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The cover design showcases the artwork of Dani Omar, a rising Malaysian talent. This aligns with YTL Cement's social programme, which began in 2019 and focuses on supporting the arts and promoting Malaysian artists. By creating meaningful platforms for these artists to present their work, YTL Cement continues to uphold its commitment to nurturing local creativity and fostering a vibrant arts community.

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Overview

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Corporate Profile

Malayan Cement Berhad (MCB) is a leading cement and building materials group in Malaysia and Singapore, playing a pivotal role in shaping the nations' skyline. Through its extensive network of operations, the MCB Group is dedicated to produce and supply an extensive range of sustainable building materials of superior quality, integral to construction projects of every scale. This comprehensive portfolio includes cement, ready-mixed concrete, drymix and quarry products tailored to meet the exacting demands of the industry.

Listed on Bursa Malaysia since 1961, MCB has integrated cement plants strategically located in five locations in Peninsular Malaysia. MCB's operational footprint in Malaysia is further strengthened by four grinding stations, one cement terminal facility, two cement depots, and extensive network of ready-mixed concrete batching plants, two drymix plants, and an aggregate quarry. In Singapore, MCB extends its reach through cement terminals and batching plants, ensuring the seamless supply of building materials for the country's developments.

With a strong reputation for delivering on complex, technically demanding and sophisticated projects, MCB is synonymous with reliability and innovation. The Group has a fleet of over 1,500 trucks, collectively covering more than 120,000 kilometers daily, ensuring that customer needs are seamlessly met across both countries. MCB's Construction Development Lab (CDL) serves as a research and development hub, dedicated to the R&D of customised cement and concrete solutions for the industry.

BUSINESS SEGMENTS



Cement



Concrete



Aggregates

KEY FINANCIAL HIGHLIGHTS

Revenue
RM4,446.4 million
FY2024

Total Assets
RM10,690.1 million
As at 30 June 2024

Profit Before Tax
RM647.5 million
FY2024

Market Capitalisation
RM6,978.6 million
As at 30 September 2024

Corporate Information

BOARD OF DIRECTORS

Executive Chairman

Tan Sri (Sir) Francis Yeoh Sock Ping

PSM, KBE, CBE, FICE, SIMP,
DPMS, DPMP, JMN, JP
Hon LLD (Nottingham), Hon DEng
(Kingston), BSc (Hons) Civil Engineering
FFB, F Inst D, MBIM, RIM

Group Managing Director

Dato' Sri Michael Yeoh Sock Siang

DIMP, SSAP
BEng (Hons) Civil & Structural
Engineering, FFB

Directors

Dato' Yeoh Seok Kian

DSSA
BSc (Hons) Bldg, MCIQB, FFB,
(Hon) D.Univ

Dato' Seri Yeoh Seok Hong

SPMS, DSPN, JP
BEng (Hons) Civil & Structural
Engineering, HonDSc, FFB

Dato' Yeoh Soo Keng

DIMP
BSc (Hons) Civil Engineering

Professor Datuk Ts. Ir. Dr. Siti Hamisah Binti Tapsir

PJN, JSM, DPMS
PhD Civil Engineering, Hon FAFEO, FIEM,
PEng, PTech (Eng), FASc

Yap Seng Chong

BA (Hons) Accounting, MIA, MICPA

Fong Yee Mei

MSc Property Investment, BSc (Hons)
Surveying (Property Management)

COMPANY SECRETARY

Ho Say Keng

AUDIT AND RISK MANAGEMENT COMMITTEE

Yap Seng Chong

(Chairman, Independent Non-Executive
Director)

Professor Datuk Ts. Ir. Dr. Siti Hamisah Binti Tapsir

(Independent Non-Executive Director)

Fong Yee Mei

(Independent Non-Executive Director)

REMUNERATION AND NOMINATION COMMITTEE

Professor Datuk Ts. Ir. Dr. Siti Hamisah Binti Tapsir

(Chairman, Independent Non-Executive
Director)

Yap Seng Chong

(Independent Non-Executive Director)

Fong Yee Mei

(Independent Non-Executive Director)

AUDITORS

HLB Ler Lum Chew PLT

(201906002362 & AF 0276)
Chartered Accountants
(A member of HLB International)

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
Main Market (17.3.1961)

REGISTERED OFFICE

33rd Floor, Menara YTL
205 Jalan Bukit Bintang
55100 Kuala Lumpur
Tel : 603 2038 0888
Fax : 603 2038 0388
Email : corpsecretariat@ytl.com

BUSINESS OFFICE

28th Floor, Menara YTL
205 Jalan Bukit Bintang
55100 Kuala Lumpur
Tel : 603 2038 0800

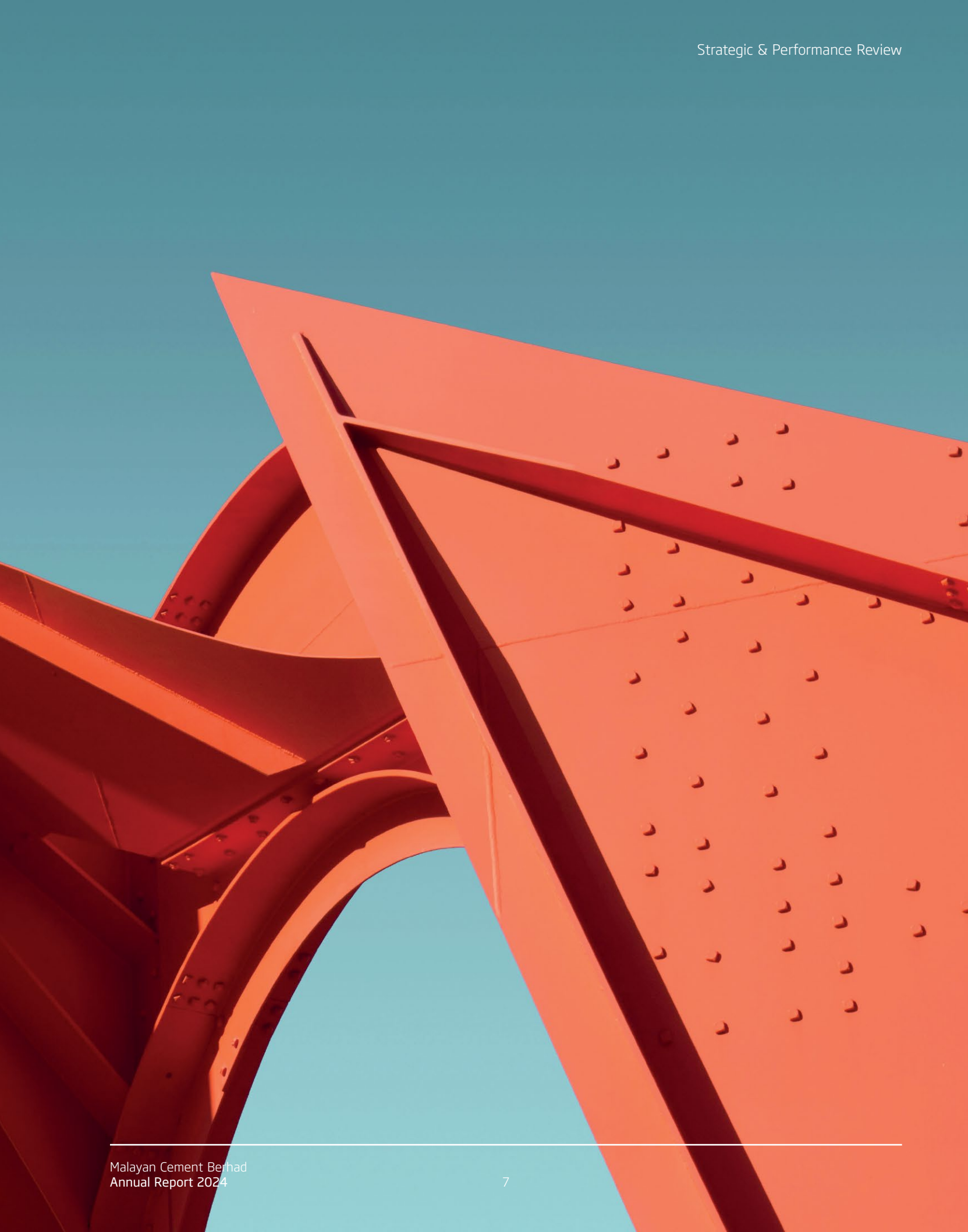
REGISTRAR

33rd Floor, Menara YTL
205 Jalan Bukit Bintang
55100 Kuala Lumpur
Tel : 603 2038 0888
Fax : 603 2038 0388
Email : shares@ytl.com

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Strategic & Performance Review

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Executive Chairman's Statement

Our Group has once again delivered outstanding results, driven by a favourable operational environment and ongoing improvements in efficiency and cost-effectiveness. These achievements reflect our steadfast commitment to operational excellence and our strategic initiatives, which continue to strengthen our market position and enhance our financial performance.



**TAN SRI (SIR)
FRANCIS YEOH
SOCK PING**

PSM, KBE
Executive Chairman

Executive Chairman's Statement

In recognition of this success, we are pleased to reward our loyal shareholders. In the year under review, the Board of Directors of Malayan Cement Berhad (MCB) declared an interim dividend of 4 sen per ordinary share paid on 26 June 2024, and second interim dividend of 6 sen per ordinary share to be paid on 15 November 2024. This brings the total dividend declared to 10 sen per ordinary share. This underscores our commitment to delivering consistent and attractive returns to our shareholders.

The construction industry remains a cornerstone of Malaysia's economic growth, driven by key infrastructure projects, urban development initiatives and non-residential ventures such as manufacturing, logistics facilities, data centers and semiconductor factories. Malaysia's increasing attractiveness as a destination for Foreign Direct Investment (FDI) in sectors like manufacturing, logistics and technology is particularly noteworthy, as it is expected to further boost construction activities. The recent upgrade of the country's credit rating by JP Morgan is a positive indicator of growing business confidence and investment prospects.

MCB is strategically positioned to capitalise on these opportunities. Our vertical integration allows us to provide comprehensive, end-to-end solutions, ensuring stringent quality control at every stage of production. This capability, combined with our extensive industry experience and expertise, solidifies our leadership in the market.

As industry leaders, we are committed to promoting sustainable construction practices. The launch of our ECO Product range highlights our dedication to environmental stewardship and innovation. Additionally, our proactive collaborations with stakeholders demonstrate our commitment to driving positive change within the industry.

Investing in the future talent pipeline is also a priority for MCB. In line with the YTL Group's philosophy, we are dedicated to educational initiatives that prepare students for the workforce. I am delighted with the on-going YTL Cement Scholarship, which has awarded close to 100 scholarships since its inception, and the recent launch of The University Industry Research Consortium (UIRC) on tropical limestone karst research. Such university-industry collaborations are crucial in equipping tertiary students with the skills needed for successful careers.

Complementing these initiatives, our ongoing Simen Rahmah project, in partnership with the Cement and Concrete Association of Malaysia (C&CA), highlights our commitment to nation building. Launched in 2023, this initiative saw the delivery of the first batch of Simen Rahmah in April 2024. Under this project, participating members of the C&CA will collectively supply one million tons of cement at a special price for the construction of approved affordable housing projects, thereby supporting national housing goals.

Looking ahead, Malaysia's international standing is poised for growth, showcasing a dynamic and resilient economy with a promising future driven by technological advancements, diversified growth and enhanced global connectivity. As Malaysia solidifies its position as a key hub for global business, technology ventures and data centres, we remain cautiously optimistic and vigilant in the face of wider economic volatility, inflationary pressures and geopolitical tensions. The Group will continue to pursue operational, logistical, and distributional efficiencies to deliver value to our shareholders and stakeholders. Thank you for your continued support.

Together, we will continue to work hard, build together and prosper.

TAN SRI (SIR) FRANCIS YEOH SOCK PING
PSM, KBE

Economic Review

The Malaysian economy demonstrated resilience in 2023, achieving a gross domestic product (GDP) growth of 3.7% despite a challenging external environment. This performance was supported by robust domestic demand, a recovery in tourism and improved labour market conditions. In 2024, growth accelerated to 4.2% in the first quarter and 5.9% in the second quarter, driven by improvements in domestic demand and exports.

Malaysia's construction sector improved in 2023, driven by faster progress in multi-year civil engineering projects, increased activity in the special trade subsector and a rebound in the residential subsector. This was supported by improved labour supply conditions and the easing of building material costs during the year *(sources: Bank Negara Malaysia updates & reports)*.

Group Managing Director's Review

The 2024 financial year has been another year of remarkable achievements for Malayan Cement Berhad (MCB). Our continued progress has been driven by the stabilisation of cement and concrete prices, alongside our ongoing efforts to enhance operational efficiencies. We recorded a revenue of RM4,446.4 million for the year under review, marking an 18% year-on-year increase. Group profit before tax reached RM647.5 million, showcasing a 156% growth compared to the previous year.

For over 70 years, we have had the privilege of contributing to Malaysia and Singapore's construction landscape, working closely with our partners and stakeholders along the way. From residences and homes to high-rise buildings and iconic landmarks, our unwavering commitment to quality and innovation has kept us in good stead as the nation's preferred building materials supplier.



Our vertical integration has been a key differentiator, enabling us to deliver greater efficiency and quality control. This approach has ensured that our products meet the highest standards consistently, allowing every project that we support to be a realisation of aspirational design, sustainable building and boundary-breaking innovation. The recent influx of infrastructure and data hub investments aligns with our capabilities.

Encouraged by the present, we look forward to the future where our commitment to sustainability will remain at the forefront of our strategy and operations. We are proud to be leading the construction industry in its shift towards sustainable construction, considering ESG as a pertinent business goal. Our low-carbon products, in conjunction with the decarbonisation of our operations, are part of an industry-wide change. Acting on our commitment to "Building Together", the progress that we have made this year attests to our belief that to build greener is to build better and that this cannot be achieved alone. A sustainable future requires shared motivation and collective action.

**DATO' SRI MICHAEL
YEOH SOCK SIONG**
Group Managing Director

Group Managing Director's Review

Whilst regulations and consumer expectations continue to evolve, the demand for environmentally friendly building materials is intensifying. The launch of our ECO product range—comprising of ECOcem™, ECOConcrete™, ECODrymix™, and ECOSand™—is well timed and well-received. Under our ECOcem offering, we are especially proud of our MASCRETE® range, which has been specified and used in various iconic projects across the country. Our ECO products are designed to meet the growing needs for low-carbon construction solutions.

Developing a product range like this alongside our investments in decarbonisation R&D are central to our business and operations. They are driven by our Construction Development Lab (CDL) and platforms that we have been created for knowledge transfer and discussions. Through our seminar series, we have supported and hosted more than 80 training sessions with over 8,000 participants in attendance. This year, we launched the CDL Academy to further expand the scope and reach of our training programmes. Additionally, our Petaling Jaya facility is currently being renovated to house our Academy as we continue our Masterclass series with universities across Peninsula Malaysia and East Malaysia.

In 2023, we signed a Memorandum of Understanding (MoU) with the Construction Industry Development Board (CIDB) through its research arm, Construction Research Institute of Malaysia (CREAM). This has been instrumental in the advancement of sustainable construction practices through the development of talent, sustainable construction guidelines, product certification, and R&D. Collaborations between YTL Cement and the Institution of Engineers Malaysia (IEM), Pertubuhan Akitek Malaysia (PAM) and other industry associations are also ongoing.

We have hosted the Sustainable Construction Symposium, in partnership with The Edge, for the second consecutive year. This year's symposium was titled "Sustainable Construction: The Next Level," highlighting the importance of industry-wide cooperation and reinforcing our commitment to leading the charge in this critical area.

We are equally dedicated to minimising the environmental impact of our operations through continuous reinvestments in our facilities and workforce. Our initiatives around incorporating alternative fuels, raw materials, waste heat recovery systems, and renewable energy reflect the strides made in light of this commitment and we are ready to invest in solar energy, pending the removal of existing regulatory barriers.



This year marks the 25th anniversary of QUICKMIX®, our drymix business. In conjunction with this milestone, we are expanding our operations with the construction of a new drymix plant in Rawang, set to open in Q1 of 2025 and we have now expanded our distribution to the East Malaysian and Singapore markets.

Looking ahead, we expect cement demand to remain positive, particularly within civil and non-residential sectors such as infrastructure, logistics hubs, data centers, and industrial facilities. Malaysia's long-term housing and infrastructure needs, driven by a relatively young population and increasing urbanisation, will continue to support this demand. At the same time, we are aware of potential challenges, including global economic volatility, moderate inflationary pressures, and geopolitical uncertainties.

In response, MCB will maintain its focus on operational excellence, optimising logistics and distribution networks, while further embedding sustainability across our operations to ensure we remain well-positioned to capitalise on future opportunities.

DATO' SRI MICHAEL YEOH SOCK SIONG

Group Managing Director

Management Discussion & Analysis

GROUP OVERVIEW

OVERVIEW

The principal activities of Malayan Cement Berhad (“MCB” or “Company”) are those of an investment holding company. Through its subsidiaries, MCB is involved in the production, manufacturing and trading of cement, clinker, ready-mixed concrete, other building materials and related products.

The key reporting segments of MCB and its subsidiaries (“Group” or “MCB Group”) are Cement, encompassing its cement business, drymix, and waste management business, and Aggregates & Concrete, which comprises its aggregates and ready-mixed concrete business.

OBJECTIVES & STRATEGIES

The MCB Group, a member of the YTL Cement Berhad (“YTL Cement”) group of companies, is committed to contributing towards the development of the Southeast Asia’s construction landscape. YTL Cement is a leading building materials group in Malaysia, Singapore and Vietnam.

The principal components of the MCB Group’s strategy comprise:

Building Together to fulfil Southeast Asia’s development needs

The Group has the capability and experience to provide end-to-end bespoke building solutions to support the construction and infrastructure development needs of the Southeast Asian region. At the same time, the Group is committed to promoting sustainability by offering its innovative ECO product range, which includes ECOCem™, ECOConcrete™, ECOSand™ and ECODrymix™ designed to reduce embodied carbon without compromising quality. To achieve this, the Group leverages decades of expertise and industry leadership to tailor solutions for diverse project needs. A key strategy involves expanding the ECO product range across Southeast Asia, ensuring that low-carbon alternatives are available for various construction sectors.

Prudent financial management and execution of strategic growth and expansion plans

The MCB Group maintains a balanced financial structure by optimising the use of

debt and equity financing and ensuring the availability of internally generated funds and external financing to fund its capital expenditure requirements, research and development (R&D) capabilities and capitalise on growth opportunities.

Strong customer-centric operations and marketing to serve and further develop deep and loyal customer base

The Group is committed to providing consistent, high-quality products and services, ensuring competitive product pricing to meet the needs of its customers.

Continuous innovation to provide effective solutions to customers

The MCB Group undertakes continuous R&D efforts to provide innovative and bespoke products to meet customer requirements.

Enhancement of operational efficiencies to maximise returns

The Group believes that its assets on average operate within the highest productivity levels and further enhances operational efficiencies where possible through the application of new technologies, production techniques and utilisation of AI, coupled with optimal geographical coverage via the streamlining of its logistics and distribution networks.

Prudent development of export markets and international operations to ensure sustainability

The Group undertakes extensive market research and due diligence in developing its export markets and international operations to ensure the long-term viability of these endeavours. The Group has the added advantage of its dedicated Langkawi facility which offers direct sea access and is strategically located to supply the region, particularly the West and South Asian, and East African markets.

Management Discussion & Analysis

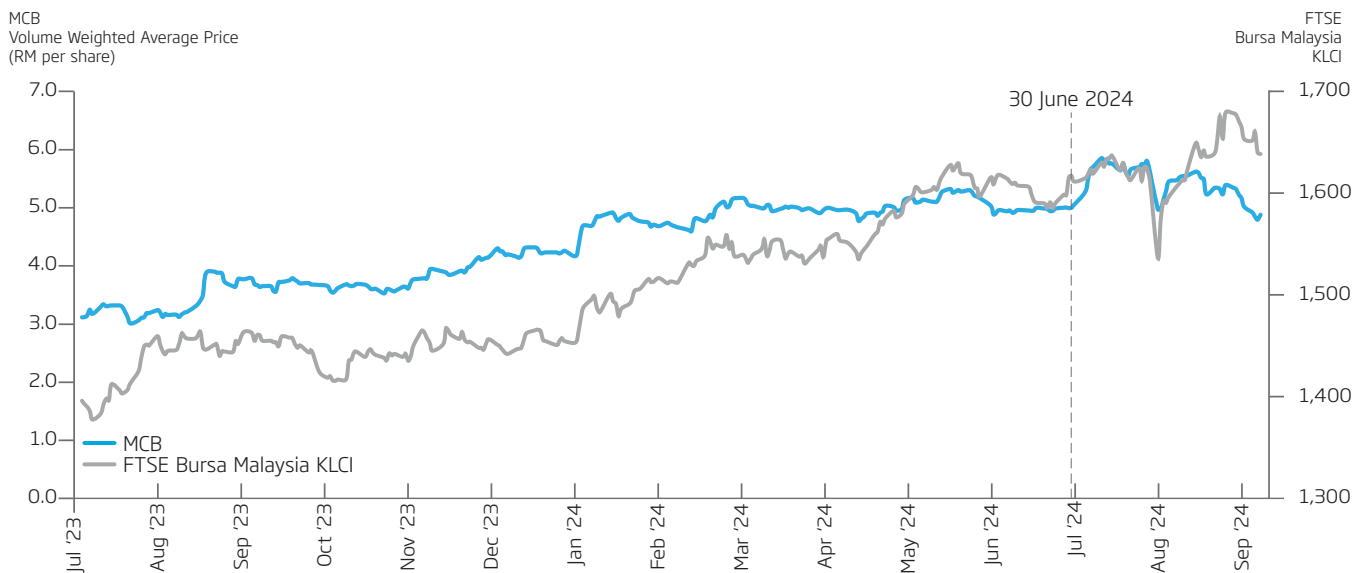
GROUP OVERVIEW

PERFORMANCE INDICATORS

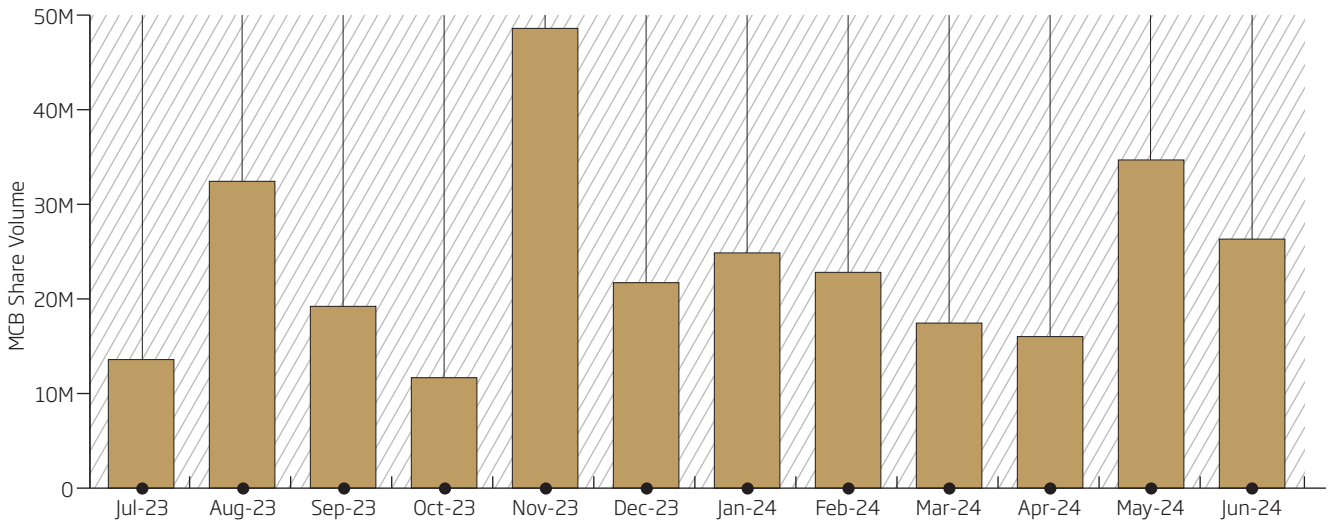
MCB has been listed on Bursa Malaysia Securities Berhad ("Bursa Securities") since 17 March 1961. MCB is listed on the Main Market of the exchange under the Building Materials sub-sector of the Industrial Products & Services sector.

The graph below illustrates the performance of MCB's share price compared with the FTSE Bursa Malaysia KLCI, the key component benchmark of Bursa Securities, during the financial year ended 30 June 2024.

