

**CMS POSTS PBT OF RM140 MILLION FOR 1H2021****Monday, 30 August 2021**

**Kuching (Sarawak), Monday, 30 August 2021** – Cahya Mata Sarawak Berhad (“**CMS**” or “**the Group**”) announced today that it closed six months ended 30 June 2021 (“1H2021”) with profit before tax (“PBT”) of RM140.0 million as compared to RM36.6 million in the same period of the preceding year (“1H2020”).

The increased profits compared to prior corresponding period were largely attributable to gains on disposal of Kenanga Investment Bank shares of RM28.5 million, gain on disposal of land of RM12.7 million, and improved performance of associates by RM29.2 million. Traditional core businesses also improved their performance due to the opening of economic activities with the selective easing of the Movement Control Order (“MCO”) as compared with the corresponding period where business experienced nationwide lockdown in 2Q2020 when the pandemic intensified.

The economic environment continues to be challenging with the recent upsurge in the Covid-19 infections nationwide which may delay the full opening of economic activities nationwide, especially on all the traditional core businesses. Increased cost pressures will come from logistics and materials, the impact of which the Group will take measures to mitigate. The performance of the coming quarters will depend on the speed of the progress of Malaysia's National Recovery Plan (NRP), and early signs have indicated positive results from the rapid vaccination programme of the Government.

The Group achieved the following results over the six months ended 30 June 2021:

The Cement Division’s 1H2021 revenue improved by 22% to RM237.8 million as compared to RM195.3million in 1H2020. The PBT of RM41.5 million compared to RM18.9 million in the same period of the previous year was achieved on the back of increased construction activities due to the easing of the MCO 3.0.

The Trading Division reported revenue of RM48.8 million in 1H2021, an improvement of 52% compared to 1H2020. The Division (excluding the share of joint ventures) posted a PBT of RM2.7 million as compared to PBT of RM0.7 million in 1H2020. The higher PBT is due to



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increased sales to the Public Works Department and profit recognition on a telecommunications tower project.

The Road Maintenance Division reported lower revenue of RM53.8 million as compared to RM69.4 million in the corresponding period of 1H2020. Gross profit margins were impacted by higher costs attributed to unfavourable ground conditions in a project. This impacted the Divisions PBT by a 37% drop to RM4.5 million from RM7.1 million for the corresponding 1H2020.

The Property Development Division's revenue increased by 74% to RM50.3 million mainly due to higher number of properties sold in 1H2021 in Bandar Samariang. As a result, profit attributable to this Division increased to RM11.3 million.

Strategic Investments share of profits from its associates increased to RM61.1million in 1H2021, 92% higher compared to the RM31.9 million in 1H2020. The higher share of profit was mainly due to higher contribution from Kenanga Investment Bank, with contribution of RM12.1 million in 1H2021 in comparison to a contribution of RM3.6 million in 1H2020.

In 1H2021, the share of results of joint ventures were RM12.8 million, which were contributed mainly by SEDC Resources Sdn Bhd ("SEDCR") and PPES Works (Sarawak) Sdn Bhd ("PPESW"). Arising from the disposals of 2% equity interest in SEDCR and PPESW, the Group now recognises 49% held as its share of results of the joint ventures.

The Malaysian Phosphate Additives Sarawak ("MPAS") project has not been progressing as scheduled due to technical and commissioning issues, the extent of which are being assessed and solutions being actively worked at. The Company is evaluating all options on the future direction of the MPAS project.

Overall, the Group is well positioned to achieve sustainable long-term growth notwithstanding the uncertainties and vagaries of the pandemic continuing to weigh down on global economic



**CAHYA MATA SARAWAK**

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**Media Release**

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growth. It will be closely monitoring the opening of the economy to take advantage of recovery growth areas and new business opportunities.

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### **About Cahya Mata Sarawak Berhad**

Cahya Mata Sarawak Berhad (CMS) 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. CMS 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, CMS' portfolio spans over 35 companies involved in the manufacturing and trading of cement and construction materials; construction; road maintenance; property and infrastructure development; financial services; education; steel and pipe fabrication plus installation; ferro silicon and manganese smelting; and telecommunication infrastructure.

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