests (PATNCI) of RM 215.24 million for FY2017 was 27% higher than the RM169.18 million reported for FY2016. Earnings per share (EPS) stood at 20.03 sen versus 15.75 sen for the previous year.

Contributions towards FY2017's earnings came from all four Divisions: Cement Division, Construction & Road Maintenance Division, Construction Materials & Trading Division and Property Development Division. The Cement Division maintained a healthy PBT level of RM101.34 million, marginally short of FY2016's PBT of RM105.00 million. The Division's resilient performance came on the back of the newly commissioned Integrated Cement plant in Mambong, enhanced operational and production efficiencies of the Pending and Bintulu plants, as well as savings from lower coal and key raw material costs.

The Construction & Road Maintenance Division recorded a PBT of RM90.20 million in FY2017 – an increase of 6% over FY2016's profit of RM85.41 million on the back of higher revenue. Road maintenance revenue was 2% higher in FY2017 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 project. Construction revenue was 65% higher in FY2017 mainly due to contributions from two new road



## CAHYA MATA SARAWAK BERHAD REPORTS IMPROVED EARNINGS

Friday, 23 February 2018

construction projects; namely, the Pan Borneo Highway project and the Miri-Marudi road rehabilitation project.

The Construction Materials & Trading Division reported a PBT of RM59.71 million for FY2017, 44% lower than the PBT of RM106.75 million reported during FY2016. This was mainly attributable to lower sales due to the closure of the Penkuari quarry plant as a result of soil erosion, shut-down and relocation of a premix plant and slower implementation of Government projects during the first half of the year.

The Property Development Division's PBT soared by 101% to a PBT of RM47.22 million in FY2017, from FY2016's reported PBT of RM23.51 million. 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.

The Group also recorded a higher share of profit of RM31.62 million in FY2017 from the share of results of its joint-ventures in comparison to FY2016's profit contribution of RM23.28 million. The increase was mainly attributable to the excellent performance of CMS Opus Private Equity Sdn Bhd and two private equity funds.

Furthermore, CMSB recorded a profit of RM43.50 million in FY2017 from the share of results of its associates, a significant improvement of 224% in comparison to FY2016's losses of RM35.17 million. This was largely due to the Group's 25% associate, OM Materials (Sarawak) Sdn Bhd's improved performance, which is expected to be sustained if ferrosilicon and manganese alloy prices and production outputs are maintained at their current levels. The OM Materials (Sarawak)'s loss in FY2016 was mainly due to the unwound of its currency hedging position.



## CAHYA MATA SARAWAK BERHAD REPORTS IMPROVED EARNINGS

Friday, 23 February 2018

Commenting on the results, CMSB Group Chief Executive Officer – Corporate, Dato Isaac Lugun, said: "There has been an up-swing in the Group's financial performance for FY2017 despite the challenging market and operational conditions faced by our Group. During the year, demand for construction materials and related services was sluggish but 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) Sdn Bhd, which was buoyed by the improvement in commodity prices."

"We expect the demand for construction materials and related services to remain sluggish in 2018, but we will start to see some upsides as the Pan Borneo Highway project gathers momentum, raising demand for quarry products and cement-based materials. We are hopeful that spending on recent allocations made by the Federal and State governments for infrastructure and telco-infrastructure will start soon to help boost construction activity in the State. We also expect our strategic investments, through our associates, to continue to positively contribute to the Group's performance."

"We believe that CMSB continues to be the best proxy for Sarawak's economic growth. With its healthy balance sheet, the Group is well positioned to benefit in all key growth areas in the State: through OM Materials (Sarawak) Sdn Bhd in the Sarawak Corridor for Renewable Energy (SCORE) initiative, through SACOFA Sdn Bhd in the State's push to fully embrace the digital economy and through PPES Works (Sarawak) Sdn Bhd and our construction materials supply companies in the roll-out of the Pan Borneo Highway project, other infrastructure projects and the State's rural transformation plan." added Dato Isaac Lugun.

--END--



## CAHYA MATA SARAWAK BERHAD REPORTS IMPROVED EARNINGS

Friday, 23 February 2018

For Media Enquiries Cahaya Mata Sarawak Berhad	For Media Enquiries Core Pro PR
Shirly Ann Clarke Manager, Group Corporate Communications Tel : +60 82 238 888 shirlyac@hq.cmsb.com.my	Neil Fraser Executive Director Tel : +60 16 206 4249 neil@corepro-pr.com

### About Cahya Mata Sarawak Berhad

Cahaya Mata Sarawak Berhad (CMSB) is a leading corporation listed on the Main Market of the Malaysian stock exchange, Bursa Malaysia, and is a major private-sector player in Sarawak, the largest State in Malaysia.

CMSB has evolved from a single product manufacturer of cement, beginning in 1974 to become a corporation focused on its Vision "To Become the Pride of Sarawak & Beyond".

Today, CMSB's portfolio spans over 35 companies involved in the manufacturing & trading of cement and construction materials, construction, road maintenance, property & infrastructure development, financial services, education, steel & pipe fabrication & installation, ferro silicon & manganese smelting and telco infrastructure.