Performance of MCB's Share Price vs FTSE Bursa Malaysia KLCI



Volume of MCB Shares Traded on Bursa Securities



Source: Bloomberg

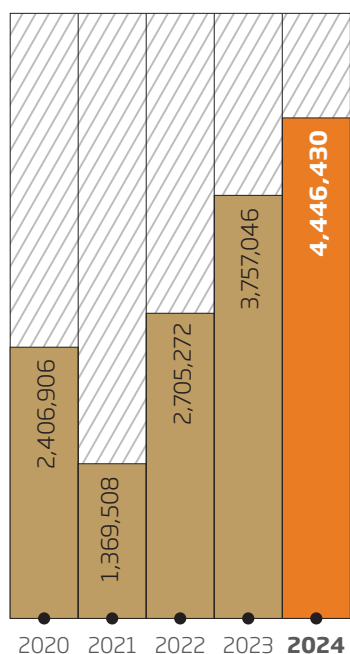
Management Discussion & Analysis

FINANCIAL REVIEW

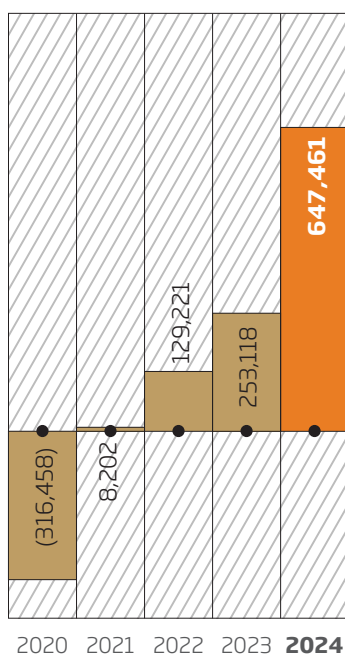
FINANCIAL HIGHLIGHTS

	Financial year ended 30 June				18 months ended 30 June
	2024	2023	2022	2021	2020
Revenue (RM'000)	4,446,430	3,757,046	2,705,272	1,369,508	2,406,906
Profit/(Loss) Before Taxation (RM'000)	647,461	253,118	129,221	8,202	(316,458)
Profit/(Loss) After Taxation (RM'000)	428,988	159,200	82,085	7,089	(261,209)
Profit/(Loss) Attributable to Owners of the Parent (RM'000)	428,701	159,035	83,545	7,310	(261,067)
Total Equity Attributable to Owners of the Parent (RM'000)	6,307,661	5,950,557	5,775,134	2,530,063	2,284,686
Basic Earnings/(Loss) per Share (Sen)	32.61	12.14	6.82	0.85	(30.72)
Dividend per Share (Sen)	10.0	6.0	-	-	-
Total Assets (RM'000)	10,690,072	10,971,238	10,685,302	3,761,977	3,856,236
Net Assets per Share (RM)	4.73	4.54	4.41	2.71	2.69

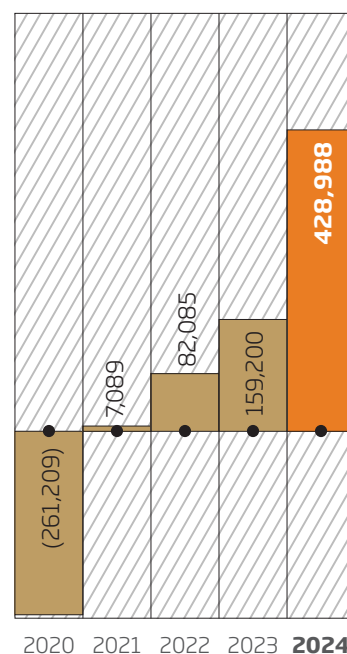
Revenue
(RM'000)



Profit/(Loss) Before Taxation
(RM'000)



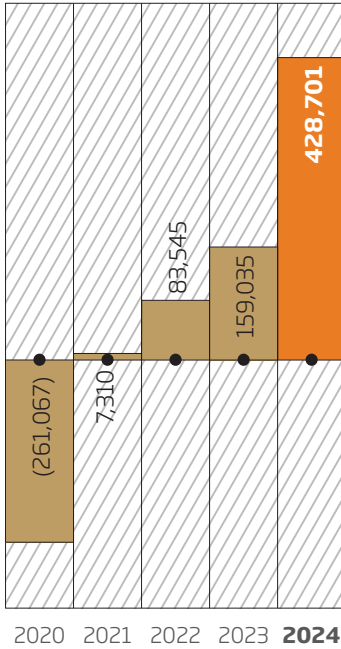
Profit/(Loss) After Taxation
(RM'000)



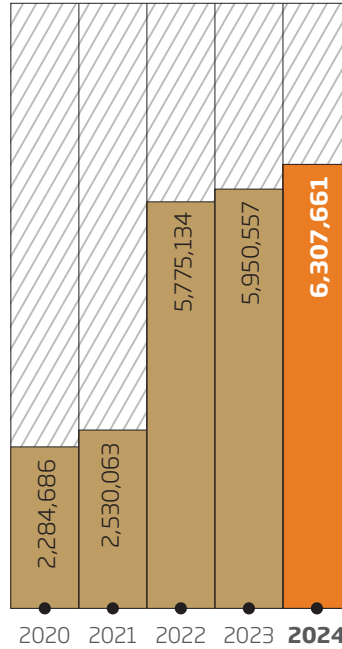
Management Discussion & Analysis

FINANCIAL REVIEW

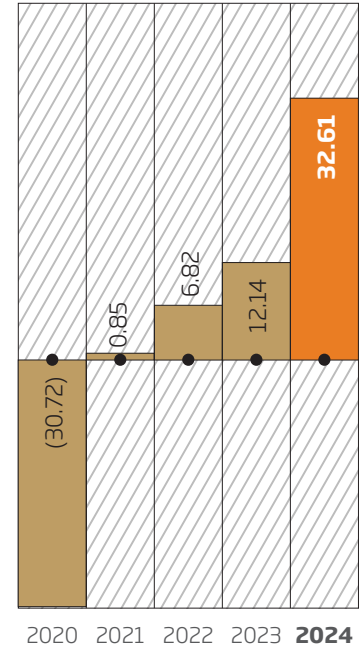
Profit/(Loss) Attributable to Owners of the Parent
(RM'000)



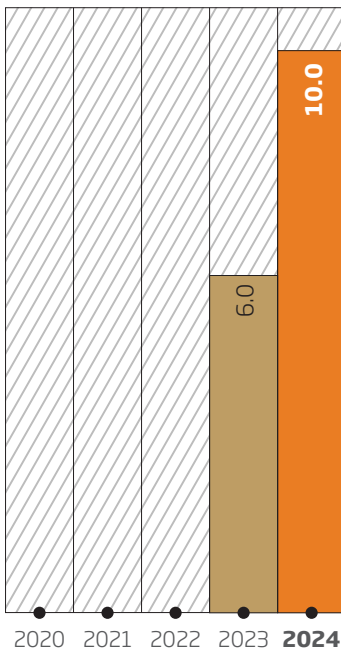
Total Equity Attributable to Owners of the Parent
(RM'000)



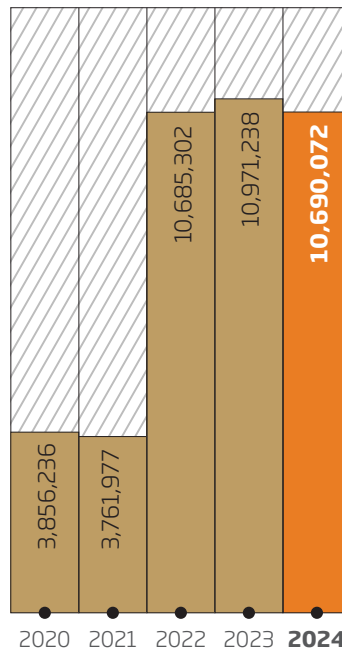
Basic Earnings/(Loss) per Share
(Sen)



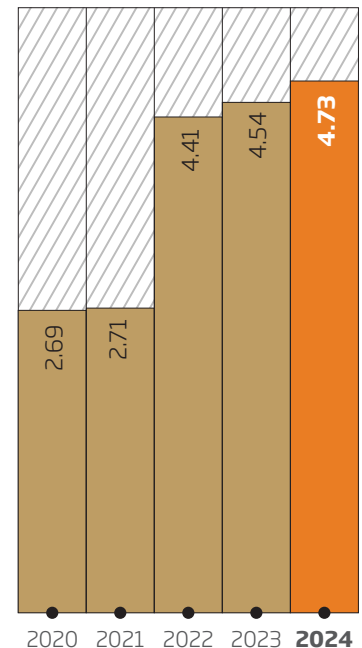
Dividend per Share
(Sen)



Total Assets
(RM'000)



Net Assets per Share
(RM)



Management Discussion & Analysis

FINANCIAL REVIEW

REVIEW OF FINANCIAL PERFORMANCE

Group Financial Performance

For the financial year ended 30 June 2024, the Group achieved a revenue of RM4,446.4 million, an increase of 18% as compared to RM3,757.0 million in the preceding financial year ended 30 June 2023. Group profit before taxation at RM647.5 million grew by 156% from RM253.1 million in the preceding financial year ended 30 June 2023.

Both the Cement and Aggregates & Concrete segments continued to record satisfactory results.

Segmental Financial Performance

An analysis of the Group's segmental financial performance is set out in the following table:

	Segment Revenue		Segment Profit before Taxation	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cement*	3,355,273	2,874,598	571,978	184,102
Aggregates & Concrete	1,091,157	882,448	75,483	69,016
	4,446,430	3,757,046	647,461	253,118

* Included under the cement segment are the Group's drymix and waste management business. Please refer to page 20 for an overview of their operations.

(a) Cement

The Cement segment recorded revenue of RM3,355.3 million for the financial year ended 30 June 2024, an increase of 17% as compared to revenue of RM2,874.6 million for the preceding financial year ended 30 June 2023. The increase in revenue was mainly attributed to the stabilisation of selling price of domestic cement and continued improvement in operational efficiencies.

The Cement segment achieved profit before taxation of RM572.0 million for the financial year ended 30 June 2024 as compared to profit before taxation of RM184.1 million in the preceding financial year ended 30 June 2023 mainly due to the higher revenue coupled with a moderation fuel prices.

Included under the cement segment are the Group's drymix and waste management solutions business. Both businesses recorded satisfactory revenue and profit.

(b) Aggregates & Concrete

The revenue of the Aggregates & Concrete segment at RM1,091.2 million for the financial year ended 30 June 2024 was 24% higher than the preceding financial year ended 30 June 2023 of RM882.4 million. The increase in revenue was mainly contributed by the Concrete activity attributed to the better ready-mixed concrete selling price and continued improvement in operational efficiencies.

In line with the higher revenue, the segment reported an increase in profit before taxation by 9% to RM75.5 million for the financial year ended 30 June 2024 from a profit before taxation of RM69.0 million in the preceding financial year ended 30 June 2023.

Management Discussion & Analysis

FINANCIAL REVIEW

DIVIDENDS

The dividend paid by the Company since the end of the last financial year is as follows:

	RM'000
In respect of the financial year ended 30 June 2023:	
An interim dividend of 6.0 sen per ordinary share paid on 21 November 2023	78,612
An interim dividend of 6.0 sen per irredeemable convertible preference share paid on 21 November 2023	28,000
	106,612
In respect of the financial year ended 30 June 2024:	
First interim dividend of 4.0 sen per ordinary share paid on 26 June 2024	53,250
First interim dividend of 4.0 sen per irredeemable convertible preference share paid on 26 June 2024	18,667
	71,917
Total	178,529

On 21 August 2024, the Board of Directors of MCB ("Board") declared a second interim dividend of 6 sen per ordinary share and 6 sen per irredeemable convertible preference share for the financial year ended 30 June 2024. The book closure and payment dates in respect of the aforesaid dividend are 30 October 2024 and 15 November 2024, respectively.

The Board does not recommend a final dividend for the financial year ended 30 June 2024.

Dividend Policy

The Board has not adopted or proposed a set dividend policy. However, it is the intention of the Directors to propose the payment of cash dividends on an annual basis, where possible, subject to future earnings and the financial condition of MCB and other factors, including the profit and cash flow position of the MCB Group, restrictions imposed by law or under credit facilities on the payment of dividends by members of MCB Group and the availability of funds.

CAPITAL MANAGEMENT & LIQUIDITY

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise its shareholders' value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. There were no changes in the Group's approach to capital management during the year.

The Group monitors capital using a debt-to-capital ratio, which is net debts divided by total capital plus net debts. The Group includes within net debts, total borrowings less cash and cash equivalents. Capital includes equity attributable to the owners of the parent.

Management Discussion & Analysis

FINANCIAL REVIEW

	Group	
	2024 RM'000	2023 RM'000
Borrowings	3,145,410	3,741,957
Less: Cash and cash equivalents	(788,514)	(875,812)
Net debts	2,356,896	2,866,145
Equity attributable to owners of the parent	6,307,661	5,950,557
Capital and net debts	8,664,557	8,816,702
Debt-to-capital ratio	27%	33%

Under the requirement of Bursa Securities' Practice Note No.17/2005, the Group is required to maintain a consolidated shareholders' equity equal to or not less than 25% of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less than RM40 million. The Group has complied with this requirement.

Gearing ratio as at 30 June 2024 has reduced to 27% from 33% as at 30 June 2023 following the better performance of the Group in the current financial year.

The Group maintains a level of cash reserves and bank facilities deemed adequate by management to ensure, as far as possible, that it will have sufficient liquidity to fund its business requirements and pay dividends to its shareholders. As at 30 June 2024, the Group's cash reserves stood at RM788.5 million (2023: RM875.8 million).

Management Discussion & Analysis

SEGMENTAL REVIEW

CEMENT

SEGMENT OVERVIEW

MCB has integrated cement plants in five locations and has a network of facilities, including four grinding stations, one cement terminal facility, and two cement depots, with a total installed capacity of 22 million tons of cement. These strategically located assets ensure that MCB can provide comprehensive coverage and efficient supply to customers in Malaysia and the Southeast Asian region.

In addition to its strong presence in Malaysia, MCB also operates cement terminals in Singapore, and is a leading supplier of cementitious products. This cross-border presence strengthens the Group's ability to meet the construction demands of the region while maintaining a reliable supply chain for its customers.



OPERATIONAL REVIEW

Cement demand remains primarily driven by civil and substantive residential projects, infrastructure developments, logistics facilities, data centres, and factories. In response, MCB has continued to focus on enhancing plant reliability and efficiency while optimising its asset base, operational network, and distribution channels to reduce costs. At the same time, the Group continues to invest in making its production process more sustainable, incorporating alternative fuels, renewable energy, and waste heat recovery systems. This ongoing commitment ensures that MCB remains well-positioned to meet demand while minimising its environmental footprint.

To support the increasing need for environmentally friendly building materials, MCB has introduced its ECOCem™ range of low-carbon cement, which includes at least 25% recycled materials and achieves 20-50% lower CO₂ emissions compared to Portland Cement (OPC). Within this portfolio are key products such as Castle, certified with the Singapore Green Label, and its MASCRETE® range, which hold the SIRIM Eco-Label certification.

All MCB cement plants and their laboratories adhere to world-class standards and hold the following ISO certifications:

- MS ISO 9001:2015 Quality Management System
- MS ISO 14001:2015 Environmental Management System
- MS ISO 45001:2018 OH&S Management System
- MS ISO 50001:2018 Energy Management System
- MS ISO/IEC 17025:2017 Lab Accreditation

These certifications underscore the Group's commitment to operational excellence, environmental stewardship, and continuous improvement across all facets of its business.

Management Discussion & Analysis

SEGMENTAL REVIEW

DRYMIX AND WASTE MANAGEMENT SOLUTIONS

SEGMENT OVERVIEW

The MCB Group's drymix division, Quickmix Solutions is an industry pioneer with 25 years of experience, is a leader in floor and wall mortar products. It has two plants in Rawang and Pasir Gudang.

Geo Alam Environmental Sdn. Bhd. (Geo Alam) helps industries transition from the traditional take-make-waste model toward the circular cradle-to-cradle model. Through this industrial symbiosis, cement plants and industries reduce carbon footprint and disposal to landfills, while conserving natural resources. Geo Alam operates in both scheduled waste and non-scheduled waste segments.



OPERATIONAL REVIEW

Quickmix Solutions proudly launched its ECODrymix™ products, which have less than 5% volatile organic compounds (VOC), resulting in better indoor air quality. Notably, all our QUICKMIX® products have the SIRIM Eco-Label certification, underlining our commitment to environmentally conscious solutions.

In the year under review, Quickmix Solutions entered the East Malaysian market, particularly in Kota Kinabalu, where we have established ourselves as the premier pre-mix mortar brand. Looking ahead, Quickmix Solutions will be celebrating 25 years of operation. We are embarking on a journey of expansion. Quickmix Solutions is setting up a larger and fully-automated plant in the central region to replace the existing one, and adding a new plant in Perak to serve the northern market. These projects are scheduled to be completed by the first half of 2025, further solidifying our presence in the industry.

Geo Alam achieved improved results in both volume and revenue compared to the previous year. During the year, Geo Alam improved its co-processing capacity and added new accounts. Our ongoing efforts involve expanding in current sectors and venturing into new waste treatment and alternative fuel segments for cement plants.

Acknowledging the rising importance of decarbonisation, Geo Alam has launched three R&D projects: Project ReGen—an initiative utilising our biochemistry expertise for microalgae cultivation as biocapture; Project ReCapt - a collaboration project with YTL Cement Construction Development Lab on CO₂ sequestration in concrete and Project CEM-y - a project to identify and activate alternative materials that can be converted into supplementary cementitious materials (SCM) for partial cement replacement.

Preliminary findings on these projects are promising. We will continue with further testing and development.

Management Discussion & Analysis

SEGMENTAL REVIEW

AGGREGATES & CONCRETE

SEGMENT OVERVIEW

MCB Group operates an extensive network of ready-mixed concrete batching plants throughout Peninsular Malaysia and Singapore, and a quarry in Kota Tinggi, Johor. The Group's concrete division has earned its reputation as the preferred supplier for large-scale, complex infrastructure projects. Renowned for delivering technically advanced, high-performance concrete solutions, MCB is committed to meeting the evolving demands of the construction industry in the region.

OPERATIONAL REVIEW

The concrete division's network of operations throughout Peninsular Malaysia, as well as our presence in Singapore, has allowed the Group to fully capitalise on development opportunities while supporting our customers. Our ECOConcrete™ and ECOSand™ have been supplied to numerous significant projects in both countries. In Malaysia, our portfolio includes Merdeka KL118, Signature Tower 106, MRT2, LRT3, Rapid Transit Link (RTS) rail projects, various data centers, and a broad range of commercial, residential, and infrastructure projects. In Singapore, we have contributed to the East Coast Integrated Depot, Sentosa Integrated Resort, and the Deep Tunnel Sewerage System Phase 2.

Our ECOConcrete™ products is our range of environmentally friendly concrete options. These products are designed to help our customers reduce their carbon footprint. Our ECOConcrete™ products contains 30% to 70% recycled materials, and are formulated to achieve 20 - 60% lower embodied carbon. We offer bespoke formulations tailored to meet diverse application requirements as well as durability up to 100 years. In alignment with our digital transformation, we have launched our e-ordering and e-delivery systems. Our customers are now able to view their orders real time as well as reduce use of paper, further contributing to sustainable operations.



Management Discussion & Analysis

RISK MANAGEMENT

The overall risk management objective of the MCB Group is to ensure that adequate resources are available to create value for its shareholders. The Group focuses on the unpredictability of financial and operational markets and seeks to minimise potential adverse effects on its performance. Risk management is carried out through regular risk review analysis, internal control systems and adherence to Group's risk management practices. The Board regularly reviews these risks and approves the appropriate control environment frameworks.



FINANCIAL RISK MANAGEMENT

The operations of the Group are subject to a variety of financial risks, including liquidity risk, credit risk, interest rate risk and foreign currency risk. The Group has adopted a financial risk management framework with the principal objective of effectively managing these risks and minimising any potential adverse effects on the financial performance of the Group, further details of which can be found in *Note 30* of the *Notes to the Financial Statements* in this Annual report.

OPERATIONAL RISK MANAGEMENT

Economic, political, environmental and regulatory risks

Like all other businesses, adverse developments in political, economic and regulatory conditions (including changes in environmental legislation and regulations) in Malaysia, Singapore and other overseas markets in which the Group from time to time has operations/activities could materially and adversely affect the financial and business prospects of the Group and the markets for its products which may result in a loss or reduction in revenue to the Group.

Management Discussion & Analysis

RISK MANAGEMENT

Whilst it is not possible to prevent the occurrence of these events, the Group attempts to mitigate the effects of these risks through thorough due diligence assessments prior to the commitment to any project or new market, ensuring compliance with applicable laws and regulations (including all required licences and permits) and remaining vigilant in monitoring events and conducting ongoing assessments of any operational and financial impacts of such external developments.

Description of MCB's governance of climate-related risks and opportunities can be found in Sustainability Report pages 41-45.

Business and industry risks

The Group's businesses are subject to inherent risks in the building materials sector such as shortages of labour and raw materials, increases in the cost of labour, raw materials, equipment and electricity tariffs, changes in the general economic, business, credit and interest rate conditions, fluctuations in exchange rates, inflation, taxation and changes in the legal and environmental framework within which the industry operates.

The industry is subject to the risk of fluctuations in demand for its output products (such as clinker and cement). The cement industry is closely tied to the construction sector which consists of two cyclical segments – civil engineering (largely infrastructural development) and building construction (residential, commercial and industrial buildings).



These fluctuations in demand levels can have favourable or adverse impacts on the performance and profitability of all cement producers and the Group's cement operations would be similarly affected. In addition, to a large extent, these activities are subject to the cyclical nature of the industry. Such fluctuations in demand and the cyclical nature of the industry may affect the financial performance of the Group's businesses.

Whilst the construction industry is exposed to external factors including changes in local economic conditions, expenditure of infrastructure development remains a necessary component of Malaysia's economic development thereby significantly mitigating this risk factor. As a developing nation with positive annual population growth, a relatively young population and increasing urbanisation, Malaysia's cement consumption requirements, driven primarily by its infrastructure needs, augur well for the continued growth and development of the domestic building materials industry.

Price risk

The Malaysian cement market was liberalised on 5 June 2008 by the Ministry of Domestic Trade and Consumer Affairs after numerous dialogue sessions with industry participants and other stakeholders. With this liberalisation, cement is no longer classified as a strategic industry and the cement selling price is now determined by market forces and regulated by Anti-Profitteering Act and Competition Act (MyCC) to prevent collusion.

Management Discussion & Analysis

RISK MANAGEMENT



Input price risks

The cement industry is subject to a number of risks, including the risk of fluctuations in the prices of its main input materials (eg., electricity and coal). These principal raw material inputs constitute a significant part of the total raw material costs in the production of cement.

The price of electricity is determined by the Malaysian Government. Any increases in prices and/or further policy changes may materially affect the Group's cement business, operating results and financial condition. The other potential risk in relation to operational costs is the cost of coal, which is imported. As with any other commodity, the price of coal and oil are dependent on global demand and supply conditions.

Competition risk

The Group's cement, aggregates and concrete businesses operate in a market characterised by strong competition. There are a number of established market participants and new entrants in this industry. These players compete on the basis of product quality, product range, pricing and marketing.

The Group will continue to focus on differentiation through its product offerings, solutions and services for the building and infrastructure segments to meet customer needs.

Dependence on key management

The continued success of MCB is, to a significant extent, dependent on the abilities and continued efforts of the Board and senior management of MCB. The loss of any key member of the Board or senior management personnel could affect MCB's ability to compete in the sectors in which it operates. The future success of MCB and the Group will also depend on its ability to attract and develop skilled personnel for smooth business operations of the Group to continue without undue disruption.

Therefore, appropriate measures are taken which include the provision of training programmes, the offering of attractive incentives such as employees' share option schemes and competitive remuneration packages, and efforts to ensure smooth succession in the management team. Please refer to Sustainability Report pages 69-75 for more information.

Management Discussion & Analysis

OUTLOOK

The Malaysian economy is projected to expand by 4% to 5% in 2024. Robust domestic demand will continue to anchor growth, supported by improving labour market conditions and stronger investment activities. Improvements to external demand, with increased global trade activities and tourist arrivals, will further bolster Malaysia's economic growth (*source: Bank Negara Malaysia updates*).

Cement demand is likely to be supported by ongoing requirements across civil engineering and key sectors such as residential, infrastructure, logistics facilities, data centers, and factories. Additionally, Malaysia's continued need for housing and infrastructure, driven by its young population and rapid urbanisation, will contribute to sustained demand for cement.

The Singapore economy is forecast to grow between 2% to 3% in 2024. This reflects a recovery in manufacturing, driven by a turnaround in the global electronics cycle, and continued growth in tourism. As a global business hub, risks to Singapore's economic outlook are mainly tied to external factors, including intensifying geopolitical and trade conflicts, as well as disruptions in the global disinflation process (*source: Singapore Ministry of Trade & Industry*).

Additionally, the Monetary Authority of Singapore (MAS) projects moderate growth for the construction sector in 2024, supported by ongoing public sector projects and infrastructure developments. The government's focus on enhancing transportation networks, public amenities, and sustainable urban solutions will support steady demand for high-quality construction materials. Our presence in Singapore positions us well to capitalise on these opportunities and contribute to the country's ambitious development goals.

Whilst wider economic volatility may persist in light of inflationary pressures and geopolitical uncertainties, the Group will continue with its pursuit of efficiencies in operations, logistics, and distribution.



Managing Sustainability

SUSTAINABILITY GOVERNANCE

MCB's Sustainability Committee, led by Group Managing Director, Dato' Sri Michael Yeoh Sock Siong, plays a pivotal role in driving the company's sustainability agenda. Supported by the Head of Sustainability and members from diverse functional areas within senior management, the Committee actively engages in the ever-growing internal and external communication and engagement on sustainability matters.

The Sustainability Committee, with the guidance of the Board, sets the ESG direction and strategic focus for the entire business. It formulates a sustainability framework, ensuring that the environmental, social and governance considerations are embedded into the Group's strategies and operations. The Committee works closely with management teams within each business unit to mobilise the operations teams in implementing MCB's sustainability strategies. The Committee maintains oversight of the potential and actual impacts of MCB's activities on the environment and people, as well as reviews material sustainability topics, targets, initiatives and performance.

The Committee updates the Board on key sustainability matters, key concerns as well as progress of initiatives.

The management teams at each business unit hold the responsibility of integrating sustainability priorities into their day-to-day operations. They play a critical role in ensuring the effective implementation of sustainability initiatives throughout the organisation. By embedding sustainability into their operations, these teams contribute to MCB's overall commitment to responsible and sustainable business practices.

To promote long-term success and embed sustainability into our business operations, sustainability and climate-related goals have been integrated into the key performance indicators of senior management and operation management.

MATERIALITY ASSESSMENT

MCB conducts annual materiality assessment to better understand the key sustainability topics pertaining to MCB and our stakeholders. In FY2024, we have updated our list of potential sustainability topics for the assessment, taking into consideration the common indicators in Bursa's enhanced sustainability reporting and feedback from Sustainability Committee and leadership teams on emerging topics. The Group then undertook a materiality assessment exercise that had gathered 119 survey responses. Participants rated the importance of each topic on a scale of 5. The results were aggregated and plotted on a materiality matrix depicting the importance of each topic to our stakeholders and our business respectively.

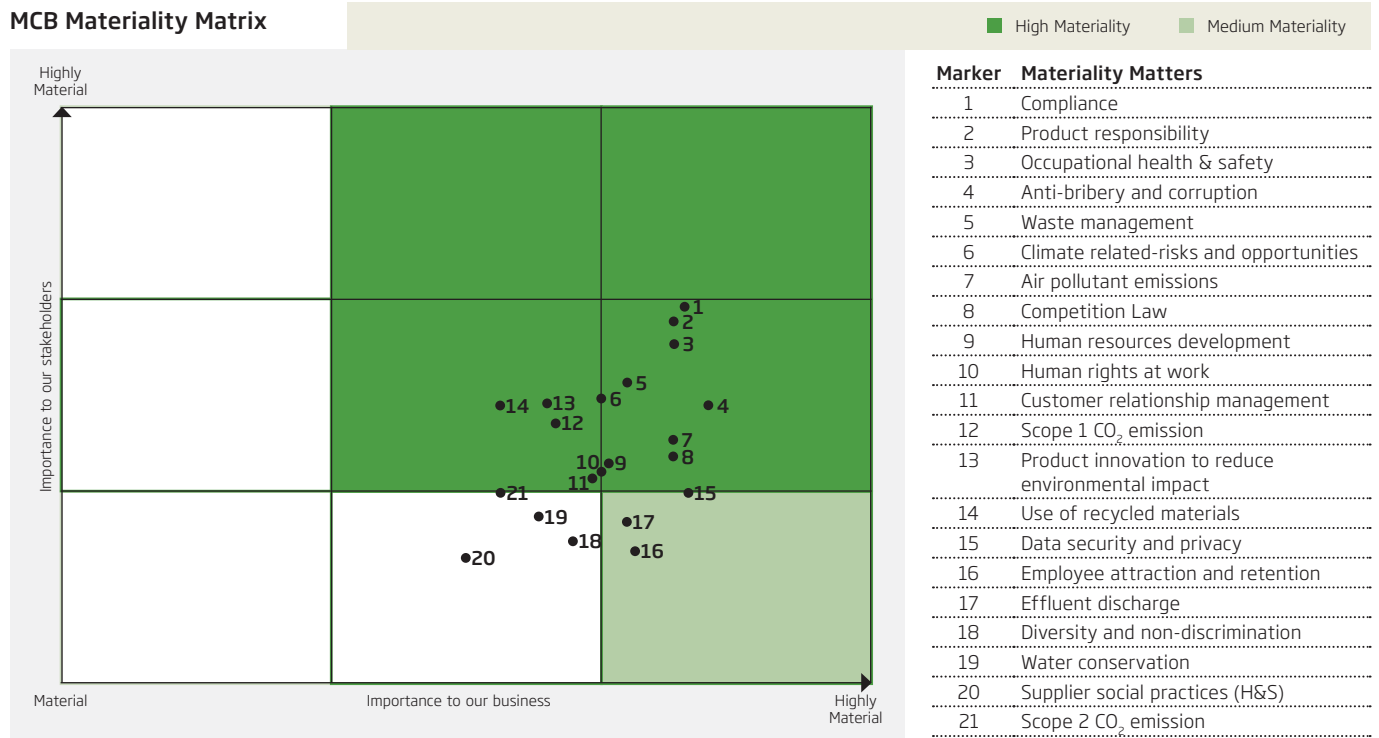
The result is a refreshed list of material topics and topics of ongoing importance. While the topics of ongoing importance may not be classified as material by stakeholders, MCB acknowledges their importance to the business and continues to provide information on the management of these areas.

The results and the materiality matrix were validated by the Sustainability Committee prior to presentation to the Board of Directors for approval.

Generally, while there are some changes in the rated levels of importance of some sustainability topics, the pool of material matters rated as of high and medium importance to stakeholders and our business, remains largely the same as last year.

Managing Sustainability

MCB Materiality Matrix



In September 2022, Bursa Malaysia has issued a revision to Main Market Listing Requirements Practice Note 9 which states that sustainability matters are considered material if they:

- (a) reflect the listed issuer’s significant economic, environmental and social impacts; or
- (b) substantively influence the assessments and decisions of stakeholders; and
- (c) fall under the common material sustainability matters as set out in Annexure PN9-A. (“Common Sustainability Matters”).

While some sustainability matters from the Common Sustainability Matters list align with our identified material matters, others do not currently appear on our list. We are working to incorporate these into our sustainability strategy and daily operations. Additionally, we will report the indicators in accordance with the updated Main Market Listing Requirements.

Managing Sustainability

OUR SUSTAINABILITY PRIORITIES

The identified materials matters and topics of on-going importance are organised into four pillars: Helping Malaysia Build Greener, Operating Sustainably, Operating Responsibly and Building Capacity and the Community. Our four Sustainability Pillars guide our focus and approach to managing our key sustainability matters.

Sustainability Pillars	Strategic objectives	Material Matters
 <p>Helping Malaysia Build Greener</p>	<p>We help build greener by:</p> <ul style="list-style-type: none"> Producing quality products that meet the standards Offering low carbon products and solutions Collaborating with our customers Supporting sustainable construction 	<ul style="list-style-type: none"> Product responsibility (Compliance to standards, product safety & quality, information accuracy) Customer relationship management Product innovation
 <p>Operating Sustainably</p>	<p>We operate sustainably by:</p> <ul style="list-style-type: none"> Enabling low carbon and energy efficient production Promoting resource conservation Practicing responsible waste management Supporting biodiversity management Promoting sustainable procurement 	<ul style="list-style-type: none"> Scope 1 CO₂ emission Scope 2 CO₂ emission Climate related-risks and opportunities management Waste management Use of recycled materials Water conservation Supplier social practices (H&S management)
 <p>Operating Responsibly</p>	<p>We conduct our business consistent with:</p> <ul style="list-style-type: none"> Anti-bribery and corruption policy Competition Law Labour standards and practices Data security and privacy act Laws and regulations 	<ul style="list-style-type: none"> Anti-bribery and corruption Competition law Diversity and non-discrimination Human rights at work Data security and privacy Air pollutant emissions Effluent discharge Compliance
 <p>Building Capacity & The Community</p>	<p>We build capacity through:</p> <ul style="list-style-type: none"> Making Health & Safety an important part of our operations Knowledge sharing and helping our people fulfil their potential We contribute to causes through BUILDS, our CSR arm 	<ul style="list-style-type: none"> Occupational health & safety Human resources development Employee attraction and retention Community investment

Managing Sustainability

HIGHLIGHTS OF THE YEAR

Over the past 12 months, MCB has teamed up with external partners on projects addressing key environmental and social issues, demonstrating our commitment to sustainability and stakeholder concerns.

July 2023

YTL Cement kicked off its collaboration with CREAM with the first Steering Committee Meeting. The partnership focuses on advancing sustainable construction in Malaysia through personnel development, R&D, and facilitating the adoption of sustainable construction practices. YTL Cement has contributed RM1 million in research funding to support these initiatives.



August 2023

In our drive to promote resource recovery and circular economy, Geo Alam presented Sustainable Waste Management via Co-Processing in Cement Plants at the Scheduled Waste Circular Economy Workshop with technical agencies and industries on 28 August 2023 and to over 200 industry practitioners at the Waste Management Association of Malaysia's Annual Conference 2023 on 2 August 2023.



September 2023

Collaborated with Kolej Vokasional Kuala Kangsar (KVKK) to organise a Recycling Open Day and Tree Planting activity. We organised a similar recycling open day in Petaling Jaya in October 2023. In total, we collected 4,550 kg of recyclables.



Managing Sustainability

October 2023

YTL Cement showcased its ECO Product Range at MBAM OneBuild 2023 Exhibition and BuildXpo 2023.



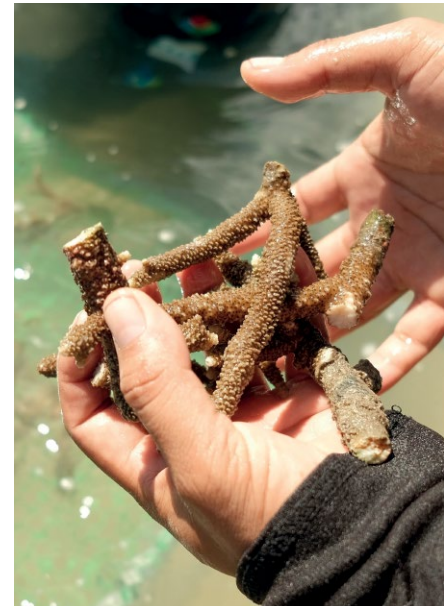
YTL Cement and the Ministry of Higher Education (MOHE) launched Malaysia's first University-Industry Research Consortium (UIRC), in partnership with five top local universities. The UIRC will award up to 40 research grants over five years to post-graduate students studying tropical limestone karst.



Groundbreaking of the Group's second waste heat recovery system (WHR) in APMC Kanthan Cement Plant. The WHR is scheduled to be completed in July 2025.

November 2023

Kedah Cement Langkawi celebrated Hari Alam Sekitar Negara 2023 with Department of Environment (DOE) Kedah with a coral reef preservation and conservation initiative.



APMC Kanthan Awarded 5-Star Rating for Responsible and Sustainable Mining by Department of Mineral and Geoscience Malaysia (JMG). A 5-stars rating represents the highest score awarded for the entire audited criteria namely Compliance, Best Practices, Socio-economic Benefits, Green Practices, Community Social Responsibility, and Aesthetic Values.

Managing Sustainability

January 2024

The Cement and Concrete Association of Malaysia (C&CA) delivered the first batch of Simen Rahmah to a housing project in Port Dickson, Negeri Sembilan. Under the Simen Rahmah scheme, C&CA has committed to supply up to 1 million tonnes of cement at a special price to qualified affordable housing.



May 2024

YTL Cement donated RM1 Million to Sarawak Unity Education Fund. The donation is in support of the initiative's efforts to provide scholarships to students from Sarawak and develop them into future leaders for the state.

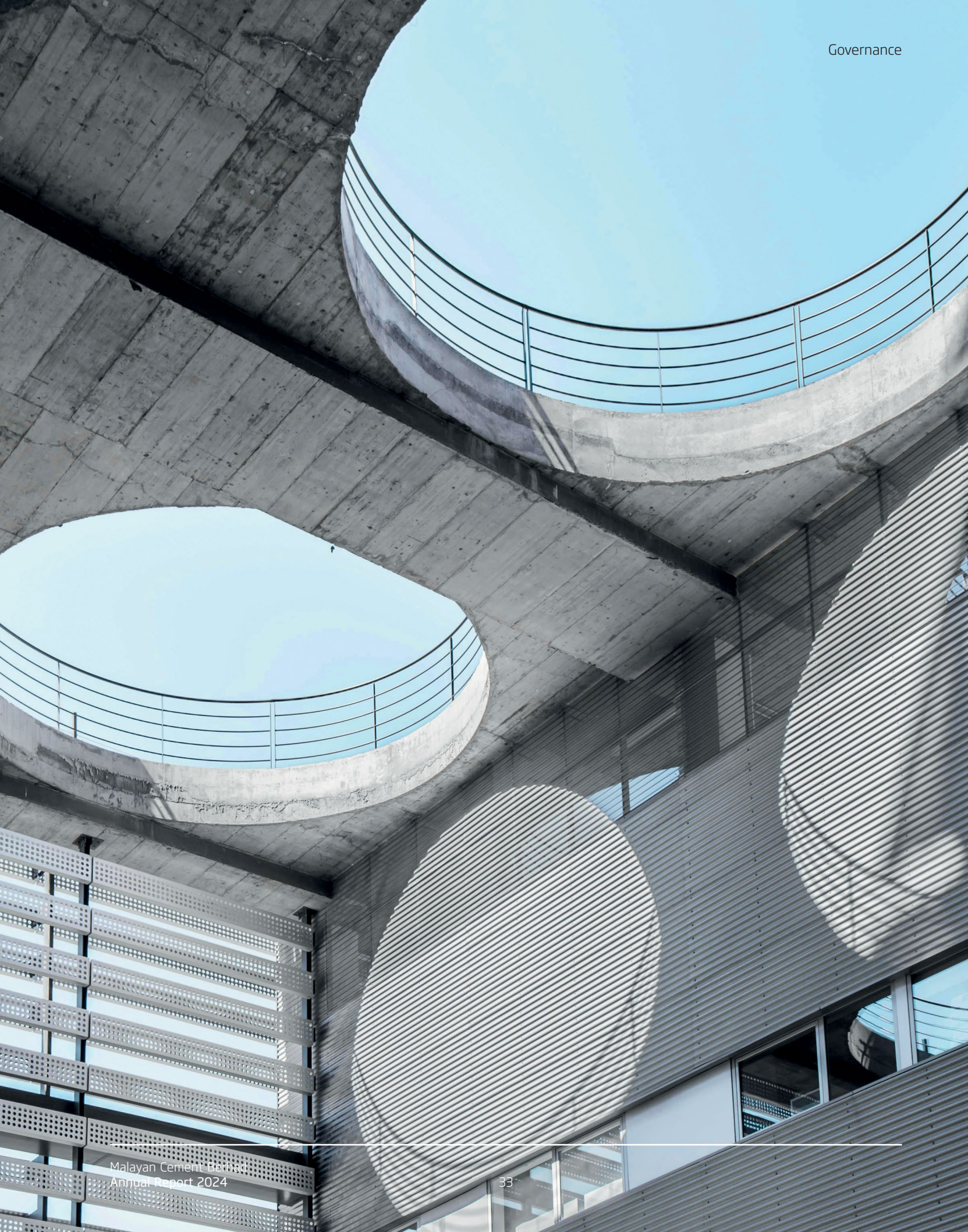


CDL Academy extended its Seminar Series to East Malaysia with University Malaysia Sabah and University Malaysia Sarawak sessions.

3

Governance

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Profile of the Board of Directors

TAN SRI (SIR) FRANCIS YEOH SOCK PING

Malaysian, male, aged 70, was appointed to the Board on 17 May 2019 as an Executive Director and he was redesignated as Executive Chairman on 19 June 2019. Tan Sri Francis studied at Kingston University in the United Kingdom, where he obtained a Bachelor of Science (Hons) Degree in Civil Engineering and was conferred an Honorary Doctorate of Engineering in 2004. In July 2014, Tan Sri Francis was conferred an Honorary Degree of Doctor of Laws by University of Nottingham. He was appointed the Managing Director of YTL Corporation Berhad Group in 1988 which, under his stewardship, has grown from a single listed company into a global integrated infrastructure developer, encompassing multiple listed entities ie. YTL Corporation Berhad, YTL Power International Berhad, YTL Hospitality REIT, Malayan Cement Berhad, Ranhill Utilities Berhad and Starhill Global Real Estate Investment Trust.

He was the Managing Director of YTL Corporation Berhad, YTL Power International Berhad and YTL Land & Development Berhad until 29 June 2018 when he was redesignated as Executive Chairman of these companies. He is the Executive Chairman and Managing Director of YTL e-Solutions Berhad and also a director of YTL Industries Berhad. He is also the Chairman of YTL Starhill Global REIT Management Limited, the manager of Starhill Global Real Estate Investment Trust, a vehicle listed on the Main Board of the Singapore Exchange Securities Trading Limited (SGX-ST). Tan Sri Francis is the Executive Chairman of YTL Cement Berhad and Pintar Projek Sdn Bhd, the manager of YTL Hospitality REIT. He is the Chairman of private utilities corporations, Wessex Water Services Limited in England and Wales, and YTL PowerSeraya Pte Limited in Singapore. He sits on the board of trustees of YTL Foundation.

He is a Founding Member of the Malaysian Business Council and The Capital Markets Advisory Council, member of The Nature Conservancy Asia Pacific Council and Global Council member of the Asia Society. He is the first non-Italian board member of the historic Rome Opera House and helped fund its restoration to keep it from closing. He served as a member of the Barclays Asia-Pacific Advisory Committee from 2005 to 2012. Tan Sri Francis served as an Independent Non-Executive Director of The Hong Kong and Shanghai Banking Corporation Limited for a period of 10 years from July 2012 to June 2022. Tan Sri Francis was made a board member of Global Child Forum by His Majesty King Carl XVI Gustaf in May 2016.

He was ranked by both Fortune and Businessweek magazines as Asia's 25 Most Powerful and Influential Business Personalities and one of Asia's Top Executives by Asiamoney. He won the inaugural Ernst & Young's Master Entrepreneur in Malaysia in 2002 and was named as Malaysia's CEO of the Year by CNBC Asia Pacific in 2005.

In 2006, he was awarded the Commander of the Most Excellent Order of the British Empire (CBE) by Her Majesty Queen Elizabeth II, and in 2019, received the Knight Commander of the Order of the British Empire (KBE). Tan Sri Francis received a prestigious professional accolade when made a Fellow of the Institute of Civil Engineers in London in 2008. He was the Primus Inter Pares Honouree of the 2010 Oslo Business for Peace Award, for his advocacy of socially responsible business ethics and practices. The Award was conferred by a panel of Nobel Laureates in Oslo, home of the Nobel Peace Prize. He also received the Corporate Social Responsibility Award at CNBC's 9th Asia Business Leaders Awards 2010. He received the Lifetime Achievement Award for Leadership in Regulated Industries at the 7th World Chinese Economic Summit held in London in 2015. He was also awarded the prestigious Muhammad Ali Celebrity Fight Night Award at the 2016 Celebrity Fight Night in Arizona. In 2017, he was honoured with the Kuala Lumpur Mayor's Award for Outstanding Contribution at the Kuala Lumpur Mayor Tourism Awards. This was in recognition of his efforts in the transformation of Kuala Lumpur into one of the top shopping and tourist destinations in the world. He was named CEO of the Year at the Asian Power Awards in 2017. The Japanese Government bestowed upon him the Order of the Rising Sun, Gold Rays with Rosette, in 2018 and in the same year the Italian government conferred upon him the honour of Grande Ufficiale of the Order of the Star of Italy. In 2022, he was awarded the PropertyGuru Real Estate Personality of the Year for Malaysia. The award is given to individuals who have made a significant impact in the Asian real estate sector.

Profile of the Board of Directors

DATO' SRI MICHAEL YEOH SOCK SIONG

Malaysian, male, aged 64, was appointed to the Board on 17 May 2019 as an Executive Director. He was redesignated to the position of Managing Director on 30 May 2019. He graduated from University of Bradford, United Kingdom in 1983 with a Bachelor of Engineering (Hons) Civil & Structural Engineering Degree. Dato' Sri Michael Yeoh is primarily responsible for the YTL Group Manufacturing Division which activities involve cement manufacturing and other building material industries. He serves as Executive Director of YTL Corporation Berhad and YTL Power International Berhad, both listed on the Main Market of

Bursa Malaysia Securities Berhad and Managing Director of YTL Cement Berhad. He also serves on the boards of public companies such as YTL Land & Development Berhad, YTL e-Solutions Berhad, YTL Industries Berhad and a private utilities corporation, YTL PowerSeraya Pte Limited in Singapore.

He sits on the board of Global Cement and Concrete Association (GCCA) since 14 October 2021 till July 2023. He was a director of The World Cement Association from 22 January 2020 to 22 October 2021.

DATO' YEOH SEOK KIAN

Malaysian, male, aged 67, was appointed to the Board on 17 May 2019 as an Executive Director. He graduated from Heriot-Watt University, Edinburgh, United Kingdom in 1981 with a Bachelor of Science (Hons) Degree in Building and was conferred an Honorary Degree of Doctor of the University in 2017. He attended the Advance Management Programme conducted by Wharton Business School, University of Pennsylvania in 1984. Dato' Yeoh is a Fellow of the Faculty of Building, United Kingdom as well as a Member of the Chartered Institute of Building (UK). He served as Deputy Managing Director of YTL Corporation Berhad and YTL Power International Berhad, both listed on Main Market of Bursa Malaysia Securities Berhad, and Executive Director of YTL Land & Development Berhad until 29 June 2018

when he was redesignated as Managing Director of YTL Corporation Berhad and YTL Land & Development Berhad, and Executive Director of YTL Power International Berhad. He is also an Executive Director of Pintar Projek Sdn Bhd, the manager of YTL Hospitality REIT. Dato' Yeoh Seok Kian also serves on the boards of other public companies such as YTL Cement Berhad, YTL Industries Berhad, Sentul Raya Golf Club Berhad and The Kuala Lumpur Performing Arts Centre, and private utilities corporations, Wessex Water Limited in England and Wales, YTL PowerSeraya Pte Limited in Singapore, as well as YTL Starhill Global REIT Management Limited, the manager of Starhill Global Real Estate Investment Trust, a vehicle listed on the Main Board of the Singapore Exchange Securities Trading Limited (SGX-ST).

DATO' SERI YEOH SEOK HONG

Malaysian, male, aged 65, was appointed to the Board on 17 May 2019 as an Executive Director. He serves as Managing Director of YTL Power International Berhad and Executive Director of YTL Corporation Berhad, both listed on the Main Market of Bursa Malaysia Securities Berhad. He obtained his Bachelor of Engineering (Hons) Civil & Structural Engineering Degree from the University of Bradford, United Kingdom in 1982. He is a member of the Faculty of Building, United Kingdom and a Fellow of the Chartered Institute of Building (CIOB), United Kingdom. In 2010, he was conferred an Honorary Doctor of Science degree by Aston University in the United Kingdom. Dato' Seri Yeoh Seok Hong has vast experience in the construction industry and serves as the Managing Director of Syarikat Pembinaan Yeoh Tiong Lay Sdn Bhd, the YTL Group's flagship construction arm.

Dato' Seri Yeoh Seok Hong is responsible for developing the power and utility businesses of the YTL Power International Berhad Group which include the development of a new data centre campus powered by a solar power generation facility. He also serves as the Managing Director of YTL Communications Sdn Bhd where he was responsible for the building of the fourth generation (4G) network and which, in 2021, became the first telco in Malaysia to offer 5G services. Dato' Seri Yeoh Seok Hong sits on the boards of other public companies such as YTL Cement Berhad, YTL Land & Development Berhad, YTL Industries Berhad, YTL Digital Bank Berhad (formerly known as Sea Capital Services Berhad) and Digital Nasional Berhad, and private utilities corporations, Wessex Water Limited and Wessex Water Services Limited in England and Wales and YTL PowerSeraya Pte Limited in Singapore. He also sits on the board of trustees of YTL Foundation, the philanthropic arm of the YTL Group.

Profile of the Board of Directors

DATO' YEOH SOO KENG

Malaysian, female, aged 61, was appointed to the Board on 17 May 2019 as an Executive Director. She started her career with the group in 1986 as an engineer upon her graduation from Leeds University, United Kingdom with a Bachelor of Science (Hons) in Civil Engineering. She has held key executive positions in numerous industries and sectors in which the group has presence. She led numerous construction and infrastructure projects of strategic and national significance. She headed the group's procurement division and later headed the sales and marketing division of YTL Cement Berhad when the group entered the industry in 1992. She was subsequently appointed the director of sales and marketing for the group's mobile communications division in 2012.

She serves on the boards of YTL Corporation Berhad and YTL Power International Berhad, both listed on the Main Market of

Bursa Malaysia Securities Berhad, YTL e-Solutions Berhad and YTL Cement Berhad. She is the President of the ASEAN Federation of Cement Manufacturers (AFCM).

She is actively involved in various community work at national and international levels. She serves on the board of trustees of YTL Foundation, and is the President of the Girl Guides Association Malaysia, Federal Territory of Kuala Lumpur Branch. She was elected as Chief Commissioner of the Girl Guides Association Malaysia in June 2023. She sits on the EXCO of the Girl Guides Association Malaysia. She sits on the boards of the World Scout Foundation (WSF) where she chairs the Global Network Committee. She also represents the WSF on the Finance Committee of the World Organisation of the Scout Movement (WOSM).

PROFESSOR DATUK TS. IR. DR. SITI HAMISAH BINTI TAPSIR

Malaysian, female, aged 63, was appointed to the Board on 30 May 2023 as an Independent Non-Executive Director. She is the Chairman of the Remuneration and Nomination Committee, and a member of the Audit and Risk Management Committee.

Professor Datuk Dr. Siti graduated from Institut Teknologi MARA (now known as University Teknologi MARA) with a Diploma in Civil Engineering in 1982 and completed her Bachelor of Science in Civil Engineering from New England College, New Hampshire, United States of America in 1984. Subsequently in 1987, she obtained her Master of Science in Civil Engineering from University of Lowell (now known as University of Massachusetts Lowell), United States of America and later obtained her Doctor of Philosophy from University of Leeds, United Kingdom in 1994. Thereafter, she completed an Advanced Management Program from Harvard Business School in 2014.

She is a registered professional engineer with the Board of Engineers, Malaysia since 2001, a Fellow member of the Institution of Engineers, Malaysia since 2007 and a Professional Technologist of the Malaysia Board of Technologists since 2017. She is also a President of the Malaysia Board of Technologists since 2021. In 2022, she became the fellow member of the Academy of Sciences, Malaysia.

In 1987, Professor Datuk Dr. Siti started her career with Universiti Teknologi Malaysia ("UTM") as lecturer where she was responsible for conducting lectures, research, consultancy and management. During her tenure with UTM, she held various positions which include, among others, Head of Laboratory, Associate Professor, Assistant Director, Programme Director, Dean and Deputy Vice-Chancellor.

She left UTM as Campus Director of UTM International Campus in 2009 to join Ministry of Higher Education as Deputy Director General and was promoted to Director General of Higher Education in 2017, where she was responsible for overseeing the implementation of higher education policies at both public and private universities.

Professor Datuk Dr. Siti left the Ministry of Higher Education and was appointed as Secretary General of Ministry of Energy, Science, Technology, Environment and Climate Change (now known as the Ministry of Science, Technology and Innovation ("MOSTI")) in 2019, where she was responsible for developing and overseeing the rollout of national policy on energy, science, technology, innovation and climate change in Malaysia. Following the restructuring of the said ministry by the Government in March 2020, she continued to hold the position of Secretary General until March 2021.

In January 2020, she was also appointed as Adjunct Professor of UTM until her departure in January 2021. In March 2021, she was re-appointed as the Secretary General of MOSTI on a 6-month contract basis, where she was responsible for developing and overseeing the national agenda of science, technology and innovation cutting across all ministries. In addition, she was assigned to lead the roll-out of the COVID-19 Vaccination Plan under the COVID-19 Immunisation Task Force in Malaysia before her retirement in September 2021.

Upon her retirement from MOSTI, she joined UCSI University and presently holds positions as the Group Chief Executive Officer and Vice-Chancellor.

Professor Datuk Dr. Siti also serves on the boards of Sime Darby Berhad and Oppstar Berhad, which are listed on the Main Market and ACE Market of Bursa Malaysia Securities Berhad respectively.

Profile of the Board of Directors

YAP SENG CHONG

Malaysian, male, aged 63, was appointed to the Board on 30 May 2023 as an Independent Non-Executive Director. He is the Chairman of the Audit and Risk Management Committee, and a member of the Remuneration and Nomination Committee. Mr Yap Seng Chong graduated with Bachelor of Accounting from University of Malaya. He is a member of the Malaysian Institute of Accountants (MIA) and Malaysian Institute of Certified Public Accountants (MICPA).

Mr Yap Seng Chong had his entire career with Ernst & Young ("EY"), which spanned 35 years, two of which were with EY London office, providing various types of assurance and business advisory services.

As an assurance partner, his client portfolio included major banks and other financial institutions, conglomerates and corporate entities engaged in manufacturing and trading, retail, power, oil and gas, construction, property and real estates, plantations, transportation, telecommunications and technology, hospitality and healthcare industries.

He had previously held positions in EY as Head of Assurance practice, Professional Practice Director and ASEAN Regional and Country Independence Leader. During his term as MIA Council member, he was the Chairman of the Disciplinary Committee, Member of the Accounting and Auditing Standards Board, Chairman of the Audit and Risk Committee and Member of the Public Practice Committee. Mr Yap was also a member of the Interpretation Committee of the Malaysian Accounting Standards Board.

Mr Yap Seng Chong currently serves on the boards of Malaysia Smelting Corporation Berhad, United Plantations Berhad, Hartalega Holdings Berhad and Apex Healthcare Berhad, all of which are listed on the Main Market of Bursa Malaysia Securities Berhad. He also serves as a member of the board of trustees of Yayasan Hartalega.

FONG YEE MEI

Malaysian, female, aged 68, was appointed to the Board on 30 May 2023 as an Independent Non-Executive Director. She is also a member of Audit and Risk Management Committee, and Remuneration and Nomination Committee. Ms Fong Yee Mei graduated from the University of Technology, Malaysia with a Bachelor of Surveying (Property Management). Subsequently, she obtained her Master of Science in Property Investment from City University, United Kingdom.

She is registered with the Board of Valuers, Appraisers, Estate Agents, and Property Managers, a Fellow of the Royal Institution of Chartered Surveyors (RICS), and a Fellow of the Royal Institution of Surveyors Malaysia (RISM).

Ms Fong Yee Mei has extensive experience in the asset valuation industry and was Head of Asset Valuation Audit Department at Securities Commission Malaysia (SC) before her retirement in 2013. She set up and directed the Asset Valuation Audit

Department in 1995, was involved in regulatory oversight, formulation of various guidelines/policies, disclosure and compliance requirements relating to asset valuations. During her tenure with SC, she was actively involved in the development of the property valuation profession. She was conferred the Darjah Setia Negeri Sembilan (D.N.S.) in 2007.

Prior to joining SC, she began her career at the Valuation and Property Services Department, Ministry of Finance, where she served in various capacities, amongst which as District Valuer, Deputy State Director (Wilayah Persekutuan) and Head of the Capital Issues Valuation Unit.

Ms Fong is currently a property valuation and advisory consultant and an entrepreneur in the health and wellness industry.

Profile of the Board of Directors

DETAILS OF ATTENDANCE OF DIRECTORS AT BOARD MEETINGS

During the financial year, a total of 5 Board meetings were held and the details of attendance are as follows:-

	Attendance
Tan Sri (Sir) Francis Yeoh Sock Ping	5/5
Dato' Sri Michael Yeoh Sock Siong	5/5
Dato' Yeoh Seok Kian	5/5
Dato' Seri Yeoh Seok Hong	5/5
Dato' Yeoh Soo Keng	5/5
Professor Datuk Ts. Ir. Dr. Siti Hamisah Binti Tapsir	5/5
Yap Seng Chong	5/5
Fong Yee Mei	5/5

Notes:

1. Family Relationship with Director and/or Major Shareholder

Tan Sri (Sir) Francis Yeoh Sock Ping, Dato' Yeoh Seok Kian, Dato' Seri Yeoh Seok Hong, Dato' Sri Michael Yeoh Sock Siong and Dato' Yeoh Soo Keng are siblings. They are the children of Puan Sri Datin Seri Tan Kai Yong @ Tan Kay Neong who is a deemed major shareholder of the Company. Save as disclosed herein, none of the Directors has any family relationship with any director and/or major shareholder of the Company.

2. Conflict of Interest or Potential Conflict of Interest

None of the Directors of the Company has any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.

3. Conviction of Offences (other than traffic offences)

None of the Directors has been convicted of any offences within the past five (5) years.

4. Public Sanction or Penalty imposed

None of the Directors has been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial period.

Profile of Key Senior Management

The management team is headed by the Executive Chairman, Tan Sri (Sir) Francis Yeoh Sock Ping and the Managing Director, Dato' Sri Michael Yeoh Sock Siong. They are the Key Senior Management and their profiles are as set out in the Profile of the Board of Directors on pages 34 and 35, respectively of this Annual Report.

Corporate Governance Overview Statement

for the financial year ended 30 June 2024

The Board of Directors (“Board”) of Malayan Cement Berhad (“MCB” or “Company”) remains firmly committed to ensuring an appropriate and sound system of corporate governance throughout the Company and its subsidiaries (“MCB Group” or “Group”). The MCB Group has a long-standing commitment to corporate governance and protection of stakeholder value that has been integral to the achievements and strong financial profile of the MCB Group.

The MCB Group’s corporate governance structure is a fundamental part of the Board’s responsibility to protect and enhance long-term shareholder value and the financial performance of the MCB Group, whilst taking into account the interests of all stakeholders.

In implementing its governance system and ensuring compliance with the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”), the Board has been guided by the principles and practices set out in the Malaysian Code on Corporate Governance (“Code”) issued by the Securities Commission Malaysia (“SC”).

An overview of the Board’s compliance with the Code during the financial year ended 30 June 2024 is detailed in this statement.

The Company’s Corporate Governance Report (“CG Report”) for the financial year ended 30 June 2024 is available at the Company’s website at www.ytlcement.my and has been released via the website of Bursa Securities at www.bursamalaysia.com in conjunction with the Annual Report.

PRINCIPLE A: BOARD LEADERSHIP & EFFECTIVENESS

Responsibilities of the Board

MCB is led and managed by an experienced Board with a wide and varied range of expertise to address and manage the complexity and scale of the MCB Group’s operations. This broad spectrum of skills and experience ensures the MCB Group is under the guidance of an accountable and competent Board. The Directors recognise the key role they play in charting the strategic direction, development and control of the MCB Group.

Key elements of the Board’s stewardship responsibilities include:

- Ensuring that the strategic plans for the MCB Group support long-term value creation for the benefit of its stakeholders and include strategies on economic, environmental and social considerations underpinning sustainability;
- Promoting good corporate governance culture within the MCB Group which reinforces ethical, prudent and professional behaviour;
- Overseeing the conduct of the MCB Group’s businesses to evaluate and assess management performance to determine whether businesses are being properly managed;
- Ensuring there is a framework of prudent and effective internal control and risk management systems which enable risks to be identified, assessed and managed;
- Succession planning for the Board and senior management;
- Overseeing the development and implementation of a shareholder/stakeholder communications policy;
- Reviewing the adequacy and integrity of the MCB Group’s management information and internal control systems; and
- Ensuring the integrity of the MCB Group’s financial and non-financial reporting.

Corporate Governance Overview Statement

for the financial year ended 30 June 2024

The Board is led by the Executive Chairman who is responsible for instilling good corporate governance practices, leadership and effectiveness of the Board.

There is a clear balance of power, authority and accountability between the Executive Chairman, Tan Sri (Sir) Francis Yeoh Sock Ping, and the Managing Director, Dato' Sri Michael Yeoh Sock Siong, between the running of the Board and the Company's business, respectively. The positions of Executive Chairman and Managing Director are separate and clearly defined, and are held by different members of the Board.

The Executive Chairman is responsible for leadership of the Board in ensuring the effectiveness of all aspects of its role, and is primarily responsible for leading the Board in setting the values and standards of the Company, including good corporate governance practices, the orderly and effective conduct of the meetings of the Board and shareholders, leading discussions, encouraging active and open participation, managing the interface and encouraging constructive relations between the Board and management, ensuring the provision of accurate, timely and clear information to Directors and effective communications with stakeholders and facilitating the effective contribution of Non-Executive Directors.

The Managing Director is responsible for, amongst others, overseeing the day-to-day running of the business, developing and implementing Board policies and strategies, making operational decisions, serving as the conduit between the Board and management in ensuring the success of the Company's governance and management functions, ensuring effective communication with shareholders and relevant stakeholders, providing strong leadership, i.e., effectively communicating the vision, management philosophy and business strategy to employees, and keeping the Board informed of salient aspects and issues concerning the Group's operations.

The Managing Director and Executive Directors are accountable to the Board for the profitability and development of the MCB Group, consistent with the primary aim of enhancing long-term shareholder value. The Independent Non-Executive Directors have the experience and business acumen necessary to carry sufficient weight in the Board's decisions and the presence of these Independent Non-Executive Directors brings an additional element of balance to the Board as they do not participate in the day-to-day running of the MCB Group.

The roles of Executive and Non-Executive Directors are differentiated, both having fiduciary duties towards shareholders. Executive Directors have a direct responsibility for business operations whereas Non-Executive Directors have the necessary skill and experience to bring an independent judgment to bear on issues of strategy, performance and resources brought before the Board. The Executive Directors are collectively accountable for the running and management of the MCB's operations and for ensuring that strategies are fully discussed and examined, and take account of the long-term interests of shareholders, employees, customers, suppliers and the many communities in which the MCB Group conducts its business.

In accordance with the Code, the Executive Chairman is not a member of the Audit and Risk Management Committee ("ARMC") or Remuneration and Nomination Committee ("RNC"), all of which are chaired by and comprise Independent Non-Executive Directors. This promotes objectivity in the Board's deliberations and ensures there are effective checks and balances, as well as objective review by the Board of recommendations put forth by the committees.

In the discharge of their responsibilities, the Directors have established functions which are reserved for the Board and those which are delegated to management. Key matters reserved for the Board's approval include overall strategic direction, business expansion and restructuring plans, material acquisitions and disposals, expenditure over certain limits, issuance of new securities, payments of dividends and capital alteration plans. Further information on authorisation procedures, authority levels and other key processes can also be found in the *Statement on Risk Management and Internal Control* set out in this Annual Report.

Corporate Governance Overview Statement

for the financial year ended 30 June 2024

Board Meetings & Procedures

Board meetings are scheduled with due notice in advance at least 5 times in a year in order to review and approve the annual and interim financial results. Additional meetings may also be convened on an ad-hoc basis when significant issues arise relating to the MCB Group and when necessary to review the progress of its operating subsidiaries in achieving their strategic goals. Meetings of the Board committees are conducted separately from those of the main Board to enable objective and independent discussions. The Board met 5 times during the financial year ended 30 June 2024.

The Directors are fully apprised of the need to determine and disclose potential or actual conflicts of interest which may arise in relation to transactions or matters which come before the Board. In accordance with applicable laws and regulations, the Directors formally disclose any direct or indirect interests or conflicts of interests in such transactions or matters as and when they arise and abstain from deliberations and voting at Board meetings as required.

The Directors have full and unrestricted access to all information pertaining to the MCB Group's business and affairs to enable them to discharge their duties. At least one week prior to each Board meeting, all Directors receive the agenda together with a comprehensive set of Board papers encompassing qualitative and quantitative information relevant to the business of the meeting. This allows the Directors to obtain further explanations or clarifications, where necessary, in order to be properly briefed before each meeting.

Board papers are presented in a consistent, concise and comprehensive format, and include, where relevant to the proposal put forward for the Board's deliberation, approval or knowledge, progress reports on the MCB Group's operations and detailed information on corporate proposals, major fund-raising exercises and significant acquisitions and disposals. Where necessary or prudent, professional advisers may be on hand to provide further information and respond directly to Directors' queries. In order to maintain confidentiality, Board papers on issues that are deemed to be price-sensitive may be handed out to Directors during the Board meeting.

The minutes of the Board and Board committee meetings are circulated and confirmed at the next meeting. Once confirmed, the minutes of the Board committee meetings are subsequently presented to the Board for notation.

Company Secretary

The Board is supported by a professionally qualified and competent Company Secretary. The Company Secretary, Ms Ho Say Keng, is a Fellow of the Association of Chartered Certified Accountants, a registered member of the Malaysian Institute of Accountants and an affiliate member of the Malaysian Institute of Chartered Secretaries and Administrators, and is qualified to act as Company Secretary under Section 235(2)(a) of the Companies Act 2016.

The Company Secretary ensures that Board procedures are adhered to at all times during meetings and advises the Board on matters including corporate governance issues and the Directors' responsibilities in complying with relevant legislation and regulations. The Company Secretary works very closely with management for timely and appropriate information, which will then be passed on to the Directors. In accordance with the Board's procedures, deliberations and conclusions in Board meetings are recorded by the Company Secretary, who ensures that accurate and proper records of the proceedings of Board meetings and resolutions passed are recorded and kept in the statutory register at the registered office of the Company.

During the financial year under review, the Company Secretary attended training, seminars and regulatory briefings and updates relevant for the effective discharge of her duties. The Company Secretary carries out ongoing reviews of existing practices in comparison with any new measures introduced in the Listing Requirements and/or legislation, regulations and codes applicable to the governance of the Company and updates the Board accordingly.

Board Charter

The Board's functions are governed and regulated by the Constitution of the Company, and the laws, rules and regulations governing companies in Malaysia, including the Companies Act 2016 and the Listing Requirements. The Board has a Board Charter, a copy of which can be found under the "Governance" section on the Company's website at www.ytlcement.my.

The Board Charter serves several important functions, including as a primary reference to the Board of its role, fiduciary duties and responsibilities, its governance processes and legal framework within which it operates and as an induction tool for new Directors. The Board Charter clearly identifies the respective roles and responsibilities of the Board, Board committees, Directors and management and the issues and decisions reserved for the Board.

Corporate Governance Overview Statement

for the financial year ended 30 June 2024

The Board Charter was most recently updated and adopted on 26 September 2024 to set out, amongst others, the applicability to the Board of the new Conflict of Interest Policy (detailed below) and the Code of Conduct & Business Ethics for the MCB Group and to establish a policy which limits the tenure of the Independent Non-Executive Directors to nine years without further extension.

The Board Charter is reviewed as and when changes arise and updated in accordance with the needs of the Company and any new regulations that impact the discharge of the Board's responsibilities.

Business Conduct, Ethics & Whistleblowing

Following the amendment to the Board Charter on 26 September 2024, the Directors will observe and adhere to the Code of Conduct & Business Ethics going forward, replacing the Code of Ethics for Company Directors issued by the Companies Commission of Malaysia.

MCB has an established track record for good governance and ethical conduct. Key guidance is contained in the Code of Conduct & Business Ethics, which also sets out the whistleblowing policy and procedures, and the MCB Group's Anti-Bribery & Anti-Corruption Policy, as detailed in the following section. A copy of the Code of Conduct & Business Ethics can be found on the Company's website at www.ytlcement.my.

The Code of Conduct & Business Ethics sets out the acceptable general practices and ethics for the MCB Group and includes policies and measures to address conflicts of interest, abuse of power, corruption, insider trading, money laundering and data protection. On 26 September 2024, the Code of Conduct & Business Ethics was updated to codify existing environmental and social policies and general practices that apply across the MCB Group.

Training modules and other methods of communication are employed on an ongoing basis to familiarise employees with their duties and obligations in this area. Training carried out during the financial year under review focused on areas including anti-bribery and anti-corruption, as well as, a cybersecurity refresher course.

Conflicts of Interest ("COI")

In May 2024, the Board adopted a COI Policy which is intended to ensure that any actual or potential conflict of interest that a Director or key senior management may have is appropriately dealt with or managed. The policy applies to the Directors and key senior management of the MCB Group and sets out guidance in identifying conflicts of interest, disclosure and recusal requirements and the measures to be taken to resolve, eliminate or mitigate conflicts. The policy also expands the scope of the ARMC's review of COI situations and the measures taken to resolve, eliminate or mitigate any such conflicts.

To assist the ARMC in discharging its duties in this area, a 'COI Declaration Form' has been adopted together with the COI Policy for the purpose of identifying, evaluating, disclosure/reporting, monitoring, maintenance and management of COI situations.

Anti-Bribery & Anti-Corruption Policy ("ABC Policy")

The objective of the ABC Policy is to further enforce the MCB Group's Code of Conduct & Business Ethics in order to ensure that all Directors and employees understand their responsibilities in compliance with the MCB Group's zero tolerance for bribery and corruption within the organisation. This is in line with the corporate liability provision in Section 17A of the Malaysian Anti-Corruption Commission Act 2009 ("MACC Act") which came into force on 1 June 2020. A copy of the ABC Policy can be found on the Company's website at www.ytlcement.my.

The ABC Policy outlines the MCB Group's strategies in identifying, preventing and managing bribery and corruption issues. The policies and procedures put in place are guided by the Guidelines on Adequate Procedures issued pursuant to Section 17A(5) of the MACC Act. The ABC Policy applies to all Directors, managers and employees of the Company in dealing with external parties in the commercial context. The policy is reviewed at least once every three years and amended as needed to ensure that it continues to remain relevant, appropriate and effective to enforce the principles highlighted therein and to ensure continued compliance with the prevailing law.

Corporate Governance Overview Statement

for the financial year ended 30 June 2024

A comprehensive implementation plan has been established to communicate and disseminate the ABC Policy on an ongoing basis throughout the MCB Group through online training modules and other communication methods, and has been a highly effective component of the overall anti-bribery and anti-corruption risk management process.

Directors and employees of the MCB Group in Malaysia are required to read and understand the ABC Policy and the Code of Conduct & Business Ethics, successfully complete the online training modules to reinforce their understanding of the policy and sign the Integrity Pledge for the YTL Corporation Berhad ("YTL Corp") group of companies ("YTL Group") in acknowledgement of their obligations and responsibilities.

Compliance with the ABC Policy continues to be monitored closely on an ongoing basis. The annual risk assessment is carried out to identify the corruption risks to which the Group is exposed and the appropriateness of the mitigation measures established to minimise the exposure to these risks.

Sustainability Governance

The MCB Group has a long-standing commitment to ensuring that its businesses are viable and sustainable on a long-term basis. The Board oversees governance of the MCB Group's sustainability matters which includes setting its environmental, social and governance ("ESG") strategies, priorities and targets, overseeing the progress of ESG strategy and performance and reviewing and addressing the MCB Group's material ESG risks and opportunities. Further information can be found in the *Sustainability Report 2024* and the section entitled "Reports" on the Company's website at www.ytlcement.my.

MCB's Sustainability Committee is chaired by the Group Managing Director, Dato' Sri Michael Yeoh Sock Siong, supported by the Head of Sustainability and senior management with responsibility for ESG matters. The Sustainability Committee supports the Board to set the high-level ESG direction and strategic focus, oversees the implementation of ESG strategies and related matters and reviews, and monitors and provides the MCB Group's ESG strategic plans and initiatives across its value chain. The Sustainability Committee reports to the Board on an annual basis or more frequently, as and when needed.

The Board is ultimately responsible for MCB's sustainability matters. The Board ensures MCB performance and long-term strategy include consideration for ESG issues to ensure MCB remains resilient and able to deliver sustainable value for its stakeholders.

The Company's key methods for communicating its sustainability strategies, priorities and targets as well as performance against these targets to internal and external stakeholders include the Annual Report, Sustainability Report and the "Sustainability" section on YTL Cement Berhad's website at <https://ytlcement.com/sustainability>. As part of the YTL Group, information on the MCB's Group's ESG performance is also included in the YTL Group Sustainability Report, which is issued annually and can be accessed from the YTL Group's Sustainability website at www.ytl.com/sustainability.

The Directors are kept apprised of the key ESG issues relevant and specific to the MCB Group through briefings from the Sustainability Committee and management on performance, targets and operational updates, and also stay abreast with more general developments in the ESG arena through training programmes, further details of which are disclosed in the *Remuneration and Nomination Committee Statement* in this Annual Report.

The Board's evaluation process includes criteria for addressing and managing significant risks that may have a considerable impact on the Company, and ESG risks are incorporated into this process as they form part of the overall risk management framework. Further details are set out in the section below on *Evaluation of the Board* and in the *Remuneration and Nomination Committee Statement* in this Annual Report.

Composition of the Board

The Board has 8 Directors, comprising 5 executive members and 3 independent non-executive members. The Independent Directors comprise 37.5% of the Board, providing an effective check and balance in the functioning of the Board, and in compliance with the Listing Requirements, which require one-third of the Board to be independent.

The Directors are cognisant of the recommendation in the Code for the Board to comprise a majority of independent directors, and will assess the composition and size of the Board on an ongoing basis to ensure the needs of the Company are met.

Corporate Governance Overview Statement

for the financial year ended 30 June 2024

MCB is 72.29%-owned by YTL Cement Berhad, which is in turn 98.03%-owned by YTL Corp (as at 30 June 2024). The Executive Directors are appointed by the major shareholder in accordance with its rights under the Companies Act 2016 and the Constitution of the Company.

MCB is majority-owned by a single shareholder, unlike other listed companies that may have a dispersed shareholder base which enables a shareholder to exercise control despite holding a minority stake. The interests of the major shareholder are fully aligned with those of all shareholders of the Company.

The expertise and experience in both the day-to-day running of the Group's businesses and the determination and setting of its broader strategy lies with the Executive Directors in order to ensure the ongoing ability to fulfil their roles and responsibilities as stewards of the Group's businesses.

Nevertheless, the Company has in place appropriate and rigorous governance structures and internal controls necessary to safeguard the assets of the Group and protect shareholder value. There is robust oversight in the form of the Board's ARMC and RNC, both of which are chaired by and comprise solely Independent Non-Executive Directors.

The Board is of the view that the current Independent Non-Executive Directors have the experience and business acumen necessary to carry sufficient weight in the Board's decisions, and act in the best interests of the shareholders.

None of the Independent Non-Executive Directors have served on the Board for a period exceeding the nine-year term limit recommended in the Code.

In accordance with the Company's Constitution, at least one-third of the Directors are required to retire from office at each Annual General Meeting ("AGM") and may offer themselves for re-election by rotation. Directors who are appointed by the Board during the financial year are subject to re-election by shareholders at the next AGM held following their appointments.

The names of Directors seeking re-election at the forthcoming AGM are disclosed in the *Notice of Annual General Meeting* in this Annual Report, whilst the review of Directors proposed for re-election and their profiles can be found in the *Remuneration and*

Nomination Committee Statement and the Profile of the Board of Directors, respectively. This information is also available under the "Governance" section on the Company's website at www.ytlcement.my.

Board & Senior Management Appointments

The RNC is responsible for assessing suitable candidates for appointment to the Board, with due regard for diversity, taking into account the required mix of skills, experience, age, gender, ethnicity, time and commitment, background and perspective of members of the Board before submitting its recommendation to the Board for decision.

The RNC is chaired by and comprises solely Independent Non-Executive Directors. The Chairman of the RNC is Professor Datuk Ts. Ir. Dr. Siti Hamisah Binti Tapsir. This complies with the recommendation under the Code that the chairman of the Remuneration and Nomination Committee should not be the chairman of the Board.

Whilst it has, to date, not been necessary to do so given the expertise of the Independent Non-Executive Directors, the Board will also endeavour to utilise independent sources including external human resources consultants and specialised databases, as appropriate.

Meanwhile, members of senior management are selected based on relevant industry experience, with due regard for diversity in skills, experience, age, gender, ethnicity, background and perspective, and are appointed by the Executive Chairman and/or the Managing Director following recommendation by the Executive Director in charge of the relevant division. As the Board's overriding aim is to maintain a strong and effective Board, it seeks to ensure that all appointments are made on merit, taking into account the collective balance of elements such as skills, experience, age, gender, ethnicity, background and perspective.

The Board recognises the importance of encouraging and developing female talent at all levels. Currently, there are three female directors on the Board comprising 37.5% of the Board which meets the target of 30% women directors set out in the Code.

Corporate Governance Overview Statement

for the financial year ended 30 June 2024

Evaluation of the Board

Annual evaluation of the Board as a whole, Board committees and individual Directors is carried out by the RNC. The evaluation carried out during the financial year under review involved an annual assessment of the effectiveness of each individual Director, the Board's committees and the Board as a whole with the objectives of assessing whether the Board, its committees and the Directors had effectively performed its/their roles and fulfilled its/their responsibilities, and devoted sufficient time and commitment to the Company's affairs, in addition to recommending areas for improvement.

The assessment exercise was facilitated by the Company Secretary and involved the completion of questionnaires/evaluation form comprising a Board and Board Committee Effectiveness Evaluation Form, Director's Performance Evaluation Form, Director's Confirmation of Independence Form, ARMC Effectiveness Evaluation Form and ARMC Members Evaluation by RNC Form.

The results of the annual evaluation carried out form the basis of the RNC's recommendations to the Board for the re-election of Directors. As recommended in the Code, the Board will endeavour to utilise independent experts to facilitate the evaluation process, as and when appropriate. Further information on the activities of the RNC can be found in the *Remuneration and Nomination Committee Statement* set out in this Annual Report. This information is also available under the "Governance" section on the Company's website at www.ytlcement.my.

Remuneration

Directors' remuneration is decided in line with the objective recommended by the Code to determine the remuneration for Directors so as to attract, retain, motivate and incentivise Directors of the necessary calibre to lead the MCB Group successfully. In general, the remuneration of the Directors is reviewed against the performance of the individual and the MCB Group. Where applicable, the Executive Directors' remuneration consists of basic salary, other emoluments and other customary benefits as appropriate to a senior management member, whilst the Non-Executive Directors' remuneration comprises Directors' fees and other benefits. The component parts of remuneration are structured so as to link rewards to performance. Directors do not participate in decisions regarding their own remuneration packages. Directors' fees and other benefits must be approved by shareholders at the AGM.

The RNC is chaired by and comprises solely Independent Non-Executive Directors, in compliance with the Code. The RNC assists in the implementation of the remuneration policy and procedures, including reviewing and recommending matters relating to the remuneration of the Directors and senior management to the Board, further information on which can be found in the *Remuneration and Nomination Committee Statement* set out in this Annual Report. The *Remuneration Policy and Procedures for Directors and Senior Management* and the terms of reference of the RNC can also be found under the "Governance" section on the Company's website at www.ytlcement.my.

Details of the Directors' remuneration categorised into appropriate components can be found in *Note 6 in the Notes to the Financial Statements* in this Annual Report.

The Executive Chairman and Managing Director who are members of the Board also comprise the senior management of the Company and the details of their remuneration are disclosed as set out above.

Board Commitment

In accordance with the Listing Requirements, members of the Board do not hold more than five directorships in public listed companies. This ensures that their commitment, resources and time are focused on the affairs of the MCB Group thereby enabling them to discharge their duties effectively.

Presently, each Board member is required to assess (via the annual assessment process) whether he/she devotes the necessary time and energy to fulfilling his/her commitments to the Company. The Board recognises that an individual's capacity for work varies depending on various factors that weigh very much on his/her own assessment. Hence, having rigid protocols in place before any new directorships may be accepted is not practical. Each Board member is also expected to inform the Board whenever he/she is appointed as an officer of a corporation. In accordance with the Board Charter and guidance in the Code, none of the Directors are active politicians.

The details of each Director's attendance of Board meetings can be found in the *Profile of the Board of Directors* whilst details of the training programmes attended during the year under review are disclosed in the *Remuneration and Nomination Committee Statement* in this Annual Report. This information is also available under the "Governance" section on the Company's website at www.ytlcement.my.

Corporate Governance Overview Statement

for the financial year ended 30 June 2024

PRINCIPLE B: EFFECTIVE AUDIT & RISK MANAGEMENT

Integrity in Financial Reporting

The Directors are responsible for ensuring that financial statements are drawn up in accordance with the Listing Requirements, Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The *Statement of Directors' Responsibilities* made pursuant to Section 248-249 of the Companies Act 2016 is set out in this Annual Report.

In presenting the financial statements, the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates, to present a true and fair assessment of the Company's position and prospects. Interim financial reports were reviewed by the ARMC and approved by the Board prior to release to Bursa Securities.

ARMC

The Company has in place an ARMC which comprises solely Independent Non-Executive Directors, in compliance with the Listing Requirements and the Code, namely Mr Yap Seng Chong, Professor Datuk Ts. Ir. Dr. Siti Hamisah Binti Tapsir and Ms Fong Yee Mei. The Chairman of the ARMC is Mr Yap Seng Chong, which fulfils the recommendations of the Code that the chairman of the audit committee should not be the chairman of the Board.

The members of the ARMC possess a wide range of necessary skills to discharge their duties, and are financially literate and able to understand matters under the purview of the ARMC including the financial reporting process. The members of the ARMC also intend to continue to undertake professional development by attending training to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

The ARMC holds quarterly meetings to review matters including the MCB Group's financial reporting, the audit plans for the financial year and recurrent related party transactions, as well as to deliberate the findings of the internal and external auditors.

The ARMC met 6 times during the financial year ended 30 June 2024. Full details of the composition and a summary of the work carried out by the ARMC during the financial year under review can be found in the *Audit and Risk Management Committee Report* set out in this Annual Report. This information and the terms of reference of the ARMC, which were updated and approved by the Board on 24 August 2023 to include the expanded scope of the ARMC in dealing with COI situations, are available under the "Governance" section on the Company's website at www.ytlcement.my.

The ARMC has established formal and professional arrangements for maintaining an appropriate relationship with the Company's external auditors, HLB Ler Lum Chew PLT ("HLB"). The external auditors also attend each AGM in order to address clarifications sought pertaining to the audited financial statements by shareholders.

The ARMC's *Auditor Independence Policy* guides its assessment of the suitability, objectivity and independence of the external auditors. The policy includes, amongst others, a cooling off period of three years before a former audit partner of the external audit firm may be appointed as a member of the ARMC and additional assessment criteria based on information presented in the *Annual Transparency Report* of the external auditors, in line with the Code. None of the ARMC members were formerly partners of MCB's external auditors.

Details of the audit and non-audit fees paid/payable to HLB for the financial year ended 30 June 2024 are as follows:

	Company RM '000	Group RM '000
Statutory audit fees paid/payable to:		
- HLB	121	818
- Affiliates of HLB	-	-
Total	121	818
Non-audit fees paid/payable to:		
- HLB	8	8
- Affiliates of HLB	3	223
Total	11	231

Corporate Governance Overview Statement

for the financial year ended 30 June 2024

Risk Management & Internal Control

The Board acknowledges its overall responsibility for maintaining a sound system of risk management and internal control to safeguard the investment of its shareholders and the MCB Group's assets, and that these controls are designed to provide reasonable, but not absolute, assurance against the risk of occurrence of material errors, fraud or losses.

Details of the MCB Group's system of risk management and internal control are contained in the *Statement on Risk Management and Internal Control* and the *Audit and Risk Management Committee Report* as set out in this Annual Report.

Internal Audit

MCB's internal audit function is carried out by the Internal Audit department within the YTL Group ("YTLIA"), which reports directly to the ARMC. The Head of YTLIA, Mr Choong Hon Chow, is a registered member of the Malaysian Institute of Accountants and a Fellow of the Association of Chartered Certified Accountants (ACCA) UK. He started his career with the external audit division of a large public accounting firm before moving on to the internal audit profession in public listed companies and gained valuable and extensive internal audit experience covering many areas of diversified commercial businesses and activities. He has a total of 41 years of internal and external audit experience.

During the financial year ended 30 June 2024, YTLIA comprised 10 full-time personnel. The personnel of YTLIA are free from any relationships or conflicts of interest which could impair their objectivity and independence.

In July 2024, YTLIA underwent a Gap Assessment based on Global Internal Audit Standards which will come into effect in January 2025.

The activities of the internal audit function during the year under review included:

- Developing the annual internal audit plan and proposing this plan to the ARMC;
- Conducting scheduled internal audit engagements, focusing primarily on the adequacy and effectiveness of internal controls and recommending improvements where necessary;
- Conducting follow-up reviews to assess if appropriate action has been taken to address issues highlighted in previous audit reports;
- Presenting significant audit findings to the ARMC for consideration;
- Conducting review of recurrent related party transactions;
- Conducting discussions with management in identifying significant concerns and risk areas perceived by management for inclusion in the internal audit plan;
- Conducting discussions with management to identify, analyse, assess and prioritise the internal and external corruption risks, for the purpose of establishing appropriate processes, systems and controls to mitigate the specific corruption risks exposure; and
- Conducting review and verification of the effectiveness in the implementation of the Group's ESG policies and operations for the purpose of providing independent assurance on whether data being reported is accurate, relevant, complete and timely.

Further details of the MCB Group's internal audit function are contained in the *Statement on Risk Management and Internal Control* and the *Audit and Risk Management Committee Report* as set out in this Annual Report.

Corporate Governance Overview Statement

for the financial year ended 30 June 2024

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING & MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Communication with Shareholders & Other Stakeholders

The MCB Group values dialogue with its stakeholders and constantly strives to improve transparency by maintaining channels of communication that enable the Board to convey information about performance, corporate strategy and other matters affecting stakeholders' interests. The Board believes that a constructive and effective investor relationship is essential in enhancing stakeholder value and recognises the importance of timely dissemination of information to stakeholders.

The Board ensures that shareholders are kept well-informed of any major development of the MCB Group. Such information is communicated through the Annual Report, the various disclosures and announcements to Bursa Securities, including quarterly and annual results, and corporate websites. Corporate information, annual financial results, governance information, business reviews and future plans are disseminated through the Annual Report, whilst current corporate developments are communicated via the Company's corporate website at www.ytlcement.my and the YTL Group's community website at www.ytlcommunity.com, in addition to prescribed information, including its interim financial results, announcements, circulars, prospectuses and notices, which is released through the official website of Bursa Securities.

The Executive Chairman, Managing Director and/or the Executive Directors meet with analysts, institutional shareholders and investors throughout the year not only to promote the dissemination of the MCB Group's financial results but to provide updates on strategies and new developments to ensure better understanding of the MCB Group's operations and activities. Presentations based on permissible disclosures are made to explain the MCB Group's performance and major development programs.

Whilst efforts are made to provide as much information as possible to its shareholders and stakeholders, the Directors are cognisant of the legal and regulatory framework governing the release of material and sensitive information so as to not mislead its shareholders. Therefore, the information that is price-sensitive or that may be regarded as undisclosed material information about the MCB Group is not disclosed to any party until after the prescribed announcement to Bursa Securities has been made.

Conduct of General Meetings

The AGM is the principal forum for dialogue with shareholders. The Board provides opportunities for shareholders to raise questions pertaining to issues in the Annual Report, corporate developments in the MCB Group, the resolutions being proposed and the business of the MCB Group in general at every general meeting of the Company.

The Notice of the AGM and a circular to shareholders in relation to recurrent related party transactions mandates, if applicable, are sent to shareholders at least 28 days prior to the AGM in accordance with the Code, which also meets the criteria of the Listing Requirements and Companies Act 2016, which require the Notice of AGM to be sent 21 days prior to the AGM. This provides shareholders with sufficient time to review the MCB Group's financial and operational performance for the financial year and to fully evaluate new resolutions being proposed to make informed voting decisions at the AGM.

The Executive Chairman, Managing Director and Executive Directors provide appropriate answers in response to shareholders' questions during the meeting, thereby ensuring a high level of accountability, transparency and identification with the MCB Group's business operations, strategy and goals.

The Directors are mindful of the recommendation under the Code that all directors must attend general meetings and fully appreciate the need for their attendance at all such meetings. All Directors attended the Company's 73rd AGM held on 5 December 2023.

Corporate Governance Overview Statement

for the financial year ended 30 June 2024

Extraordinary general meetings are held as and when required to seek shareholders' approval. The Executive Chairman, Managing Director and Executive Directors take the opportunity to fully explain the rationale for proposals put forth for approval and the implications of such proposals for the Company, and to reply to shareholders' questions.

Where applicable, each item of special business included in the notice of the meeting is accompanied by an explanatory statement for the proposed resolution to facilitate full understanding and evaluation of the issues involved. All resolutions are put to vote by electronic poll voting and an independent scrutineer is appointed to verify poll results. The results of the electronic poll voting are announced in a timely manner, usually within half an hour of the voting process to enable sufficient time for the results to be tabulated and verified by the independent scrutineer.

The rights of shareholders, including the right to demand a poll, are found in the Constitution of the Company. At the 73rd AGM of the Company, held on 5 December 2023, the resolutions put forth for shareholders' approval were voted on by way of a poll.

Where general meetings are held on a virtual basis, the Board utilises available platforms and technologies that support meaningful engagement with shareholders by ensuring smooth broadcast of the general meeting and enabling interactive participation by shareholders via facilities to submit questions before and during the general meeting. Questions posed by shareholders are made visible to all meeting participants during the meeting.

The Company engages professional service providers to manage and administer its general meetings who have in place the necessary data privacy and protection and cybersecurity policies and procedures to safeguard the information of the Company and its shareholders.

Minutes of general meetings are posted on the Company's website under the "Meetings" page, which can be accessed at the link below, no later than 30 business days after the general meeting:

- <https://www.ytlcement.my/meetings>

The 73rd AGM of the Company was conducted as a fully virtual meeting through live streaming and online remote participation and voting using the TIIH Online System at <https://tiih.com.my> provided by the appointed share registrar and poll administrator, Tricor Investor & Issuing House Services Sdn Bhd.

The forthcoming 74th AGM will also be held on a fully virtual basis, the details of which can be found in the *Notice of Annual General Meeting* in this Annual Report.

This statement and the CG Report were approved by the Board on 26 September 2024.

Statement on Risk Management and Internal Control

for the financial year ended 30 June 2024

The Board of Directors (“Board”) of Malayan Cement Berhad (“MCB” or “Company”) is pleased to present the Statement on Risk Management and Internal Control for the financial year ended 30 June 2024, issued in compliance with Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and Principle B of the Malaysian Code on Corporate Governance (“Code”), with guidance from the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers issued by the Taskforce on Internal Control and endorsed by Bursa Securities.

BOARD RESPONSIBILITY

The Board acknowledges its responsibility for maintaining a sound system of risk management and internal control which includes the establishment of an appropriate control environment framework to safeguard shareholders’ investments and the assets of MCB and its subsidiaries (“MCB Group”). The Board reviews the adequacy and integrity of the system of internal control which covers not only financial controls but operational and compliance controls and risk management.

Due to inherent limitations in any system of internal control and risk management, the Board recognises that such systems are designed to manage rather than to eliminate all the risks that may hinder the Group from achieving its business objectives, and as such, can only provide reasonable but not absolute assurance against material misstatement, loss or fraud.

The Board believes that the MCB Group’s system of risk management and internal control, financial or otherwise, in place for the financial year under review, should provide reasonable assurance regarding the achievement of the objectives of ensuring effectiveness and efficiency of operations, reliability and transparency of financial information and compliance with laws and regulations.

PRINCIPAL FEATURES OF THE MCB GROUP’S SYSTEM OF INTERNAL CONTROL

The principal features of the MCB Group’s system of internal control can be summarised as follows:-

- **Authorisation Procedures:** The MCB Group has a clear definition of authorisation procedures and a clear line of accountability, with strict authorisation, approval and control procedures within the Board and senior management. Responsibility levels are communicated throughout the MCB Group which set out, among others, authorisation levels, segregation of duties and other control procedures to promote effective and independent stewardship in the best interests of shareholders.
- **Authority Levels:** The MCB Group has delegated authority levels for tenders, capital expenditure projects, acquisitions and disposals of businesses and other significant transactions to the Executive Chairman, Managing Director and Executive Directors. The approval of capital and revenue proposals including financing of corporate and investment funding requirements above certain limits is reserved for decision by the Board. Other investment decisions are delegated for approval in accordance with authority limits. Comprehensive appraisal and monitoring procedures are applied to all major investment decisions.
- **Financial Performance:** Interim financial results are reviewed by the Audit and Risk Management Committee (“ARMC”) and approved by the Board upon the recommendation of the ARMC before release to Bursa Securities. The full year audited financial results and analyses of the MCB Group’s financial performance are disclosed to shareholders.
- **Internal Compliance:** The MCB Group monitors compliance with its internal financial controls through management reviews. Financial reports are reviewed by key personnel to enable it to gauge achievement of annual targets. Updates of internal policies and procedures are undertaken to resolve operational deficiencies and to reflect changing risks, as well as changes to legal and regulatory compliance requirements relevant to the MCB Group. Internal audit visits are systematically arranged to monitor and scrutinise compliance with procedures and assess the integrity of financial information provided.

Statement on Risk Management and Internal Control

for the financial year ended 30 June 2024

KEY PROCESSES OF THE MCB GROUP'S SYSTEM OF INTERNAL CONTROL

The key processes that the Board has established to review the adequacy and integrity of the system of internal control are as follows:-

- **Internal Audit Function and ARMC Oversight:** The MCB Group's internal audit function is carried out by the Internal Audit department within the YTL Corporation Berhad Group ("YTLIA"), which evaluates the efficiency and effectiveness of the internal control systems implemented by management, and reports directly to the ARMC. A description of the work of the internal audit function can be found in the *Audit and Risk Management Committee Report*, whilst additional details about the personnel and resources of YTLIA are contained in the *Corporate Governance Overview Statement* set out in this Annual Report. This information is also available under the "Governance" section on the Company's website at www.ytlcement.my.

YTLIA operates independently of the business or service units it audits and reports to the ARMC on the results of the audits, highlighting the efficiency and effectiveness of the system of internal control and significant risks. The ARMC reviews and evaluates the key concerns and issues raised and ensures that appropriate and prompt remedial action is taken by management.

There were no material weaknesses or issues identified during the review for the financial year that would require disclosure in this Annual Report.

The system of internal control is constantly reviewed, enhanced and updated in line with changes in the operating environment. The Board is of the view that the current system of internal control in place throughout the MCB Group is effective to safeguard its interests.

- **Executive Board and Senior Management Meetings:** The MCB Group conducts regular executive board and senior management meetings comprising the Executive Chairman, Managing Director, Executive Directors and divisional heads and senior managers. These meetings are convened to deliberate and decide on urgent matters and to identify, review, discuss and resolve significant financial and treasury matters and to monitor the financial standing of the MCB Group. They also serve to ensure that any new financial developments and areas of concern are highlighted early and can be dealt with promptly. Decisions can then be effectively communicated to all relevant staff levels in a timely manner. From these meetings, the executive board and management are able to identify significant operational and financial risks of the business units concerned.
- **Site Visits:** The Managing Director and Executive Directors undertake site visits to production and operating units and communicate with various levels of staff to gauge first-hand the effectiveness of strategies discussed and implemented. This is to ensure that management and the respective Managing Director and Executive Directors maintain a transparent and open channel of communication for effective operation.

KEY FEATURES & PROCESSES OF THE MCB GROUP'S RISK MANAGEMENT PRACTICES

The Board acknowledges that all areas of the MCB Group's business activities involve some degree of risk. The MCB Group is committed to ensuring that these risks are managed in order to protect shareholder value.

The Board assumes overall responsibility for the MCB Group's risk management practices. Identifying, evaluating and managing significant risks faced by the MCB Group is an ongoing process which is undertaken by senior management at each level of operations. During the financial year under review, the Board's functions within the risk management practices were exercised primarily by the Managing Director and Executive Directors through their participation in management meetings to ensure the adequacy and integrity of the system of internal control.

Statement on Risk Management and Internal Control

for the financial year ended 30 June 2024

Emphasis is placed on reviewing and updating the process for identifying and evaluating the significant risks affecting the business, and policies and procedures by which these risks are managed.

The MCB Group's activities expose it to a variety of financial risks, including market risk (comprising foreign currency exchange risk, interest rate risk and price risk), credit risk, liquidity risk and capital risk. The MCB Group's overall financial risk management objective is to ensure that the MCB Group creates value for its shareholders. The MCB Group focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance. Financial risk management is carried out through risk review analysis and internal control systems. The Board reviews these risks and approves the appropriate control environment practices. Further discussion and details on the MCB Group's risk management is contained in the *Management Discussion & Analysis* in this Annual Report.

Management is responsible for creating a risk-aware culture within the MCB Group and for the identification and evaluation of significant risks applicable to their areas of business, together with the design and operation of suitable internal controls. These risks are assessed on a continual basis and may be associated with a variety of internal and external sources including control breakdowns, disruption in information systems, competition, natural catastrophe and regulatory requirements. Changes in the business and the external environment which may give rise to significant risks are reported by management to the Managing Director/Executive Directors in developing appropriate risk mitigation measures.

The Executive Board will pursue its ongoing process of (i) identifying, assessing and managing key business, operational and financial risks faced by its business units as well as (ii) regularly reviewing planned strategies to determine whether risks are mitigated and well-managed, and to ensure compliance with the guidelines issued by the relevant authorities. This is to ensure the MCB Group is able to respond effectively to the constantly changing business environment in order to protect and enhance stakeholders' interests and shareholder value.

REVIEW BY EXTERNAL AUDITORS

As required under Paragraph 15.23 of the Listing Requirements, the external auditors, HLB Ler Lum Chew PLT, have reviewed this Statement on Risk Management and Internal Control. Their review was performed in accordance with Audit and Assurance Practice Guide ("AAPG") 3 issued by the Malaysian Institute of Accountants. Based on their review, they have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the process the Board has adopted in reviewing the adequacy and integrity of internal control and risk management of the MCB Group. AAPG 3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the MCB Group.

CONCLUSION

The Board is of the view that the system of risk management and internal control being instituted throughout the MCB Group is sound and effective. The monitoring, review and reporting arrangements in place give reasonable assurance that the structure and operation of controls are appropriate for the MCB Group's operations and that risks are at an acceptable level throughout its businesses. The Managing Director is primarily responsible for the financial management of MCB and has provided assurance to the Board that the MCB Group's risk management and internal control system is operating adequately and effectively. Reviews of all the control procedures will be continuously carried out to ensure the ongoing effectiveness and adequacy of the system of risk management and internal control, so as to safeguard shareholders' investments and the MCB Group's assets.

This statement was approved by the Board on 21 August 2024.

Audit and Risk Management Committee Report

COMPOSITION

Yap Seng Chong

(Chairman/Independent Non-Executive Director)

Professor Datuk Ts. Ir. Dr. Siti Hamisah Binti Tapsir

(Member/Independent Non-Executive Director)

Fong Yee Mei

(Member/Independent Non-Executive Director)

TERMS OF REFERENCE

The terms of reference can be found under the 'Governance' section on the Company's website at www.ytlcement.my.

NUMBER OF MEETINGS HELD AND DETAILS OF ATTENDANCE

During the financial year, a total of 6 Audit and Risk Management Committee Meetings ("ARMC") were held and the details of attendance are as follows:-

	Attendance
Yap Seng Chong	6/6
Professor Datuk Ts. Ir. Dr. Siti Hamisah Binti Tapsir	6/6
Fong Yee Mei	6/6

SUMMARY OF WORK CARRIED OUT FOR THE FINANCIAL YEAR

The ARMC carried out the following work for the financial year ended 30 June 2024 in the discharge of its functions and duties:-

1. Financial Reporting

- (a) Reviewed the unaudited quarterly financial reports and audited financial statements ("Financial Reports") prior to its recommendation to the Board of Directors for approval.

- (b) In respect of the Financial Reports, the following matters were reviewed and discussed with management, with clarifications and/or additional information provided wherever required:

- Appropriate accounting policies had been adopted and applied consistently, and other statutory and regulatory requirements had been complied with;
- The Company has adequate resources to continue in operation for the foreseeable future and that there are no material uncertainties that could lead to significant doubt as to the Group's ability to continue as a going concern;
- Significant judgements made by management in respect of matters such as impairment assessment of goodwill, recognition of deferred tax assets, write down of property, plant and equipment, recoverability of receivables and the underlying assumptions and/or estimates used were reasonable and appropriate in accordance with the requirements of the Malaysian Financial Reporting Standards ("MFRS");
- Adequate processes and controls were in place for effective and efficient financial reporting and disclosures under the MFRS and Bursa Malaysia Securities Berhad Main Market Listing Requirements ("Listing Requirements");
- The Financial Reports were fairly presented in conformity with the relevant accounting standards in all material aspects.

2. External Audit

- (a) Reviewed with the external auditors, HLB Ler Lum Chew PLT ("HLB"):
 - the audit plan for the financial year ended 30 June 2024 outlining, amongst others, their scope of work, audit approach, areas of audit emphasis and development in laws and regulations affecting financial reporting and the roles and responsibilities of directors/ARMC members and auditors;
 - their status report, and final report on the audit of the financial year ended 30 June 2024 setting out their comments and conclusions on the significant audit and accounting matters highlighted, including management's judgements, estimates and/or assessment made, and adequacy of disclosures in the financial statements.

Audit and Risk Management Committee Report

- (b) Reviewed the audit fees proposed by HLB together with management and recommended the fees agreed with HLB to the Board of Directors for approval;
- (c) Had discussions with HLB without the presence of management twice on 19 August 2024 and 25 September 2024, to apprise on matters in regard to the audit and financial statements. No issues were highlighted by HLB.
- (d) Reviewed the profiles of the audit engagement team from HLB which enables the ARMC to assess their qualifications, expertise, resources, and independence, as well as the effectiveness of the audit process.
- (e) Reviewed on a regular basis, the nature and extent of the non-audit services provided by HLB and its affiliates and was satisfied with the suitability, performance, independence and objectivity of HLB.
- (f) Obtained written assurance from HLB that they have complied with the independence requirements and that their objectivity has not been compromised in accordance with regulatory and professional requirements.
- (g) Confirmed verbally by management, the internal auditors and all ARMC members that they had no knowledge of any actual, suspected or alleged fraud and non-compliance or suspected non-compliance with laws or regulations affecting the Group in response to an enquiry by the external auditors.
- (h) Assessed the performance of HLB for the financial year ended 30 June 2024 and recommended to the Board of Directors for re-appointment at the forthcoming annual general meeting.
- (i) Received the Condensed Transparency Report prepared by HLB, which contains the audit partner workload, auditor independence, professional capacity and competency, and investment in audit quality.

3. Internal Audit/Internal Control

- (a) Reviewed with the internal auditors the internal audit reports (including follow-up review reports), the audit findings and recommendations, management's responses and/or actions taken thereto and ensured that material findings were satisfactorily addressed by management.
- (b) Reviewed and adopted the internal audit plan for the financial year ending 30 June 2025 to ensure sufficient scope and coverage of activities of the Company and the Group.
- (c) Reviewed internal audit resourcing, with focus on ensuring that the function has sufficient resources together with the right caliber of personnel to perform effectively and that the head of internal audit has adequate authority to discharge its functions objectively and independently.
- (d) Reviewed the Internal Audit Charter to enhance and upgrade the internal audit activities to be consistent with the mandatory elements of the Institute of Internal Auditors International Professional Practices Framework, including its Standards Core Principles for the Professional Practice of Internal Auditing, Definition of Internal Auditing and Code of Ethics, prior to its recommendation to the Board of Directors for approval.

4. Related Party Transactions

- (a) Reviewed, on a quarterly basis, the recurrent related party transactions of a revenue or trading nature ("RRPTs") entered into by the Company and/or its subsidiaries with related parties to ensure that the Group's internal policies and procedures governing RRPTs are adhered to, the terms of the shareholder mandate are not contravened, and disclosure requirements of the Listing Requirements are observed.
- (b) Reviewed the circulars to shareholders in relation to the renewal of shareholder mandate for RRPTs, prior to its recommendation to the Board of Directors for approval.

Audit and Risk Management Committee Report

5. Annual Report

Reviewed the ARMC Report and the Statement on Risk Management and Internal Control before recommending these to the Board of Directors for approval for inclusion in 2024 Annual Report.

6. Amendments to the Terms of Reference (“TOR”)

Reviewed the proposed amendments to its TOR to reflect revised Paragraph 15.12(1)(h) of the Listing Requirements pertaining to the expanded scope of work or function of the audit committee in the review of conflict of interest situations, prior to its recommendation to the Board of Directors for approval.

7. Conflict of Interest (“COI”)

- (a) Reviewed and adopted a COI Policy, together with the ‘COI Declaration Form’ for the purpose of identifying, evaluating, disclosure/reporting, monitoring, maintenance and management of COI situations.
- (b) Reviewed the disclosure of actual or potential COI, including interest in any competing business, submitted by the Directors and key senior management of the Company and its subsidiaries via the ‘COI Declaration Form’ to the Secretary, who then escalated the same to the ARMC for assessment, conflict management and/or mitigation. There were no COI identified based on the review undertaken and this was subsequently reported to the Board.

INTERNAL AUDIT FUNCTION

The Group’s internal audit function is carried out by the internal audit department within the YTL Corporation Berhad Group (“YTLIA”), which provides assurance on the efficiency and effectiveness of the internal control systems implemented by management, and reports functionally to the Audit and Risk Management Committee of the Company.

Every YTLIA team member has confirmed that they are free from conflict of interest or any relationship that could impair their objectivity and independence as internal auditors.

The ARMC reviews annually the adequacy of the scope, function, competency and resources of YTLIA to ensure that it is able to fully discharge its responsibilities. Details of the resources and the qualifications of the head of YTLIA are set out in the Corporate Governance Report.

During the year, the YTLIA evaluated the adequacy and effectiveness of key controls in responding to risks within the organisation’s governance, operations and information systems regarding:

- reliability and integrity of financial and operational information;
- effectiveness and efficiency of operations;
- safeguarding of assets; and
- compliance with relevant laws, regulations and contractual obligations.

The work of the internal audit function for the year under review include the following:

1. Developed the annual internal audit plan and proposed the plan to the ARMC.
2. Conducted scheduled and special internal audit engagements, focusing primarily on the adequacy and effectiveness of internal controls and recommending improvements where necessary.

Audit and Risk Management Committee Report

3. Conducted follow-up reviews to assess if appropriate action has been taken to address issues highlighted in previous audit reports.
4. Presented significant audit findings and areas for improvements to the ARMC for consideration on the recommended corrective measures together with the management's response.
5. Conducted RRPTs reviews to assess accuracy and completeness of reporting for presentation to the ARMC, and ensure compliance with the Listing Requirements.
6. Conducted discussions with management in identifying significant concerns and risk areas perceived by management for inclusion in the internal audit plan.
7. Conducted discussions with management to identify, analyse, assess and prioritise the internal and external corruption risks, for the purpose of establishing appropriate processes, systems and controls to mitigate the specific corruption risks exposure.
8. Conducted review and verification of the effectiveness in the implementation of the Group's environmental, social and governance (ESG) policies and operations for the purpose of providing independent assurance on whether data being reported is accurate, relevant, complete and timely.

Costs amounting to RM416,741 were incurred in relation to the internal audit function for the financial year ended 30 June 2024.

Remuneration and Nomination Committee Statement

REMUNERATION AND NOMINATION COMMITTEE (“RNC”)

The RNC assists the Board of Directors of Malayan Cement Berhad (the “Company”) (“Board”) in discharging its responsibilities, mainly,

- by overseeing the selection and assessment of Directors to ensure that the composition of the Board meets the needs of the Company; and
- establishing, reviewing and making recommendations to the Board on the remuneration policy and procedures, and ensuring that the Directors and senior management are appropriately remunerated to ensure the long-term sustainable success of the Company and its subsidiaries (“MCB Group”).

The terms of reference of the RNC can be found under the “Governance” section on the Company’s website at www.ytlcement.my.

During the financial year ended 30 June 2024, four (4) meetings were held and the details of attendance are as follows:

Members of the RNC	Attendance
Professor Datuk Ts. Ir. Dr. Siti Hamisah Binti Tapsir (<i>Chairman</i>)	4/4
Yap Seng Chong	4/4
Fong Yee Mei	4/4

BOARD NOMINATION AND ELECTION PROCESS AND CRITERIA USED

The RNC is responsible for considering and making recommendations to the Board, candidates for directorship when the need arises such as to fill a vacancy arising from resignation or retirement or to close any skills, competencies, experience or diversity gap that has been identified or to strengthen Board composition. Candidates may be proposed by the Managing Director or any Director or shareholder and must fulfil the requirements prescribed under the relevant laws and regulations for appointment as director. A candidate’s suitability

for appointment will be based primarily on the individual’s merits, fitness and propriety in line with the *Fit and Proper Policy* adopted by the Board, as well as the strategic aim for the appointment.

ACTIVITIES OF THE RNC FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

(i) Annual evaluation

In May 2024, the annual evaluation of the effectiveness of the Board as a whole, Board Committees, individual and/or Independent Directors was carried out. The evaluation exercise was facilitated by the Company Secretary and took the form of completion of questionnaires/evaluation forms.

Besides composition and diversity, Board effectiveness evaluation covered the areas of quality of governance and decision making, including ability in addressing and managing the Company’s material sustainability risk and opportunities, while Board Committees were assessed on their composition, expertise, and whether their functions and responsibilities were effectively discharged in accordance with their respective terms of reference.

Individual Directors were evaluated on their fit and properness, caliber, character and integrity, contribution and performance; whether they devote necessary time and commitment, and have shown the will and ability to deliberate constructively, ask the right questions and confidence to stand up for a point of view. With regards to the Independent Directors, their independence was also assessed.

Results of the evaluations indicated no evident weaknesses or shortcomings which require mitigating measure. The Board and the Board Committees continue to perform effectively and the Directors demonstrated satisfactory performance and commitment in discharging their responsibilities for the financial year ended 30 June 2024.

The RNC with the concurrence of the Board was of the view that the Board is of the right size and has an appropriate mix of skills, experience, perspective, independence and diversity, including gender diversity needed to meet the needs of the Company.

Remuneration and Nomination Committee Statement

(ii) Review of Directors standing for re-election

In June 2024, based on the schedule of retirement by rotation and in conjunction with the annual evaluation exercise, the RNC evaluated and recommended to the Board that Dato' Seri Yeoh Seok Hong, Dato' Sri Michael Yeoh Sock Siong and Dato' Yeoh Soo Keng (collectively, the "EDs") who are due to retire by rotation pursuant to Article 85 of the Company's Constitution at the Seventy-Fourth Annual General Meeting of the Company ("74th AGM"), stand for re-election.

The RNC was satisfied that the EDs who have a wealth of experience, knowledge and insights of the business, operations and growth strategies of the MCB Group, performed and contributed effectively as indicated by the performance evaluation results. The RNC also considered their fitness and propriety, in particular their character and integrity, experience and competence, as well as their time and commitment to their roles and responsibilities.

(iii) Review of the terms of reference of the RNC

The RNC reviewed and recommended to the Board the amendments to its terms of reference to incorporate a broader scope of responsibilities in the review of the conflict of interest, in accordance with the Bursa Malaysia Securities Berhad Main Market Listing Requirements ("Listing Requirements").

(iv) Review of the evaluation forms

The RNC reviewed and recommended to the Board the adoption of revised evaluation forms to ensure consistency with the Malaysian Code on Corporate Governance and Listing Requirements.

(v) Review of the RNC Statement for the financial year ended 30 June 2024

The RNC reviewed the RNC Statement prior to its recommendation to the Board for inclusion in the 2024 Annual Report.

(vi) Review of Directors' remuneration

The RNC assessed the remuneration of the Directors and senior management who are also Executive Directors of the Company, as well as fees and meeting attendance allowance (benefits) proposed for the Independent Non-Executive Directors ("INED Remuneration"), guided by the framework set out in the *Remuneration Policy and Procedures for Directors and Senior Management*. The remuneration of the Directors and the INED Remuneration were benchmarked against comparable listed companies in Malaysia in terms of industry and size/market capitalisation. Taking into account the Company's market capitalisation, equitability and market competitiveness, as well as the MCB Group's overall performance, the RNC considered the remuneration of the Executive Directors to be comparable or within the range of industry benchmarks. It also considered the performance of the Independent Non-Executive Directors as indicated by the evaluations conducted, the responsibilities assumed and their contributions, as well as the overall performance of the MCB Group. The RNC ensured that none of them was involved in the decision regarding his/her own remuneration outcome and recommended to the Board for shareholders' approval that the INED Remuneration remains unchanged as it was reasonable, competitive, and aligned with the market and the MCB Group's overall performance.

POLICY ON BOARD COMPOSITION

As the Board's overriding aim is to maintain a strong and effective Board, it seeks to ensure that all appointments are made on merit, taking into account the collective balance of elements such as skills, experience, age, gender, ethnicity, background and perspective. The Board recognises the importance of encouraging and developing female talent at all levels. There are currently three female directors on the Board comprising 37.5% of the Board, exceeding the 30% recommended under the Malaysian Code on Corporate Governance. The Board intends to continue its current approach to diversity in all aspects while at the same time seeking Board members of the highest caliber, and with the necessary strength, experience and skills to meet the needs of the Company.

Remuneration and Nomination Committee Statement

INDUCTION, TRAINING AND DEVELOPMENT OF DIRECTORS

Upon joining the Board, a newly appointed Director will be given an induction pack containing the Company's annual report, various policies adopted by the Company, terms of references of the Board Committees, Constitution, and schedule of meetings of the Board and Board Committees (if the Director is also a Committee member) which will serve as an initial introduction to MCB Group as well as an ongoing reference. This is followed by familiarisation visits to the MCB Group's operational sites and meetings with senior management where practicable and appropriate.

The Board, through the RNC, assesses the training needs of its Directors on an ongoing basis by determining areas that would best strengthen their contributions to the Board.

Besides the findings from the annual performance evaluation of Directors, which provide the RNC with useful insights into the training needs of the Directors, each Director is requested to identify appropriate training that he/she believes will enhance his/her contribution to the Board.

The Board has taken steps to ensure that its members have access to appropriate continuing education programmes. The Company Secretary facilitates the organisation of in-house development programmes and keeps Directors informed of relevant external training programmes.

During the financial year ended 30 June 2024, the following in-house training programmes were organised for the Directors:

- YTL LEAD Conference 2023;
- Cybersecurity Refresher Quiz Module;
- Managing NFR (Non-Financial Risks) as a Driver for Organisational Performance.

All the Directors have undergone training programmes during the financial year ended 30 June 2024. The conferences, seminars and training programmes attended by one or more of the Directors covered the following areas:

Seminars/Conferences/Training	Attended by
■ Risk Management/Compliance/Anti-Corruption/Environmental, Social & Governance/ Sustainability	
<ul style="list-style-type: none"> • Managing NFR (Non-Financial Risks) as a Driver for Organisational Performance 	Tan Sri (Sir) Francis Yeoh Sock Ping Dato' Yeoh Seok Kian Dato' Seri Yeoh Seok Hong Dato' Yeoh Soo Keng Professor Datuk Ts. Ir. Dr. Siti Hamisah Binti Tapsir Yap Seng Chong
<ul style="list-style-type: none"> • Institute of Corporate Directors of Malaysia (ICDM); Chairman's Masterclass: Driving Sustainability from the Chair 	Professor Datuk Ts. Ir. Dr. Siti Hamisah Binti Tapsir
<ul style="list-style-type: none"> • ICDM PowerTalk Series: Being Sued as an Independent Non-Executive Director - A Personal Journey 	Professor Datuk Ts. Ir. Dr. Siti Hamisah Binti Tapsir

Remuneration and Nomination Committee Statement

Seminars/Conferences/Training	Attended by
■ Risk Management/Compliance/Anti-Corruption/ Environmental, Social & Governance/ Sustainability (cont'd)	
• EY Webinar: ESG - Bursa Malaysia's Enhanced Sustainability Reporting Requirements	Yap Seng Chong
• Bursa Malaysia: Advocacy Sessions for Directors and CEOs for Main Market Listed Issuers	Yap Seng Chong Fong Yee Mei
• Internal Audit - How to Remain Relevant Amid Disruption	Yap Seng Chong
• ICDM: Mandatory Accreditation Programme Part I	Fong Yee Mei
• ICDM: Mandatory Accreditation Programme Part II: Leading for Impact	Yap Seng Chong
• KPMG Global: Navigating the ESG Reporting Requirements in Asia Pacific	Yap Seng Chong
• PwC Global Accounting Podcast-Talking ESG: Building Effective Sustainability Reporting Governance	Yap Seng Chong
■ Cybersecurity/Technology	
• Cybersecurity Refresher Quiz Module	Dato' Yeoh Seok Kian Dato' Sri Michael Yeoh Sock Siong Professor Datuk Ts. Ir. Dr. Siti Hamisah Binti Tapsir Fong Yee Mei
• A new era of transparency - Preparing for SEC Cyber Disclosure Requirements	Yap Seng Chong
• PwC Global Webcast: How to be Human in the Age of Artificial Intelligent	Yap Seng Chong
• PwC Global Webcast - Risk & Responsible Artificial Intelligent	Yap Seng Chong
• PwC Global Webcast: Finance Transformation-Powered by Generative AI	Yap Seng Chong
■ Leadership and Business & Property Management	
• YTL LEAD Conference 2023	Tan Sri (Sir) Francis Yeoh Sock Ping Dato' Yeoh Seok Kian Dato' Seri Yeoh Seok Hong Dato' Sri Michael Yeoh Sock Siong Dato' Yeoh Soo Keng Professor Datuk Ts. Ir. Dr. Siti Hamisah Binti Tapsir Fong Yee Mei
• MIPFM CPD Seminar Series 2023: Property Management Practice	Fong Yee Mei

Remuneration and Nomination Committee Statement

Seminars/Conferences/Training	Attended by
■ Finance and Accounting	
• PwC Quarterly Accounting Webcast (Q2 2023)	Yap Seng Chong
• IFRS S1 and S2 Readiness Briefing by Deloitte Consulting	Yap Seng Chong
• PwC Global Webcast: 2023 Year-end Audit Committee Webcast	Yap Seng Chong
• PwC Global Webcast: IFRS 2023 Year-end Accounting	Yap Seng Chong
• PwC Quarterly Accounting Webcast (Q1 2024)	Yap Seng Chong

Statement of Directors' Responsibilities

The Directors are required to prepare financial statements for each financial year which give a true and fair view of the financial position of the Group and of the Company as at the end of the financial year and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

In preparing the financial statements for the financial year ended 30 June 2024, the Directors have:

- considered the applicable approved accounting standards in Malaysia;
- used appropriate accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent; and
- prepared the financial statements on a going concern basis.

The Directors are responsible for ensuring that the Group and the Company keep accounting records which disclose with reasonable accuracy the financial position of the Group and of the Company which enable them to ensure that the financial statements comply with the Companies Act 2016, Bursa Malaysia Securities Berhad Main Market Listing Requirements, Malaysian Financial Reporting Standards and International Financial Reporting Standards.

The Directors are responsible for taking such steps as are reasonably open to them to safeguard the assets of the Group and the Company, and to detect and prevent fraud and other irregularities.

4

Additional Information

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Disclosure of Recurrent Related Party Transactions of a Revenue or Trading Nature

for the financial year ended 30 June 2024

In accordance with Paragraph 10.09(2)(b) of Bursa Malaysia Securities Berhad Main Market Listing Requirements (“Listing Requirements”), details of the Recurrent Related Party Transactions (“RRPT”) conducted during the financial year ended 30 June 2024 pursuant to shareholder mandate obtained are as follows:

Related Party	Corporations in the MCB Group involved in the RRPT	Interested Related Party	Nature of Transactions	Value of Transactions RM'000
YTL Corporation Group	Subsidiaries of MCB	YTLSFH ⁽¹⁾⁽²⁾⁽³⁾	Sales and purchases of cement, clinker, drymix and cementitious materials	97,630
		YTLSH ⁽¹⁾⁽²⁾⁽³⁾	Sales and purchases of aggregates, sand and concrete products	193,516
		YTL Corporation ⁽¹⁾⁽²⁾⁽³⁾	Rental of office premise at 58, Pulau Damar Laut, 618297 Singapore	7,005
		YTL Cement ⁽¹⁾⁽²⁾⁽³⁾	Rental of office premises at Menara YTL, 205 Jalan Bukit Bintang, 55100 Kuala Lumpur, and procurement of related services	
		YTLSTC ⁽¹⁾⁽²⁾	Rental of land at No. Hakmilik 10023, Lot 45609 Mukim Kuala Lumpur, Daerah Kuala Lumpur, Wilayah Persekutuan	
		Puan Sri Tan Kai Yong ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾	Rental of land at Lot 6016 and part of Lot 6017, Jalan Kukuh, Larkin Industrial Estate, Johor Bahru, Johor Darul Takzim	
		Yeoh Siblings ⁽³⁾⁽⁵⁾	Rental of land at No. Hakmilik 532, Lot 1556, Mukim Batu, Daerah Gombak, Selangor Darul Ehsan	
			Silo storage charges	24,838
			Provision and/or procurement of software, software support/maintenance and other related services	
			Procurement of event management, technical support and equipment rental services	
			Fees for support function and packing of cementitious products services	
			Hotel related services	
			Purchase of supplies and spare parts and/or freight, handling and maintenance services	37,998
	Procurement of waste handling, operation and maintenance services	9,622		
	Purchase of mobile and heavy equipment	22,620		
TOTAL				393,229

Disclosure of Recurrent Related Party Transactions of a Revenue or Trading Nature

for the financial year ended 30 June 2024

Definitions:

MCB	- Malayan Cement Berhad
MCB Group	- MCB and its subsidiaries
Major Shareholder	- As defined in Paragraph 1.01 of the Listing Requirements and for purpose of the RRPT, meaning set out in Chapter 10 of the Listing Requirements.
Person Connected	- As defined in Paragraph 1.01 of the Listing Requirements.
Puan Sri Tan Kai Yong	- Puan Sri Datin Seri Tan Kai Yong @ Tan Kay Neong, a Major Shareholder (by virtue of her beneficial interests (held through YTLSTC as trustee) in the shares of YTL SFH) of MCB Group and YTL Corporation Group
YTL SFH	- Yeoh Tiong Lay & Sons Family Holdings Limited, the ultimate holding company of MCB and YTL Corporation
YTL SH	- Yeoh Tiong Lay & Sons Holdings Sdn Bhd, the penultimate holding company of MCB and YTL Corporation
YTL Corporation	- YTL Corporation Berhad, the pre-penultimate holding company of MCB
YTL Corporation Group	- YTL Corporation and its subsidiaries (excluding listed subsidiaries and their subsidiaries, joint ventures and associated companies), joint ventures and associated companies
YTL Cement	- YTL Cement Berhad, the immediate holding company of MCB and subsidiary of YTL Corporation
YTLSTC	- Yeoh Tiong Lay & Sons Trust Company Limited which holds, in its capacity as trustee, the entire issued shares in YTL SFH
Yeoh Siblings	- Tan Sri (Sir) Francis Yeoh Sock Ping, Dato' Sri Michael Yeoh Sock Siong, Dato' Yeoh Seok Kian, Dato' Seri Yeoh Seok Hong and Dato' Yeoh Soo Keng, collectively

Footnotes:

- (1) Puan Sri Tan Kai Yong, YTLSTC, YTL SFH, YTL SH and YTL Corporation and YTL Cement are Major Shareholders of MCB Group.
- (2) Puan Sri Tan Kai Yong, YTLSTC, YTL SFH and YTL SH are also Major Shareholders of YTL Corporation Group while YTL Corporation is a Major Shareholder of its subsidiaries (including YTL Cement), joint ventures and associated companies.
- (3) YTL SFH, YTL SH, YTL Corporation and YTL Cement are Persons Connected with Puan Sri Tan Kai Yong and the Yeoh Siblings.
- (4) Puan Sri Tan Kai Yong is also a Director of YTL SH, YTL SFH and YTLSTC.
- (5) The Yeoh Siblings are the children of Puan Sri Tan Kai Yong. They are also Directors of YTL Corporation, YTL Cement and YTL SH. Except for Dato' Yeoh Soo Keng, the Yeoh Siblings are also Directors of YTL SFH and YTLSTC.

Analysis of Share/Irredeemable Convertible Preference Share (ICPS) Holdings

as at 20 September 2024

Class of shares : Ordinary Shares

Voting rights : One vote per shareholder on a show of hands or one vote per ordinary share on a poll

DISTRIBUTION OF SHAREHOLDINGS

Size of holding	No. of Shareholders	%	No. of Shares	%
Less than 100	358	5.12	6,343	0.00
100 - 1,000	2,556	36.57	1,442,322	0.11
1,001 - 10,000	2,872	41.09	11,376,818	0.85
10,001 - 100,000	914	13.08	29,526,593	2.21
100,001 to less than 5% of issued shares	287	4.11	330,700,602	24.74
5% and above of issued shares	2	0.03	963,615,502	72.09
Total	6,989	100.00	1,336,668,180	100.00

THIRTY LARGEST SHAREHOLDERS

(without aggregating securities from different securities accounts belonging to the same person)

Name	No. of Shares	%
1 YTL Cement Berhad	733,615,502	54.88
2 Maybank Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for YTL Cement Berhad	230,000,000	17.21
3 Citigroup Nominees (Tempatan) Sdn Bhd - Exempt An for AIA Bhd	33,783,500	2.53
4 Amanahraya Trustees Berhad - Amanah Saham Bumiputera	19,942,100	1.49
5 Amanahraya Trustees Berhad - Amanah Saham Bumiputera 2	12,008,300	0.90
6 Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board (NOMURA)	11,231,700	0.84
7 Citigroup Nominees (Asing) Sdn Bhd - Exempt An for Citibank New York (NORGES BANK 19)	8,982,100	0.67
8 Maybank Nominees (Tempatan) Sdn Bhd - Maybank Trustees Berhad for Public Regular Savings Fund (N14011940100)	6,866,740	0.51
9 Citigroup Nominees (Asing) Sdn Bhd - Exempt An for Citibank New York (NORGES BANK 22)	6,752,500	0.51
10 Amanahraya Trustees Berhad - Amanah Saham Bumiputera 3 - Didik	6,402,400	0.48
11 Citigroup Nominees (Tempatan) Sdn Bhd - Great Eastern Life Assurance (Malaysia) Berhad (LSF)	5,799,800	0.43

Analysis of Share/Irredeemable Convertible Preference Share (ICPS) Holdings

as at 20 September 2024

Name	No. of Shares	%
12 Citigroup Nominees (Tempatan) Sdn Bhd - Urusharta Jamaah Sdn Bhd (2)	5,372,700	0.40
13 Cartaban Nominees (Tempatan) Sdn Bhd - PBTB for Takafulink Dana Ekuiti	5,326,100	0.40
14 Amanahraya Trustees Berhad - Amanah Saham Malaysia 2 - Wawasan	5,056,500	0.38
15 Amanah Raya Berhad - Kumpulan Wang Bersama Syariah	4,868,900	0.36
16 HSBC Nominees (Tempatan) Sdn Bhd - HSBC (M) Trustee Bhd for Allianz Life Insurance Malaysia Berhad (MEF)	4,841,300	0.36
17 Maybank Nominees (Tempatan) Sdn Bhd - Etiqa Life Insurance Berhad (GROWTH)	4,693,700	0.35
18 HSBC Nominees (Tempatan) Sdn Bhd - HSBC (M) Trustee Bhd for Singular Value Fund	4,266,000	0.32
19 Loke Wan Yat Realty Sdn Bhd	4,000,000	0.30
20 Citigroup Nominees (Tempatan) Sdn Bhd - Great Eastern Life Assurance (Malaysia) Berhad (LBF)	3,960,900	0.30
21 Cartaban Nominees (Tempatan) Sdn Bhd - PAMB for Prulink Equity Income Fund	3,900,000	0.29
22 Cartaban Nominees (Tempatan) Sdn Bhd - Prudential Assurance Malaysia Berhad for Prulink Strategic Fund	3,794,100	0.28
23 Malaysia Nominees (Tempatan) Sendirian Berhad - Lee Foundation, States of Malaya (00-00197-0000)	3,763,620	0.28
24 Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board (RHB INV)	3,750,000	0.28
25 Cartaban Nominees (Tempatan) Sdn Bhd - PAMB for Prulink Equity Fund	3,489,600	0.26
26 Amanahraya Trustees Berhad - Public Islamic Select Enterprises Fund	3,229,200	0.24
27 Amanahraya Trustees Berhad - ASN Umbrella for ASN Sara (MIXED ASSET CONSERVATIVE) 1	3,200,000	0.24
28 HSBC Nominees (Tempatan) Sdn Bhd - HSBC (M) Trustee Bhd for Manulife Investment Al-Fauzan (5170)	3,182,800	0.24
29 CGS International Nominees Malaysia (Tempatan) Sdn Bhd - Pledged Securities Account for Yeoh Seok Hong (YTL-ESOS)	3,000,000	0.22
30 CGS International Nominees Malaysia (Tempatan) Sdn Bhd - Pledged Securities Account for Yeoh Soo Keng (YTL-ESOS)	3,000,000	0.22
Total	1,152,080,062	86.19

Analysis of Share/Irredeemable Convertible Preference Share (ICPS) Holdings

as at 20 September 2024

SUBSTANTIAL SHAREHOLDERS

(as per register of substantial shareholders)

Name	No. of Shares Held			
	Direct	%	Indirect	%
YTL Cement Berhad	963,615,502	72.09	-	-
YTL Corporation Berhad	-	-	963,615,502 ⁽¹⁾	72.09
Yeoh Tiong Lay & Sons Holdings Sdn Bhd	3,000,000	0.22	963,615,502 ⁽¹⁾	72.09
Yeoh Tiong Lay & Sons Family Holdings Limited	-	-	966,615,502 ⁽²⁾	72.31
Yeoh Tiong Lay & Sons Trust Company Limited	-	-	966,615,502 ⁽³⁾	72.31
Puan Sri Datin Seri Tan Kai Yong @ Tan Kay Neong	-	-	966,615,502 ⁽⁴⁾	72.31

⁽¹⁾ Deemed interests by virtue of interests held through YTL Cement Berhad pursuant to Section 8 of the Companies Act, 2016.

⁽²⁾ Deemed interests by virtue of interests held through YTL Cement Berhad pursuant to Section 8 of the Companies Act, 2016 arising from its ownership of 100% of Yeoh Tiong Lay & Sons Holdings Sdn Bhd.

⁽³⁾ Deemed interests by virtue of interests held through YTL Cement Berhad pursuant to Section 8 of the Companies Act, 2016 arising from its ownership of 100% of Yeoh Tiong Lay & Sons Family Holdings Limited in its capacity as trustee.

⁽⁴⁾ Deemed interests by virtue of interests held through YTL Cement Berhad pursuant to Section 8 of the Companies Act, 2016 arising from her beneficial interest (held through Yeoh Tiong Lay & Sons Trust Company Limited in its capacity as trustee) in Yeoh Tiong Lay & Sons Family Holdings Limited.

Class of shares : Irredeemable Convertible Preference Shares (ICPS)

Voting rights : One vote per ICPS holder on a show of hands or one vote per ICPS on a poll in respect of meeting of ICPS holders

LIST OF ICPS HOLDER

(As per the Register of ICPS Holder)

Name	No. of ICPS	%
YTL Cement Berhad	466,666,667	100.00

Statement of Directors' Interests

in the Company and Related Corporations as at 20 September 2024

THE COMPANY

Malayan Cement Berhad

Name	No. of Shares Held			
	Direct	%	Indirect	%
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	-	-	500,000 ⁽¹⁾	0.04
Dato' Sri Michael Yeoh Sock Siong	-	-	2,100 ⁽¹⁾	*
Dato' Seri Yeoh Seok Hong	3,000,000	0.22	-	-
Dato' Yeoh Soo Keng	3,000,000	0.22	-	-

Name	No. of Share Options	
	Direct	Indirect
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	12,000,000	-
Dato' Sri Michael Yeoh Sock Siong	15,000,000	-
Dato' Yeoh Seok Kian	15,000,000	-
Dato' Seri Yeoh Seok Hong	12,000,000	-
Dato' Yeoh Soo Keng	12,000,000	-

PRE-PENULTIMATE HOLDING COMPANY

YTL Corporation Berhad

Name	No. of Shares Held			
	Direct	%	Indirect	%
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	147,344,946	1.34	1,016,665 ⁽¹⁾	0.01
Dato' Sri Michael Yeoh Sock Siong	-	-	68,046,047 ⁽¹⁾⁽²⁾	0.62
Dato' Yeoh Seok Kian	61,508,722	0.56	15,095,816 ⁽¹⁾	0.14
Dato' Seri Yeoh Seok Hong	39,973,305	0.36	40,021,442 ⁽¹⁾	0.36
Dato' Yeoh Soo Keng	60,000,065	0.54	799,157 ⁽¹⁾	0.01

Name	No. of Share Options	
	Direct	Indirect
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	15,000,000	15,000,000 ⁽¹⁾
Dato' Sri Michael Yeoh Sock Siong	15,000,000	-
Dato' Yeoh Seok Kian	12,000,000	9,600,000 ⁽¹⁾
Dato' Seri Yeoh Seok Hong	15,000,000	13,000,000 ⁽¹⁾
Dato' Yeoh Soo Keng	15,000,000	-

Statement of Directors' Interests

in the Company and Related Corporations as at 20 September 2024

RELATED COMPANIES

YTL Power International Berhad

Name	No. of Shares Held			
	Direct	%	Indirect	%
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	21,870,694	0.27	862,153 ⁽¹⁾	0.01
Dato' Sri Michael Yeoh Sock Siong	5,000,000	0.06	15,880,663 ⁽¹⁾⁽²⁾	0.19
Dato' Yeoh Seok Kian	11,276,298	0.14	14,416,426 ⁽¹⁾	0.18
Dato' Seri Yeoh Seok Hong	134,238,169	1.64	30,770,235 ⁽¹⁾	0.37
Dato' Yeoh Soo Keng	36,500,049	0.44	337,431 ⁽¹⁾	*

Name	No. of Share Options	
	Direct	Indirect
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	12,000,000	-
Dato' Sri Michael Yeoh Sock Siong	10,000,000	-
Dato' Yeoh Seok Kian	12,000,000	-

YTL Corporation (UK) PLC

Name	No. of Shares Held	
	Direct	%
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	1	*

YTL Construction (Thailand) Limited

Name	No. of Shares Held	
	Direct	%
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	1	0.01
Dato' Sri Michael Yeoh Sock Siong	1	0.01
Dato' Yeoh Seok Kian	1	0.01
Dato' Seri Yeoh Seok Hong	1	0.01

Statement of Directors' Interests

in the Company and Related Corporations as at 20 September 2024

Samui Hotel 2 Co. Ltd

Name	No. of Shares Held	
	Direct	%
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	1	*

* *Negligible*

⁽¹⁾ *Deemed interests by virtue of interests held by spouse and/or children pursuant to Section 59(11)(c) of the Companies Act, 2016.*

⁽²⁾ *Deemed interests by virtue of interests held by Hasil Mayang Sdn Bhd pursuant to Section 8 of the Companies Act, 2016.*

Other than as disclosed above, none of the other Directors held any interest in shares of the company or its related corporations.

List of Properties

as at 30 June 2024

Location	Tenure	Land Area	Description and existing use	Built up Area (sq.m.)	Approximate Age of Buildings (Years)	Lease Expiry Date	Net Book Value as at 30 June 2024 RM'000	Date of Acquisition/Date of Last Revaluation
1 PN 212664, Lot 4064#	Leasehold	59.75 acres	Cement plant	-	-	Year 2087	390,015	19.5.2022
PN 395004, Lot 15445#	Leasehold	0.56 acres	Cement plant	-	-	Year 2087		19.5.2022
HS (D) 2675, PT 1327#	Leasehold	22.21 acres	Cement plant	-	-	Year 2095		19.5.2022
PN 369360, Lot 4067#	Leasehold	1.45 acres	Warehouse & depot - Magazine store	-	-	Year 2096		19.5.2022
PN 212336, Lot 4529#	Leasehold	14.59 acres	Cement plant	-	-	Year 2096		19.5.2022
HS (D) 2676, PT 1328#	Leasehold	8.20 acres	Cement plant - Safety Zone	-	-	Year 2095		19.5.2022
HS (D) 2677, PT 1329#	Leasehold	30.25 acres	Cement plant - Safety Zone	-	-	Year 2095		19.5.2022
HS (D) 2678, PT 1330#	Leasehold	102.33 acres	Cement plant - Safety Zone	-	-	Year 2095		19.5.2022
HS (D) 2679, PT 1331#	Leasehold	130.97 acres	Cement plant - Clay Quarry Area	-	-	Year 2056		19.5.2022
HS (D) 2680, PT 1332#	Leasehold	14.41 acres	Cement plant - Clay Quarry Area	-	-	Year 2056		19.5.2022
PN 313351, Lot 4322#	Leasehold	28.24 acres	Staff quarter building	-	-	Year 2095		19.5.2022
PN 344194, Lot 4405#	Leasehold	28.17 acres	Cement plant	-	-	Year 2095		19.5.2022
HS (D) 2681, PT 1333#	Leasehold	278.24 acres	Cement plant - Limestone Hill/Quarry	-	-	Year 2056		19.5.2022
PN 278198, Lot 4533#	Leasehold	28.12 acres	Cement plant	-	-	Year 2097		19.5.2022
PN 278203, Lot 4534#	Leasehold	4.80 acres	Cement plant	-	-	Year 2097		19.5.2022
PN 278204, Lot 4535#	Leasehold	13.37 acres	Cement plant	-	-	Year 2102		19.5.2022
PN 00108181, Lot 2764#	Leasehold	210.06 acres	Cement plant	-	-	Year 2886		19.5.2022
# Mukim Kampung Buaya, Daerah Kuala Kangsar, Negeri Perak Darul Ridzuan								
2 PN 7848, Lot 1188 Mukim Ulu Kuantan, Pahang Darul Makmur	Leasehold	121.5 hectares	Cement plant	767,880	27	Year 2061	62,334	23.5.2022
HS (D) 00015539, PT 000991 Mukim Ulu Kuantan, Pahang Darul Makmur	Leasehold	8.09 hectares	Cement plant		27	Year 2062		23.5.2022
HS (D) 00011079, PT 000980 Mukim Ulu Kuantan, Pahang Darul Makmur	Leasehold	81 hectares	Cement plant		7-27	Year 2060		23.5.2022

List of Properties

as at 30 June 2024

	Location	Tenure	Land Area	Description and existing use	Built up Area (sq.m.)	Approximate Age of Buildings (Years)	Lease Expiry Date	Net Book Value as at 30 June 2024 RM'000	Date of Acquisition/Date of Last Revaluation
3	Sublease interest in the land held under title HS (D) 238629, PTD 119739 & HS (D) 238630, PTD 119740, Mukim of Plentong, District Johor Bahru, Johor Darul Takzim	Leasehold	14.834 acres	Cement Grinding Station, Drymix plant, warehouse and admin building	-	5-26	Year 2050 & 2053	31,933	20.1.1997 & 27.9.1997
4	Plot C, HS (D) 7/1983 Telok Ewa, Langkawi Kedah Darul Aman	Leasehold	196.4 acres	Cement factory complex and ancillary buildings	-	39	Year 2043	29,375	15.6.1999
5	Lot No. 1956 Rawang, Selangor Darul Ehsan	Leasehold	49 acres	Cement factory complex and ancillary buildings	-	24-48	Year 2056	21,703	31.12.1998
6	Sublease interest in the land held under title HS (D) 346447, PTD 163135, Mukim of Plentong, District Johor Bahru, Johor Darul Takzim.	Leasehold	8.7 acres	Cement Grinding Plant & ancillary buildings	-	26	Year 2052	15,643	31.12.1998
7	No. 2, Jalan Kilang 51/206, Petaling Jaya 46050 Selangor Darul Ehsan	Leasehold	6 acres	Office complex	-	38	Year 2068	14,155	31.12.1998
8	Sublease interest in the land held under title HS(D) 346448 - HS(D) 346450, PTD 163136 - PTD 163138, Mukim Plentong, District of Johor Bahru, Johor Darul Takzim	Leasehold	35,813 sq.m.	Slag cement plant	7,796	27	Year 2052	13,589	1.10.1997
9	Lot No. 46497 & 15 Kanthan, Perak Darul Ridzuan	Leasehold	393 acres	Limestone quarry and ancillary buildings	3,686	32	Year 2050	11,017	31.12.1998
10	HS (D) 200047, PT 242503 Mukim Hulu Kinta Daerah Kinta Perak Darul Ridzuan	Leasehold	33 acres	Cement factory complex and ancillary buildings	-	22-46	Year 2041	8,881	31.12.1998

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Directors' Report

The Directors have pleasure in submitting their Report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2024.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding.

The principal activities of the subsidiaries are set out in Note 12 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

FINANCIAL RESULTS

	Group	Company
	RM'000	RM'000
Profit for the financial year	428,988	290,512
Attributable to:-		
Owners of the parent	428,701	290,512
Non-controlling interests	287	-
	428,988	290,512

DIVIDENDS

The following dividend payments were made during the financial year ended 30 June 2024:

	RM'000
In respect of the financial year ended 30 June 2023:-	
An interim dividend of 6.0 sen per ordinary share paid on 21 November 2023	78,612
An interim dividend of 6.0 sen per irredeemable convertible preference share paid on 21 November 2023	28,000
	106,612
In respect of the financial year ended 30 June 2024:-	
First interim dividend of 4.0 sen per ordinary share paid on 26 June 2024	53,250
First interim dividend of 4.0 sen per irredeemable convertible preference share paid on 26 June 2024	18,667
	71,917

On 21 August 2024, the Board of Directors declared a second interim dividend of 6 sen per ordinary share and 6 sen per irredeemable convertible preference share for the financial year ended 30 June 2024. The book closure and payment dates in respect of the aforesaid dividend are 30 October 2024 and 15 November 2024, respectively.

The Board of Directors does not recommend a final dividend for the financial year ended 30 June 2024.

Directors' Report

RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year except as disclosed in the financial statements.

ISSUE OF SHARES

During the financial year, 22,661,200 ordinary shares at an exercise price of RM2.29 and 40,000 ordinary shares at an exercise price of RM2.25 were issued pursuant to the exercise of employees' share options granted under the Company's Employees Share Option Scheme as disclosed in Note 22(b) to the financial statements.

EMPLOYEES' SHARE OPTION SCHEME

The Employees' Share Option Scheme ("ESOS 2022") for employees and Directors of the Company and its subsidiaries who meet the criteria of eligibility for participation is governed by the By-Laws approved by the shareholders at an Extraordinary General Meeting held on 18 March 2022. The scheme which is valid for a period of 10 years was implemented on 30 March 2022 and will expire on 29 March 2032. The salient features and terms of the ESOS 2022 are set out in Note 22(b) to the financial statements.

The aggregate maximum allocation of the options to Directors and senior management of the Company and/or subsidiaries shall not be more than seventy per cent (70%) of the fifteen per cent (15%) of the total number of issued shares of the Company (excluding treasury shares, if any) from time to time throughout the duration of the scheme.

As at 30 June 2024, options for 45.71% of the shares available under the ESOS 2022 were granted to Directors and senior management.

Details of the movement in the options granted to the Directors of the Company are set out herein under Directors' Interests.

DIRECTORS

The Directors who served on the Board of the Company during the financial year until the date of this Report are:-

Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE
Dato' Sri Michael Yeoh Sock Siong
Dato' Yeoh Seok Kian
Dato' Seri Yeoh Seok Hong
Dato' Yeoh Soo Keng
Professor Datuk Ts. Ir. Dr Siti Hamisah Binti Tapsir
Yap Seng Chong
Fong Yee Mei

Directors' Report

DIRECTORS OF SUBSIDIARIES

The following is a list of directors of the subsidiaries (excluding Directors who are also Directors of the Company) in office during the financial year until the date of this Report:-

Dato' Hamidah Binti Maktar
 Patrick James Pereira
 Yeoh Keong Junn
 Tan Thong Guan
 Lim Chee Kiong
 Yeap Kian Bin
 Joseph Benjamin Seaton
 Loh Siew Yee
 Soh Puay Wee
 Juliana Goh Hong Gaik
 Tan Check Hong
 Dato' Hj Mohamed Zainal Abidin Bin Hj Abdul Kadir
 Mohamad Zaid Bin Mohamed Zainal Abidin
 Gan Kim Teck
 Wong Chee Leong
 Yeoh Pei Yen
 Masaharu Sansui (Appointed on 1 April 2024)
 Shuichi Nakamoto (Ceased as alternate Director to Hisanobu Tanaka on 1 April 2024 and appointed as alternate Director to Masaharu Sansui on 1 April 2024)
 Chong Fatt San (Appointed on 2 February 2024)
 Syed Muhammad Bin Syed Nadzir (Appointed on 2 February 2024)
 Bernard George A/L Jacob Alexis George (Resigned on 14 November 2023)
 Hisanobu Tanaka (Resigned on 1 April 2024)

DIRECTORS' INTERESTS

The Directors of the Company who held office at the end of the financial year had, according to the register required to be kept under Section 59 of the Companies Act 2016, interests in the shares of the Company and related corporations as follows:-

The Company	Number of ordinary shares			As at 30.6.2024
	As at 1.7.2023	Acquired	Disposed	
Direct interests				
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	-	3,000,000	(3,000,000)	-
Dato' Seri Yeoh Seok Hong	-	3,000,000	-	3,000,000
Dato' Yeoh Soo Keng	-	3,000,000	-	3,000,000
Deemed interests				
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	500,000 ⁽¹⁾	-	-	500,000⁽¹⁾
Dato' Sri Michael Yeoh Sock Siong	2,100 ⁽¹⁾	-	-	2,100⁽¹⁾

Directors' Report

DIRECTORS' INTERESTS (CONT'D.)

The Company	Number of share options over ordinary shares			As at 30.6.2024
	As at 1.7.2023	Granted	Exercised	
Direct interests				
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	15,000,000	-	(3,000,000)	12,000,000
Dato' Sri Michael Yeoh Sock Siong	15,000,000	-	-	15,000,000
Dato' Yeoh Seok Kian	15,000,000	-	-	15,000,000
Dato' Seri Yeoh Seok Hong	15,000,000	-	(3,000,000)	12,000,000
Dato' Yeoh Soo Keng	15,000,000	-	(3,000,000)	12,000,000

Pre-penultimate holding company - YTL Corporation Berhad	Number of ordinary shares			As at 30.6.2024
	As at 1.7.2023	Acquired	Disposed	
Direct interests				
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	150,344,946	-	(3,000,000)	147,344,946
Dato' Yeoh Seok Kian	58,508,722	3,000,000	-	61,508,722
Dato' Seri Yeoh Seok Hong	54,173,305	-	(14,200,000)	39,973,305
Dato' Yeoh Soo Keng	60,000,065	-	-	60,000,065
Deemed interests				
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	1,016,665 ⁽¹⁾	-	-	1,016,665⁽¹⁾
Dato' Sri Michael Yeoh Sock Siong	77,595,817 ⁽¹⁾⁽²⁾	-	(9,549,770)	68,046,047⁽¹⁾⁽²⁾
Dato' Yeoh Seok Kian	13,895,816 ⁽¹⁾	2,400,000	(1,200,000)	15,095,816⁽¹⁾
Dato' Seri Yeoh Seok Hong	24,821,442 ⁽¹⁾	15,200,000	-	40,021,442⁽¹⁾
Dato' Yeoh Soo Keng	799,157 ⁽¹⁾	-	-	799,157⁽¹⁾

Pre-penultimate holding company - YTL Corporation Berhad	Number of share options over ordinary shares			As at 30.6.2024
	As at 1.7.2023	Granted	Exercised	
Direct interests				
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	15,000,000	-	-	15,000,000
Dato' Sri Michael Yeoh Sock Siong	15,000,000	-	-	15,000,000
Dato' Yeoh Seok Kian	15,000,000	-	(3,000,000)	12,000,000
Dato' Seri Yeoh Seok Hong	15,000,000	-	-	15,000,000
Dato' Yeoh Soo Keng	15,000,000	-	-	15,000,000
Deemed interests				
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	15,000,000 ⁽¹⁾	-	-	15,000,000⁽¹⁾
Dato' Yeoh Seok Kian	12,000,000 ⁽¹⁾	-	(2,400,000)	9,600,000⁽¹⁾
Dato' Seri Yeoh Seok Hong	14,000,000 ⁽¹⁾	-	(1,000,000)	13,000,000⁽¹⁾

Directors' Report

DIRECTORS' INTERESTS (CONT'D.)

Related company - YTL Power International Berhad	Number of ordinary shares			As at 30.6.2024
	As at 1.7.2023	Acquired	Disposed	
Direct interests				
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	21,870,694	3,000,000	(3,000,000)	21,870,694
Dato' Sri Michael Yeoh Sock Siong	-	5,000,000	-	5,000,000
Dato' Yeoh Seok Kian	11,276,298	3,000,000	(3,000,000)	11,276,298
Dato' Seri Yeoh Seok Hong	135,438,169	15,000,000	(16,200,000)	134,238,169
Dato' Yeoh Soo Keng	21,500,049	15,000,000	-	36,500,049
Deemed interests				
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	862,153 ⁽¹⁾	-	-	862,153⁽¹⁾
Dato' Sri Michael Yeoh Sock Siong	18,112,912 ⁽¹⁾⁽²⁾	-	(2,232,249)	15,880,663⁽¹⁾⁽²⁾
Dato' Yeoh Seok Kian	14,416,426 ⁽¹⁾	-	-	14,416,426⁽¹⁾
Dato' Seri Yeoh Seok Hong	5,435,235 ⁽¹⁾	25,335,000	-	30,770,235⁽¹⁾
Dato' Yeoh Soo Keng	197,431 ⁽¹⁾	30,000	-	227,431⁽¹⁾

Related company - YTL Power International Berhad	Number of share options over ordinary shares			As at 30.6.2024
	As at 1.7.2023	Granted	Exercised	
Direct interests				
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	15,000,000	-	(3,000,000)	12,000,000
Dato' Sri Michael Yeoh Sock Siong	15,000,000	-	(5,000,000)	10,000,000
Dato' Yeoh Seok Kian	15,000,000	-	(3,000,000)	12,000,000
Dato' Seri Yeoh Seok Hong	15,000,000	-	(15,000,000)	-
Dato' Yeoh Soo Keng	15,000,000	-	(15,000,000)	-
Deemed interests				
Dato' Seri Yeoh Seok Hong	9,000,000 ⁽¹⁾	-	(9,000,000)	-

Related corporation - YTL Corporation (UK) PLC*	Number of ordinary shares of £0.25 each			As at 30.6.2024
	As at 1.7.2023	Acquired	Disposed	
Direct interests				
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	1	-	-	1

Directors' Report

DIRECTORS' INTERESTS (CONT'D.)

Related corporation - YTL Construction (Thailand) Limited ⁺	Number of ordinary shares THB100 each			As at 30.6.2024
	As at 1.7.2023	Acquired	Disposed	
Direct interests				
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	1	-	-	1
Dato' Sri Michael Yeoh Sock Siong	1	-	-	1
Dato' Yeoh Seok Kian	1	-	-	1
Dato' Seri Yeoh Seok Hong	1	-	-	1

Related corporation - Samui Hotel 2 Co., Ltd ⁺	Number of ordinary shares THB10 each			As at 30.6.2024
	As at 1.7.2023	Acquired	Disposed	
Direct interests				
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	1	-	-	1

⁽¹⁾ Deemed interests by virtue of interests held by spouse and/or children pursuant to Section 59(11)(c) of the Companies Act, 2016.

⁽²⁾ Deemed interests by virtue of interests held by Hasil Mayang Sdn. Bhd. pursuant to Section 8 of the Companies Act, 2016.

* Incorporated in England and Wales.

+ Incorporated in Thailand.

Other than as disclosed above, the Directors who held office at the end of the financial year did not have interests in the shares of the Company or its related corporations during the financial year.

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

A Directors' and Officers' liability insurance against any legal liability incurred by the Directors and Officers in the discharge of their duties while holding office for the Group and the Company is maintained on a group basis under YTL Corporation Berhad, the pre-penultimate holding company of Malayan Cement Berhad. The Directors and Officers shall not be indemnified by such insurance for any negligence, fraud, intentional breach of law or breach of trust proven against them.

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangement subsisted to which the Company is a party, with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than those arising from the share options granted pursuant to the Company's ESOS 2022 and those granted under the Employee Share Option Scheme of YTL Corporation Berhad Group, the details of which are disclosed in the financial statements of YTL Corporation Berhad.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than the benefits included in the aggregate amount of remuneration received or due and receivable by the Directors as shown below) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he/she is a member, or with a company in which he/she has a substantial financial interest.

Directors' Report

DIRECTORS' BENEFITS (CONT'D.)

	Group	Company
	RM'000	RM'000
Directors' remuneration		
Fees	720	720
Salaries	6,570	-
Bonus	3,311	-
Defined contribution plan	1,186	-
Estimated money value of benefits-in-kind	44	-
Others*	48	45
	11,879	765

* Includes SOCSO, meeting allowance, etc

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps:-

- (a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts have been written off and that adequate allowance has been made for doubtful debts; and
- (b) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records of the Group and of the Company in the ordinary course of business have been written down to an amount which they might be expected so to realise.

At the date of this Report, the Directors are not aware of any circumstances:-

- (a) which would render the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

At the date of this Report, there does not exist:-

- (a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liability of any other person; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

Directors' Report

OTHER STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

The Directors state that:-

At the date of this Report, the Directors are not aware of any circumstances not otherwise dealt with in this Report or the financial statements of the Group and of the Company which would render any amount stated in the respective financial statements misleading.

In their opinion,

- (a) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (b) there has not arisen in the interval between the end of the financial year and the date of this Report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this Report is made.

ULTIMATE HOLDING COMPANY

The Directors regard Yeoh Tiong Lay & Sons Family Holdings Limited, a company incorporated in Jersey, as the Company's ultimate holding company.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 12 to the financial statements.

AUDITORS' REMUNERATION

Auditors' remuneration is as follows:-

	Group	Company
	RM'000	RM'000
HLB Ler Lum Chew PLT	818	121

Directors' Report

AUDITORS

The auditors, HLB Ler Lum Chew PLT, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 26 September 2024.

Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE

Dato' Sri Michael Yeoh Sock Siong

Statement by Directors

Pursuant to Section 251(2) of the Companies Act, 2016

We, Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE and Dato' Sri Michael Yeoh Sock Siong, being two of the Directors of Malayan Cement Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2024 and of their financial performance and cash flows for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 26 September 2024.

Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE

Dato' Sri Michael Yeoh Sock Siong

Statutory Declaration

Pursuant to Section 251(1) of the Companies Act, 2016

I, Kelvin Low Teck Swee, being the Officer primarily responsible for the financial management of Malayan Cement Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief the accompanying financial statements are correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Kelvin Low Teck Swee
MIA Membership No: 7453

Subscribed and solemnly declared by the abovenamed
Kelvin Low Teck Swee
at Kuala Lumpur on 26 September 2024.

Before me:

Commissioner for Oaths

Independent Auditors' Report

to the members of Malayan Cement Berhad (Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Malayan Cement Berhad, which comprise the statement of financial position as at 30 June 2024 of the Group and of the Company, and the income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 92 to 183.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2024, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with *the By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including international Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. We have determined that there are no key audit matters to communicate in our report in the financial statements of the Company. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Impairment assessment of goodwill

The risk

We refer to Notes 2(n)(i), 3(b) and 15 to the Financial Statements respectively.

As at 30 June 2024, goodwill arising on consolidation amounted to RM5,552 million which represents 51.9% of the Group's total assets.

The recoverable amounts of the cash generating units ("CGU") are determined based on value-in-use ("VIU") calculation. The key assumptions and sensitivities are disclosed in Notes 15(a)(i) and 15(a)(ii) to the Financial Statements, respectively.

We focused on this area as the estimation of the recoverable amount is inherently uncertain and requires significant judgement on the future cash flows, terminal growth rate and the discount rate applied to the projected cash flows.

Independent Auditors' Report

to the members of Malayan Cement Berhad (Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D.)

Key Audit Matters (cont'd.)

1. Impairment assessment of goodwill (cont'd.)

How our audit addressed the key audit matter

Our audit procedures included the following:-

- agreed the VIU cash flows of each CGU to the financial budgets approved by the Directors;
- discussed with management the key assumptions used in the respective VIU cash flows and compared the revenue growth rates to the historical performance of the respective CGUs;
- checked the reasonableness of the discount rates and terminal growth rates by benchmarking to the respective industries;
- checked the sensitivity analysis performed by management over discount rates, terminal growth rates, and revenue growth rates, used in deriving the respective VIU cash flows; and
- compared historical forecasting for the current financial year to actual results achieved to ascertain the reasonableness and reliability of management's estimates.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

The Directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Independent Auditors' Report

to the members of Malayan Cement Berhad (Incorporated in Malaysia)

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent Auditors' Report

to the members of Malayan Cement Berhad (Incorporated in Malaysia)

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D.)

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law and regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 12 to the financial statements.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

HLB Ler Lum Chew PLT
201906002362 & AF 0276
Chartered Accountants

Ler Ji-Yong
03439/05/2025 J
Chartered Accountant

Dated: 26 September 2024
Kuala Lumpur

Income Statements

for the financial year ended 30 June 2024

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revenue	4	4,446,430	3,757,046	453,911	199,716
Cost of sales		(2,880,558)	(2,769,499)	-	-
Gross profit		1,565,872	987,547	453,911	199,716
Other income		114,195	87,125	23,579	14,418
Selling and distribution costs		(502,395)	(476,354)	-	-
Administration expenses		(221,713)	(169,753)	(31,433)	(8,294)
Other expenses		(154,212)	(17,102)	(28,780)	(3)
Finance costs	5	(194,211)	(194,747)	(126,337)	(108,616)
Share of results of joint venture, net of tax		39,925	36,402	-	-
Profit before tax	6	647,461	253,118	290,940	97,221
Income tax expense	7	(218,473)	(93,918)	(428)	(320)
Profit for the financial year		428,988	159,200	290,512	96,901
Attributable to:-					
Owners of the parent		428,701	159,035	290,512	96,901
Non-controlling interests		287	165	-	-
		428,988	159,200	290,512	96,901
Earnings per share (sen)					
- Basic	8	32.61	12.14		
- Diluted	8	23.23	8.95		

The accompanying notes form an integral part of the financial statements.

Statements of Comprehensive Income

for the financial year ended 30 June 2024

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Profit for the financial year		428,988	159,200	290,512	96,901
Other comprehensive income/(loss):					
Items that will not be reclassified subsequently to income statements:					
- changes in the fair value of equity investments at fair value through other comprehensive income		(1,122)	(93)	-	-
Items that will be reclassified subsequently to income statements:					
- foreign currency translation gain		1,135	7,422	-	-
Other comprehensive income for the financial year, net of tax		13	7,329	-	-
Total comprehensive income for the financial year		429,001	166,529	290,512	96,901
Total comprehensive income attributable to:-					
Owners of the parent		428,714	166,364	290,512	96,901
Non-controlling interests		287	165	-	-
		429,001	166,529	290,512	96,901

The accompanying notes form an integral part of the financial statements.

Statements of Financial Position

as at 30 June 2024

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	9	2,418,200	2,636,342	-	-
Right-of-use assets	10	254,049	226,196	-	-
Investment properties	11	3,113	3,116	-	-
Investment in subsidiaries	12	-	-	7,773,675	7,802,454
Investment in joint venture	13	86,785	77,685	-	-
Investments	14	2,797	3,919	-	-
Intangible assets	15	5,558,867	5,561,134	-	-
Deferred tax assets	26	254,361	276,615	-	-
Trade and other receivables	17	2,465	4,802	-	-
		8,580,637	8,789,809	7,773,675	7,802,454
Current assets					
Inventories	16	517,347	549,311	-	-
Trade and other receivables	17	661,874	614,643	148	140
Other current assets	18	47,104	40,882	307	269
Income tax assets		25,114	35,146	39	-
Amount due from holding companies	19	41	49	-	-
Amount due from subsidiaries	12	-	-	513,306	361,179
Amount due from related companies	20	45,812	41,917	949	202
Amount due from joint venture	13	23,629	23,669	-	-
Fixed deposits	21	609,823	612,465	61,208	59,240
Cash and bank balances	21	178,691	263,347	10,645	4,402
		2,109,435	2,181,429	586,602	425,432
Total assets		10,690,072	10,971,238	8,360,277	8,227,886

The accompanying notes form an integral part of the financial statements.

Statements of Financial Position

as at 30 June 2024

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	22	5,406,881	5,345,817	5,406,881	5,345,817
Other reserves	23	98,345	52,793	54,598	9,059
Retained earnings		802,435	551,947	862,363	750,064
		6,307,661	5,950,557	6,323,842	6,104,940
Non-controlling interests		4,245	3,958	-	-
Total equity		6,311,906	5,954,515	6,323,842	6,104,940
Non-current liabilities					
Lease liabilities	24	22,175	28,529	-	-
Borrowings	25	2,579,296	2,834,350	1,824,610	1,915,550
Deferred tax liabilities	26	359,383	363,481	-	-
Post-employment benefit obligations	29	21,662	21,169	-	-
		2,982,516	3,247,529	1,824,610	1,915,550
Current liabilities					
Trade and other payables	27	691,410	790,497	11,821	7,382
Contract liabilities	28	3,990	3,312	-	-
Amount due to holding companies	19	3,790	4,144	-	12
Amount due to subsidiaries	12	-	-	3	-
Amount due to related companies	20	74,981	34,254	1	-
Lease liabilities	24	14,044	15,376	-	-
Borrowings	25	566,114	907,607	200,000	200,000
Post-employment benefit obligations	29	3,374	2,924	-	-
Income tax liabilities		37,947	11,080	-	2
		1,395,650	1,769,194	211,825	207,396
Total liabilities		4,378,166	5,016,723	2,036,435	2,122,946
Total equity and liabilities		10,690,072	10,971,238	8,360,277	8,227,886

The accompanying notes form an integral part of the financial statements.

Statements of Changes In Equity

for the financial year ended 30 June 2024

Group	<----- Attributable to owners of the parent ----->					
	<----- Non-distributable ----->		Distributable		Non-controlling interests	Total equity
	Share capital	Other reserves	Retained earnings	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2024						
At 1 July 2023	5,345,817	52,793	551,947	5,950,557	3,958	5,954,515
Profit for the financial year	-	-	428,701	428,701	287	428,988
Other comprehensive income for the financial year	-	13	-	13	-	13
Total comprehensive income for the financial year	-	13	428,701	428,714	287	429,001
Transactions with owners						
Dividend paid	-	-	(178,529)	(178,529)	-	(178,529)
Share option exercise	61,064	(9,080)	-	51,984	-	51,984
Share option expenses	-	54,935	-	54,935	-	54,935
Share option forfeited	-	(316)	316	-	-	-
At 30 June 2024	5,406,881	98,345	802,435	6,307,661	4,245	6,311,906
2023						
At 1 July 2022	5,345,817	36,405	392,912	5,775,134	3,793	5,778,927
Profit for the financial year	-	-	159,035	159,035	165	159,200
Other comprehensive income for the financial year	-	7,329	-	7,329	-	7,329
Total comprehensive income for the financial year	-	7,329	159,035	166,364	165	166,529
Transactions with owners						
Share option expenses	-	9,059	-	9,059	-	9,059
At 30 June 2023	5,345,817	52,793	551,947	5,950,557	3,958	5,954,515

The accompanying notes form an integral part of the financial statements.

Statements of Changes In Equity

for the financial year ended 30 June 2024

Company	Share capital RM'000	Other reserves RM'000	Retained earnings RM'000	Total RM'000
2024				
At 1 July 2023	5,345,817	9,059	750,064	6,104,940
Profit for the financial year, representing total comprehensive income for the financial year	-	-	290,512	290,512
Transaction with owners				
Dividend paid	-	-	(178,529)	(178,529)
Share option exercise	61,064	(9,080)	-	51,984
Share option expenses	-	54,935	-	54,935
Share option forfeited	-	(316)	316	-
At 30 June 2024	5,406,881	54,598	862,363	6,323,842
2023				
At 1 July 2022	5,345,817	-	653,163	5,998,980
Profit for the financial year, representing total comprehensive income for the financial year	-	-	96,901	96,901
Transaction with owners				
Share option expenses	-	9,059	-	9,059
At 30 June 2023	5,345,817	9,059	750,064	6,104,940

The accompanying notes form an integral part of the financial statements.

Statements of Cash Flows

for the financial year ended 30 June 2024

	Group		Company		
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cash flows from operating activities					
Profit before tax		647,461	253,118	290,940	97,221
Adjustments for:-					
Amortisation of intangible assets		2,267	1,866	-	-
Bad debts written off		371	536	-	-
Depreciation of investment properties		3	4	-	-
Depreciation of property, plant and equipment		229,485	249,788	-	-
Depreciation of right-of-use assets		19,529	19,298	-	-
Dividend income		(27)	(6)	(453,911)	(199,716)
Gain on disposal of property, plant and equipment (net)		(4,126)	(1,399)	-	-
Gain on disposal of right-of-use assets		(8,827)	-	-	-
Gain on termination of leases		-	(1)	-	-
Interest expense		194,211	194,747	126,337	108,616
Interest income		(19,319)	(12,394)	(23,578)	(7,013)
Impairment losses on receivables (net)		3,345	5,473	-	-
Impairment losses on goodwill		-	3	-	-
Impairment losses on investment in subsidiaries		-	-	28,779	-
Impairment losses/(Reversal of impairment losses) on property, plant and equipment (net)		137,134	(40)	-	-
Inventories written off		30,194	-	-	-
Loss on reassessment and modification of leases (net)		-	12	-	-
Provision/(Reversal of provision) for inventory obsolescence (net)		13,093	(1,145)	-	-
Property, plant and equipment written off		1,376	1,565	-	-
Provision for retirement benefits		947	947	-	-
Share option expenses		53,952	8,968	27,211	4,389
Share of results of joint venture		(39,925)	(36,402)	-	-
Unrealised (gain)/loss on foreign exchange (net)		(8,519)	141	-	3
Operating profit/(loss) before working capital changes		1,252,625	685,079	(4,222)	3,500
Changes in working capital:-					
Inventories		(11,323)	(47,099)	-	-
Receivables		(51,849)	(82,534)	48	1,604
Other assets		(6,222)	(11,869)	(38)	(189)
Payables		(81,307)	131,788	3,162	1,972
Contract liabilities		678	257	-	-
Related parties balances		37,509	(2,927)	(113,421)	(348,483)

The accompanying notes form an integral part of the financial statements.

Statements of Cash Flows

for the financial year ended 30 June 2024

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cash flows from operating activities (cont'd.)					
Cash generated from/(used in) operations		1,140,111	672,695	(114,471)	(341,596)
Interest paid		(185,705)	(184,881)	(115,999)	(98,864)
Interest received		19,056	11,963	11,785	18
Retirement benefits paid		(454)	(1,512)	-	-
Income tax paid		(164,668)	(80,058)	(470)	(315)
Income tax refunded		1,238	141	-	-
Net cash from/(used in) operating activities		809,578	418,348	(219,155)	(440,757)
Cash flows from investing activities					
Dividend received		31,349	32,996	453,911	199,716
Increase of investment in subsidiaries		-	-	-	(46,000)
Proceeds from net investment in lease		3,265	2,727	-	-
Proceeds from disposal of property, plant and equipment		10,052	3,241	-	-
Proceeds from disposal of right-of-use assets		9,132	-	-	-
Purchase of property, plant and equipment	(a)	(160,188)	(104,978)	-	-
Purchase of right-of-use assets		(39,973)	-	-	-
Net cash (used in)/from investing activities		(146,363)	(66,014)	453,911	153,716
Cash flows from financing activities					
Dividend paid		(178,529)	-	(178,529)	-
Issuance of ordinary shares		51,984	-	51,984	-
Proceeds from borrowings		450,000	462,000	450,000	410,000
Repayment of borrowings		(1,057,500)	(530,500)	(550,000)	(185,000)
Repayment of lease liabilities		(17,260)	(19,818)	-	-
Net cash (used in)/from financing activities		(751,305)	(88,318)	(226,545)	225,000
Net changes in cash and cash equivalents		(88,090)	264,016	8,211	(62,041)
Effects of exchange rate changes		792	8,085	-	-
Cash and cash equivalents at beginning of the financial year		875,812	603,711	63,642	125,683
Cash and cash equivalents at end of the financial year	21	788,514	875,812	71,853	63,642

The accompanying notes form an integral part of the financial statements.

Statements of Cash Flows

for the financial year ended 30 June 2024

NOTES TO THE STATEMENTS OF CASH FLOWS

(a) Analysis of acquisition of property, plant and equipment:-

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cash	160,188	104,978	-	-
Payables	2,404	2,897	-	-
	162,592	107,875	-	-

(b) Reconciliation of liabilities arising from financing activities:-

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
At beginning of the financial year	3,785,862	3,855,526	2,115,550	1,882,154
<u>Cash flows</u>				
Proceeds from borrowings	450,000	462,000	450,000	410,000
Repayment of borrowings	(1,057,500)	(530,500)	(550,000)	(185,000)
Repayment of lease liabilities	(17,260)	(19,818)	-	-
<u>Non-cash changes</u>				
Amortisation of issuance cost	10,953	11,070	9,060	9,149
Addition of lease liabilities	7,233	5,280	-	-
Capitalisation of issuance cost	-	(753)	-	(753)
Interest expense on lease liabilities	1,882	2,160	-	-
Reassessment and modification of leases	393	79	-	-
Termination of leases	-	(31)	-	-
Currency translation differences	66	849	-	-
At end of the financial year	3,181,629	3,785,862	2,024,610	2,115,550

The accompanying notes form an integral part of the financial statements.

Notes to the Financial Statements

1. GENERAL INFORMATION

The principal activity of the Company is investment holding.

The principal activities of the subsidiaries are set out in Note 12 to the financial statements.

The Company is a limited liability company, incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad.

The Company is a 72.29% (2023: 78.58%) owned subsidiary of YTL Cement Berhad. Its pre-penultimate and penultimate holding companies are YTL Corporation Berhad (a public listed company) and Yeoh Tiong Lay & Sons Holdings Sdn. Bhd. respectively, both of which are companies incorporated in Malaysia while its ultimate holding company is Yeoh Tiong Lay & Sons Family Holdings Limited, a company incorporated in Jersey.

The address of the registered office of the Company is as follows:-

33rd Floor, Menara YTL
205 Jalan Bukit Bintang
55100 Kuala Lumpur

The address of the principal place of business of the Company is as follows:-

28th Floor, Menara YTL
205 Jalan Bukit Bintang
55100 Kuala Lumpur

2. MATERIAL ACCOUNTING POLICY INFORMATION

(a) Basis of preparation

The financial statements of the Group and the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

The preparation of financial statements in conformity with MFRS requires the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. It also requires the Directors to exercise their judgments in the process of applying the Group's accounting policies. Although these estimates and judgments are based on Directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3 to the Financial Statements.

The financial statements have been prepared under the historical cost convention, unless otherwise disclosed and are presented in Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand (RM'000) except where otherwise indicated.

Notes to the Financial Statements

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

(b) Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:-

On 1 July 2023, the Group and the Company have adopted the following MFRSs, IC Interpretations and amendments which are mandatory for annual financial periods beginning on or after 1 July 2023.

Description

MFRS 17 Insurance Contracts
Amendments to MFRS 17 Insurance Contracts - Initial Application of MFRS 17 and MFRS 9 - Comparative Information
Amendments to MFRS 101 Presentation of Financial Statements
-Classification of Liabilities as Current or Non-current
-Disclosure of Accounting Policies
Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates
Amendments to MFRS 112 Income taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to MFRS 112 Income taxes - International Tax Reform - Pillar Two Model Rules

The adoption of the above new standards, IC interpretations and amendments to published standards have not given rise to any material impact on the financial statements of the Group and the Company.

(c) Standards issued but not yet effective

The standards and interpretations that are issued but not yet effective up to the date of issuance of the Group's and the Company's financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

Description	Effective date
Amendments to MFRS 16 Leases Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101 Presentation of Financial Statements - Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosures - Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability	1 January 2025
Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures - Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
MFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced by the MASB Board

Notes to the Financial Statements

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

(d) Revenue recognition

(i) Revenue from contracts with customers

Revenue from contracts with customers is recognised by reference to each distinct performance obligation promised in the contract with customer when or as the Group and the Company transfer control of the goods or services promised in a contract and the customer obtains control of the goods or services. Revenue from contracts with customers is measured at its transaction price, being the amount of consideration to which the Group and the Company expect to be entitled in exchange for transferring promised goods or services to a customer, net of goods and services tax, returns, rebates and discounts. The transaction price is allocated to each performance obligation on the basis of the relative stand-alone selling prices of each distinct good or service promised in the contract. Depending on the terms of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

(a) Sale of cement and related products

Revenue from sale of cement and related products is recognised at a point in time when control of the goods is transferred to the customer.

In determining the transaction price for the sale of cement and related products, the Group and the Company consider the effects of variable consideration.

If the consideration in a contract includes a variable amount, the Group and the Company estimate the amount of consideration to which they will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of cement and related products provide customers with early payment rebates, prompt payment rebates and volume rebates. The early payment rebates, prompt payment rebates and volume rebates give rise to variable consideration.

(b) Rendering of services

Revenue from contracts with customers is recognised when control of the services is transferred to the customer at an amount that reflects the consideration to which the Group and the Company expect to be entitled in exchange for those services. The Group and the Company have generally concluded that it is the principal in its revenue arrangements because it typically controls the services before transferring them to the customer.

(ii) Other revenue

(a) Dividend income

Dividend income is recognised when the shareholders' right to receive the payment is established.

(b) Hiring income

Hiring income is recognised on an accrual basis.

Notes to the Financial Statements

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

(d) Revenue recognition (cont'd.)

(ii) Other revenue (cont'd.)

(c) Rental income

Rental income from operating leases (net of any incentives given to the lessees) is recognised on the straight-line basis over the lease term.

(d) Interest income

Revenue is recognised as the interest income accrues, taking into account the effective yield on the asset.

(e) Employee benefits

(i) Post-employment benefits

The Group and the Company have various post-employment benefit schemes in accordance with local conditions and practices in the industries in which they operate. These benefit plans are either defined contribution or defined benefits plan.

(a) Defined contribution plan

A defined contribution plan is a pension plan under which the Group and the Company pay fixed contributions into a separate entity (a fund) and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

The Group's and the Company's contributions to a defined contribution plan are charged to the profit or loss in the period to which they relate.

(b) Defined benefit plan

The Group operates an unfunded final salary defined benefit plan covering eligible employees. The retirement benefits accounting cost is assessed using the Projected Unit Credit Method.

The retirement benefits obligation is measured at the present value of the estimated future cash outflows using interest rates of government securities which have terms to maturity approximating the terms of the related liability.

Notes to the Financial Statements

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

(e) Employee benefits (cont'd.)

(ii) Share-based compensation

The Company operates an equity-settled, share-based compensation plan for the employees of the Group. The fair value of the employee services received in exchange for the grant of the share options is recognised as an expense in the Income Statements over the vesting periods of the grant with a corresponding increase in equity.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the share options granted and the number of share options to be vested by vesting date. At each reporting date, the Group revises its estimates of the number of share options that are expected to vest. It recognises the impact of the revision of original estimates, if any, in the Income Statements, with a corresponding adjustment to equity. For options granted by the Company to its subsidiaries' employees, the expense will be recognised in the subsidiaries' financial statements over the vesting periods of the grant.

The proceeds received net of any directly attributable transaction costs are credited to share capital when the options are exercised.

(f) Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

(g) Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss during the financial year in which they are incurred.

Freehold land is not depreciated as it has an infinite life.

Assets under construction are stated at cost and are not depreciated. Upon completion, assets under construction are transferred to categories of property, plant and equipment depending on nature of assets and depreciation commences when they are ready for their intended use.

Depreciation on all other property, plant and equipment is calculated on the straight line basis at rates required to write off the cost of the property, plant and equipment over their estimated useful lives.

Notes to the Financial Statements

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

(g) Property, plant and equipment and depreciation (cont'd.)

The principal annual rates of depreciation used are as follows:-

	%
Leasehold land	Remaining lease period
Buildings	2 - 10
Plant, machinery & equipment	3 1/3 - 20
Motor vehicles	10 - 20
Furniture, fixtures & equipment	10 - 100
Infrastructure & site facilities	10

Residual value, useful life and depreciation method of assets are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

(h) Investment properties

Investment properties, comprising principally land & buildings, are held for long term rental yield or for capital appreciation or both, and are not occupied by the Group.

Investment properties are stated at cost less accumulated depreciation and any impairment losses. Freehold land is not depreciated. Building is depreciated on a straight line basis to write off the cost over its estimated useful life at annual rate of 4%.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year in which they arise.

(i) Impairment of non-financial assets

The carrying amounts of assets, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

An impairment loss is charged to the profit or loss immediately, unless the asset is carried at revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of previously recognised revaluation surplus for the same asset.

Notes to the Financial Statements

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

(i) Impairment of non-financial assets (cont'd.)

Impairment losses on goodwill are not reversed. In respect of other assets, any subsequent increase in the recoverable amount of an asset is treated as reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in the profit or loss immediately, unless the asset is carried at revalued amount. A reversal of an impairment loss on a revalued asset is credited directly to revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the profit or loss, a reversal of that impairment loss is recognised as income in the profit or loss.

(j) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The Group controls an investee if and only if the Group has all the following:-

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its investment with the investee; and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting rights of an investee, the Group considers the following in assessing whether or not the Group's voting rights in an investee are sufficient to give it power over the investee:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statements of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Income Statement and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Notes to the Financial Statements

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

(j) Basis of consolidation (cont'd.)

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- derecognises the assets (including goodwill) and liabilities of the subsidiary;
- derecognises the carrying amount of any non-controlling interests;
- derecognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss;
- reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

Acquisitions of subsidiaries are accounted for by applying the purchase method. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Adjustments to those fair values relating to previously held interests are treated as a revaluation and recognised in other comprehensive income.

The cost of a business combination is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the business combination. Any excess of the cost of business combination over the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities is recorded as goodwill in the statements of financial position. The accounting policy for goodwill is set out in Note 2(n)(i) to the financial statements. Any excess of the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities over the cost of business combination is recognised as income in profit or loss on the date of acquisition. When the Group acquires a business, embedded derivatives separated from the host contract by the acquiree are reassessed on acquisition unless the business combination results in a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required under the contract.

(k) Transactions with non-controlling interest

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gain or loss on disposal to non-controlling interests is recognised directly in equity.

Notes to the Financial Statements

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

(l) Investment in subsidiaries

A subsidiary is an entity over which the Group has all the following:-

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its investment with the investee; and
- The ability to use its power over the investee to affect its returns.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less accumulated impairment losses. On disposal of investments in subsidiaries, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

(m) Investment in joint venture

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Group's interests in a joint venture are accounted for by the equity method of accounting based on the audited financial statements of the joint venture made up to the end of the financial year.

Equity accounting involves recognising in the profit or loss the Group's share of the results of joint venture for the financial year. The Group's investment in joint venture is carried in the Statements of Financial Position at an amount that reflects its share of the net assets of the joint venture and includes goodwill on acquisition.

Unrealised gains on transactions between the Group and its joint venture are eliminated to the extent of the Group's interest in the joint venture; unrealised losses are also eliminated unless the transaction provides evidence on impairment of the asset transferred. Where necessary, in applying the equity method, adjustments are made to the financial statements of the joint venture to ensure consistency of accounting policies with those of the Group.

In the Company's separate financial statements, investment in joint venture is stated at cost less impairment losses.

On disposal of such investments, the difference between net disposal proceeds and their carrying amount is included in profit or loss.

(n) Intangible assets

(i) Goodwill

Goodwill is initially measured at cost. Following the initial recognition, goodwill is measured at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired is allocated, from the acquisition date, to each of the Group's cash-generating units (or groups of cash-generating units) that are expected to benefit from the synergies of the combination.

Notes to the Financial Statements

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

(n) Intangible assets (cont'd.)

(i) Goodwill (cont'd.)

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired, by comparing the carrying amount of the cash-generating unit, including the allocated goodwill, with the recoverable amount of the cash-generating unit. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit retained.

(ii) Quarry rights

Quarry rights represent the consideration paid to obtain aggregates and is amortised on a straight-line basis to write off the cost over the lives of the quarry agreements less impairment losses.

The policy for the recognition and measurement of impairment losses is in accordance with Note 2(i) to the financial statements.

(o) Financial assets

(i) Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL").

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the Group and the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient are measured at the transaction price determined under MFRS 15.

In order for a financial asset to be classified and measured at amortised cost or FVOCI, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. This assessment is referred as the SPPI test and is performed at an instrument level.

The Group's and the Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group and the Company commit to purchase or sell the asset.

Notes to the Financial Statements

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

(o) Financial assets (cont'd.)

(ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments);
- Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments);
- Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); and
- Financial assets at FVTPL.

(a) *Financial assets at amortised cost (debt instruments)*

The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's and the Company's financial assets at amortised cost include receivables and amount due from related parties and cash & cash equivalent.

(b) *Financial assets designated at FVOCI (equity instruments)*

Upon initial recognition, the Group and the Company can elect to classify irrevocably its equity investments as equity instruments designated at FVOCI when they meet the definition of equity under MFRS 132 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the Income Statements when the right of payment has been established, except when the Group and the Company benefit from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at FVOCI are not subject to impairment assessment.

The Group and the Company elected to classify irrevocably its non-listed equity investments under this category.

Notes to the Financial Statements

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

(o) Financial assets (cont'd.)

(ii) Subsequent measurement (cont'd.)

(c) *Financial assets at FVTPL*

Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at FVTPL, or financial assets mandatory required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVTPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at FVOCI, as described above, debt instruments may be designated at FVTPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at FVTPL are carried in the Statements of Financial Position at fair value with net changes in fair value recognised in the Income Statements.

This category includes derivative instruments and equity investments which the Group and the Company had not irrevocably elected to classify at FVOCI. Dividends on equity investments are also recognised as other income in the Income Statements when the right of payment has been established.

(iii) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- the rights to receive cash flows from the asset have expired, or
- the Group and the Company have transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group and the Company have transferred substantially all the risks and rewards of the asset, or (b) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

When the Group and the Company have transferred their rights to receive cash flows from an asset or have entered into a pass-through arrangement, they evaluate if and to what extent they have retained the risks and rewards of ownership. When they have neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the asset is recognised to the extent of the Group's and the Company's continuing involvement in the asset. In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company could be required to repay.

Notes to the Financial Statements

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

(p) Impairment of financial assets

The Group and the Company recognise an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss ("FVTPL"). ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months ("a 12-month ECL"). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default ("a lifetime ECL").

For trade receivables, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company have established a provision matrix that is based on their historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group and the Company consider a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group and the Company may also consider a financial asset to be in default when internal or external information indicates that the Group and the Company are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(q) Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost is determined on the weighted average method and includes the cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

The cost of finished goods comprises raw materials, direct labour, other direct costs and an appropriate proportion of production overheads (based on normal operating capacity).

Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and applicable variable selling expenses.

Provision for inventory obsolescence is made when an item has been identified as obsolete or excess inventory. The identification of an item as obsolete is done on an item by item basis after proper analysis has been conducted.

(r) Irredeemable Convertible Preference shares ("ICPS")

Preference share capital is classified as equity if it is non-redeemable, or is redeemable but only at the Company's option, and any dividends are discretionary. Dividends thereon are recognised as distributions within equity.

The preference shares are recorded at the proceeds received, net of directly attributable transaction costs.

Notes to the Financial Statements

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

(s) Leases

(i) Accounting as lessee

Leases are recognised as right-of-use ('ROU') assets and a corresponding liability at the date on which the leased asset is available for use by the Group and the Company (i.e. the commencement date).

Contracts may contain both lease and non-lease components. The Group and the Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of properties for which the Group and the Company are a lessee, it has elected the practical expedient provided in MFRS 16 not to separate lease and non-lease components. Both components are accounted for as a single lease component and payments for both components are included in the measurement of lease liability.

(a) Lease term

In determining the lease term, the Group and the Company considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not to be terminated).

The Group and the Company reassess the lease term upon the occurrence of a significant event or change in circumstances that is within the control of the Group and the Company and affects whether the Group and the Company are reasonably certain to exercise an option not previously included in the determination of lease term, or not to exercise an option previously included in the determination of lease term. A revision in lease term results in remeasurement of the lease liabilities.

(b) ROU assets

ROU assets are initially measured at cost comprising the following:-

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentive received;
- Any initial direct costs; and
- Decommissioning or restoration costs.

ROU assets that are not investment properties are subsequently measured at cost, less accumulated depreciation and impairment loss (if any). The ROU assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight line basis. If the Group and the Company are reasonably certain to exercise a purchase option, the ROU assets are depreciated over the underlying asset's useful life. In addition, the ROU assets are adjusted for certain measurement of the lease liabilities.

The Group and the Company presents ROU assets within which the corresponding underlying assets would be presented if they were owned, those assets are presented in the Statements of Financial Position as property, plant and equipment. ROU assets are presented as a separate line item in the Statements of Financial Position except for above.

Notes to the Financial Statements

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

(s) Leases (cont'd.)

(i) Accounting as lessee (cont'd.)

(c) Lease liabilities

Lease liabilities are initially measured at the present value of the payments that are not paid at that date. The lease payments include the following:-

- Fixed payments (including in-substance fixed payments), less any lease incentive receivable;
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate at the commencement date;
- The exercise price of a purchase and extension option if the Group and the Company are reasonably certain to exercise that options; and
- Payments of penalties for terminating the lease, if the lease term reflects the Group and the Company exercising that option.

Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group and the Company, the lessee's incremental borrowing is used. This is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the ROU in a similar economic environment with similar term security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to Income Statements over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Variable lease payment that depend on sales are recognised in the statement of comprehensive income in the period in which the condition that triggers those payments occurs.

The Group and the Company presents lease liabilities as a separate line item in the statement of financial position. Interest expense on the lease liability is presented within the finance cost in the Income Statement.

(d) Reassessment of lease liabilities

The Group and the Company are also exposed to potential future increases in variable lease payments that depend on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is remeasured and adjusted against the ROU assets.

Lease liabilities is also remeasured if there is a change in the Group's and the Company's assessment of whether it will exercise an extension option and there are modifications in the scope or the consideration of the lease that was not part of the original term.

(e) Short-term leases and leases of low-value assets

Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture. Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight line basis as an expense in Income Statements.

Notes to the Financial Statements

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

(s) Leases (cont'd.)

(ii) Accounting by lessor

As a lessor, the Group and the Company determine at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group and the Company make an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to the ownership of the underlying asset to the lessee. As part of this assessment, the Group and the Company consider certain indicators such as whether the lease is for the major part of the economic life of the asset.

(a) Finance leases

The Group and the Company classifies a lease as a finance lease if the lease transfers substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee.

The Group derecognises the underlying asset and recognises a receivable at an amount equal to the net investment in a finance lease. Net investment in a finance lease is measured at an amount equal to the sum of the present value of lease payments from lessee and the unguaranteed residual value of the underlying asset. Initial direct costs are also included in the initial measurement of the net investment. The net investments is subject to MFRS 9 impairment (refer to Note 2(p) on impairment of financial assets). In addition, the Group reviews regularly the estimated unguaranteed residual value.

Lease income is recognised over the term of the lease using the net investment method so as to reflect a constant periodic rate of return. The Group revises the lease income allocation if there is a reduction in the estimated unguaranteed residual value.

(b) Operating leases

The Group classifies a lease as an operating lease if the lease does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee.

The Group recognises lease payments received under operating lease as lease income on a straight-line basis over the lease term.

Rental income on operating leases is recognised over the term of the lease on a straight-line basis. Rental income is shown net of rebates and discounts. Rental income includes base rent, percentage rent and other rent related income from tenants. Base rent is recognised on a straight-line basis over the lease term. Percentage rent is recognised based on sales reported by tenants. When the Group provide incentives or rebates to the tenants, the cost of incentives or rebates is capitalised as deferred lease incentive and is recognised over the lease term, on a straight-line basis, as a reduction of rental income. Initial direct cost incurred by the Group in negotiating and arranging an operating lease is recognised as an asset (deferred lease incentive) and amortised over the lease term on the same basis as the rental income.

Notes to the Financial Statements

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

(t) Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss ("FVTPL") or at amortised cost, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's and the Company's financial liabilities include payables, amount due to related parties and borrowings.

(ii) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at amortised cost

After initial recognition, all financial liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Income Statements.

(iii) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Income Statements.

(u) Foreign currency

(i) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into RM as follows:-

- Assets and liabilities are translated at the rate of exchange ruling at the reporting date;
- Income and expenses are translated at exchange rates at average exchange rates; and
- All resulting exchange differences are recognised as separate components of other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to shareholders' equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the Income Statement as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity on or after 1 July 2011 are treated as assets and liabilities of the foreign entity and translated at the closing rate. For acquisition of foreign entities completed prior to 1 July 2011, goodwill and fair value adjustments continued to be recorded at the exchange rate at the respective date of acquisitions.

Notes to the Financial Statements

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

(v) Contract liabilities

Contract liability is the unsatisfied obligation by the group to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

(w) Financial guarantee

Financial guarantee contracts are contracts that require the Group and the Company to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument.

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value.

The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

(x) Contingent liabilities and contingent assets

The Group and the Company do not recognise a contingent liability but disclose its existence in the financial statements, except in a business combination.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by uncertain future events beyond the control of the Group and the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. When a change in the probability of an outflow of economic resources occurs and the outflow is probable, it will then be recognised as a provision.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by uncertain future events beyond the control of the Group and the Company. The Group and the Company do not recognise contingent assets but disclose their existence where inflows of economic benefits are probable, but not virtually certain. When inflow of economic resources is virtually certain, the asset is recognised.

In the acquisition of subsidiaries by the Group under a business combination, the contingent liabilities assumed are measured initially at their fair value at the acquisition date, irrespective of the extent of any non-controlling interests.

The Group recognises separately the contingent liabilities of the acquirees as part of allocating the cost of a business combination where the fair values can be measured reliably. Where the fair values cannot be measured reliably, the resulting effect will be reflected in the goodwill arising from the acquisitions.

(y) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount presented in the Statements of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy.

Notes to the Financial Statements

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgments are continually evaluated by the Directors and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group and the Company make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:-

(a) Impairment assessment of property, plant and equipment (“PPE”)

The Group assesses impairment of the assets or cash-generating units (“CGUs”) whenever events or changes in circumstances indicate that the carrying amount of an asset or CGU may not be recoverable i.e. the carrying amount of the asset is more than the recoverable amount. Recoverable amount is measured at the higher of the fair value less costs of disposal (“FVLCD”) for that asset or CGU and its value-in-use (“VIU”). Projected future cash flows used in impairment testing of the assets or CGUs are based on Group’s estimates calculated using historical, sector and industry trends, general market and economic conditions, changes in technology and other available information.

(b) Estimated assessment of goodwill

The Group tests goodwill for impairment annually, in accordance with its accounting policy. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of significant judgements and estimates as set out in Note 15 to the financial statements.

(c) Impairment of receivables

The Group and the Company use a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group’s and the Company’s historical observed default rates. The Group and the Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group’s and the Company’s historical credit loss experience and forecast of economic conditions may also not be representative of customer’s actual default in the future. The information about the ECLs on the Group’s and the Company’s trade receivables is disclosed in Note 17.

Notes to the Financial Statements

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D.)

(d) Lease

The measurement of the "right-of-use" asset and lease liability for leases where the Group is a lessee requires the use of significant judgements and assumptions, such as lease term and incremental borrowing rate.

In determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The lease term is reassessed if an option is exercised (or not exercised) or the Group becomes obligated to exercise (not to exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurred, which affects this assessment, and that is within the control of the lessee.

In determining the incremental borrowing rate, the Group first determines the closest borrowing rate before using significant judgement to determine the adjustments required to reflect the term, security, value of economic environmental of the respective leases.

(e) Deferred tax assets

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which temporary differences can be utilised. This involves judgement regarding future financial performance of respective entities when the deferred tax assets are recognised.

(f) Post-employment benefit obligations

The present value of the post-employment benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost are disclosed in Note 29 to the financial statements. Any changes in these assumptions will impact the carrying amount of post-employment benefit obligation.

Notes to the Financial Statements

4. REVENUE

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revenue from contracts with customers	4,446,430	3,757,046	-	-
Other revenue:				
- Dividend income	-	-	453,911	199,716
	4,446,430	3,757,046	453,911	199,716

(a) Disaggregation of revenue from contracts with customers:-

	Group	
	2024 RM'000	2023 RM'000
Major Products and Service Lines		
Cement:		
- Sale of clinker, cement and other building materials	3,347,762	2,872,956
- Others	7,511	1,642
Aggregates & Concrete:		
- Sale of aggregates	35,404	25,759
- Sale of ready-mixed concrete	1,055,458	854,461
- Others	295	2,228
	4,446,430	3,757,046

(b) Timing of recognition for revenue from contracts with customers:-

	Group	
	2024 RM'000	2023 RM'000
At a point in time	4,438,624	3,753,176
Over time	7,806	3,870
	4,446,430	3,757,046

Notes to the Financial Statements

5. FINANCE COSTS

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Bank overdraft interest	*	*	-	-
Bond interest	38,598	24,561	36,307	5,782
Interest expense on lease liabilities	1,882	2,160	-	-
Revolving credit interest	23,344	22,464	-	-
Term loan interest	121,716	136,903	82,884	95,686
Other finance costs	8,671	8,659	7,146	7,148
	194,211	194,747	126,337	108,616

* Less than RM1,000

6. PROFIT BEFORE TAX

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Profit before tax is stated after charging (except for those disclosed in Note 5):-					
Amortisation of intangible assets	15(b)	2,267	1,866	-	-
Auditors' remuneration:					
- statutory audit fee payable/paid to auditor of the Company					
- current year		818	779	121	121
- under provision in prior year		-	2	-	-
- statutory audit fee payable/paid to other auditors		187	133	-	-
- Non-audit fees payable/paid to auditor of the Company		8	16	8	8
- Non-audit fees payable/paid to member firm of the auditors of the Company		223	191	3	6
Bad debts written off		371	536	-	-
Depreciation of property, plant and equipment	9	229,485	249,788	-	-
Depreciation of right-of-use assets	10	19,529	19,298	-	-
Depreciation of investment properties	11	3	4	-	-

Notes to the Financial Statements

6. PROFIT BEFORE TAX (CONT'D.)

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Profit before tax is stated after charging (except for those disclosed in Note 5):- (cont'd.)					
Directors' remuneration					
- fees		720	903	720	903
- emoluments		9,929	7,410	45	50
- defined contribution plan expense		1,186	883	-	-
- benefits in kind		44	47	-	-
Hiring of plant, machinery, motor vehicles & office equipment		10,243	8,046	-	-
Impairment losses on goodwill	15(a)	-	3	-	-
Impairment losses on receivables	17	12,569	8,849	-	-
Impairment losses on investment in subsidiaries		-	-	28,779	-
Impairment losses on property, plant and equipment	9	137,134	-	-	-
Inventories written off		30,194	-	-	-
Lease expense not capitalised in lease liabilities					
- short term lease		2,478	3,219	-	-
- low value assets		267	318	-	-
Loss on disposal of property, plant and equipment		895	1	-	-
Loss on foreign exchange					
- realised		1,819	974	1	-
- unrealised		49	5,166	-	3
Loss on reassessment and modification of leases		-	12	-	-
Property, plant and equipment written off		1,376	1,565	-	-
Provision for inventory obsolescence	16	13,474	-	-	-
Rental of land & buildings		8,851	6,446	-	-
Share option expenses		53,952	8,968	27,211	4,389

Notes to the Financial Statements

6. PROFIT BEFORE TAX (CONT'D.)

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
And crediting (except for those disclosed in Note 4):-					
Bad debts recovered		88	111	-	-
Dividend income		27	6	-	-
Gain on disposal of property, plant and equipment		5,021	1,400	-	-
Gain on disposal of right-of-use assets		8,827	-	-	-
Gain on foreign exchange					
- realised		2,673	15,499	-	7,404
- unrealised		8,568	5,025	-	-
Gain on termination of leases		-	1	-	-
Hiring income		27,545	20,020	-	-
Interest income of financial assets measured at amortised cost					
- fixed deposit interest		18,087	11,295	2,281	1,353
- others		969	668	21,297	5,660
Interest income-net investment in lease	17(a)	263	431	-	-
Rental income					
- investment properties		420	398	-	-
- other properties		131	228	-	-
Reversal of impairment losses on property, plant and equipment	9	-	40	-	-
Reversal of impairment losses on receivables	17	9,224	3,376	-	-
Reversal of provision for inventory obsolescence	16	381	1,145	-	-

Notes to the Financial Statements

6. PROFIT BEFORE TAX (CONT'D.)

Directors' Remuneration

2024 Group	Fees RM'000	Salaries RM'000	Bonus RM'000	Defined contribution plan RM'000	Estimated money value of benefits-in-kind RM'000	Others* RM'000	Total RM'000
Executive Directors							
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	-	-	-	-	-	-	-
Dato' Sri Michael Yeoh Sock Siong	-	5,301	2,672	957	28	2	8,960
Dato' Yeoh Seok Kian	-	-	-	-	-	-	-
Dato' Seri Yeoh Seok Hong	-	-	-	-	-	-	-
Dato' Yeoh Soo Keng	-	1,269	639	229	16	1	2,154
Non-executive Directors							
Professor Datuk Ts. Ir. Dr Siti Hamisah Binti Tapsir	240	-	-	-	-	15	255
Yap Seng Chong	240	-	-	-	-	15	255
Fong Yee Mei	240	-	-	-	-	15	255
Total	720	6,570	3,311	1,186	44	48	11,879

2024 Company	Fees RM'000	Salaries RM'000	Bonus RM'000	Defined contribution plan RM'000	Estimated money value of benefits-in-kind RM'000	Others* RM'000	Total RM'000
Executive Directors							
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	-	-	-	-	-	-	-
Dato' Sri Michael Yeoh Sock Siong	-	-	-	-	-	-	-
Dato' Yeoh Seok Kian	-	-	-	-	-	-	-
Dato' Seri Yeoh Seok Hong	-	-	-	-	-	-	-
Dato' Yeoh Soo Keng	-	-	-	-	-	-	-
Non-executive Directors							
Professor Datuk Ts. Ir. Dr Siti Hamisah Binti Tapsir	240	-	-	-	-	15	255
Yap Seng Chong	240	-	-	-	-	15	255
Fong Yee Mei	240	-	-	-	-	15	255
Total	720	-	-	-	-	45	765

Notes to the Financial Statements

6. PROFIT BEFORE TAX (CONT'D.) Directors' Remuneration (cont'd.)

2023 Group	Fees RM'000	Salaries RM'000	Bonus RM'000	Defined contribution plan RM'000	Estimated money value of benefits-in-kind RM'000	Others* RM'000	Total RM'000
Executive Directors							
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	-	-	-	-	-	-	-
Dato' Sri Michael Yeoh Sock Siong	-	5,088	848	712	31	2	6,681
Dato' Yeoh Seok Kian	-	-	-	-	-	-	-
Dato' Seri Yeoh Seok Hong	-	-	-	-	-	-	-
Dato' Yeoh Soo Keng	-	1,218	203	171	16	1	1,609
Non-executive Directors							
Tan Sri Datuk Asmat Bin Kamaludin	220	-	-	-	-	11	231
Dato' Tan Guan Cheong	220	-	-	-	-	15	235
Dato' Yoogalingam A/L Vyramuttu	220	-	-	-	-	15	235
Yeoh Khoon Cheng	183	-	-	-	-	6	189
Professor Datuk Ts. Ir. Dr Siti Hamisah Binti Tapsir	20	-	-	-	-	1	21
Yap Seng Chong	20	-	-	-	-	1	21
Fong Yee Mei	20	-	-	-	-	1	21
Total	903	6,306	1,051	883	47	53	9,243

2023 Company	Fees RM'000	Salaries RM'000	Bonus RM'000	Defined contribution plan RM'000	Estimated money value of benefits-in-kind RM'000	Others* RM'000	Total RM'000
Executive Directors							
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	-	-	-	-	-	-	-
Dato' Sri Michael Yeoh Sock Siong	-	-	-	-	-	-	-
Dato' Yeoh Seok Kian	-	-	-	-	-	-	-
Dato' Seri Yeoh Seok Hong	-	-	-	-	-	-	-
Dato' Yeoh Soo Keng	-	-	-	-	-	-	-
Non-executive Directors							
Tan Sri Datuk Asmat Bin Kamaludin	220	-	-	-	-	11	231
Dato' Tan Guan Cheong	220	-	-	-	-	15	235
Dato' Yoogalingam A/L Vyramuttu	220	-	-	-	-	15	235
Yeoh Khoon Cheng	183	-	-	-	-	6	189
Professor Datuk Ts. Ir. Dr Siti Hamisah Binti Tapsir	20	-	-	-	-	1	21
Yap Seng Chong	20	-	-	-	-	1	21
Fong Yee Mei	20	-	-	-	-	1	21
Total	903	-	-	-	-	50	953

* Includes SOCSO, meeting allowance, etc

Notes to the Financial Statements

6. PROFIT BEFORE TAX (CONT'D.)

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Employee benefits expense (excluding Directors' remuneration)				
- salaries, wages, bonus & others	209,543	191,308	-	-
- defined contribution plan	20,553	19,630	-	-
- defined benefits plan	947	947	-	-
	231,043	211,885	-	-

Direct operating expenses from investment properties that generated rental income for the Group during the year amounted to RM0.002 million (2023: RM0.010 million).

7. INCOME TAX EXPENSE

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Current income tax					
- Malaysian income tax		197,612	91,101	428	320
- Foreign income tax		2,711	1,266	-	-
Deferred tax	26	18,150	1,551	-	-
		218,473	93,918	428	320
Current income tax					
- Current financial year		198,790	92,850	428	320
- Under/(Over) provision in prior financial years		1,533	(483)	*	-
Deferred tax					
- Origination and reversal of temporary differences		18,150	1,551	-	-
		218,473	93,918	428	320

* Less than RM1,000

Notes to the Financial Statements

7. INCOME TAX EXPENSE (CONT'D.)

The Group and the Company are within the scope of the Organisation for Economic Co-operation and Development ("OECD") Pillar Two model rules whereby top-up tax on profits is required in any jurisdictions in which it operates, calculated at the jurisdictional level, when the effective tax rate is lower than the minimum effective tax rate of 15%.

Malaysia will be implementing the Pillar Two model rules effective 1 January 2025. Some foreign tax jurisdiction, where the Company's pre-penultimate holding company YTL Corporation Berhad, and its subsidiaries operate, will implement the Pillar Two model rules earlier in 2024.

The Group and the Company have not recorded any impact on tax expense for the financial year and applied the exception to recognise or disclose information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to MFRS 112 issued in June 2023.

The Group and the Company have assumed the commitment to apply the Pillar Two model rules and are working on the analysis of the impact of the amendments to the standard as well as to establish a system of compliance which allows to adapt to regulations in a timely manner.

A reconciliation of income tax expense applicable to profit before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:-

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Profit before tax	647,461	253,118	290,940	97,221
Income tax using Malaysian tax rate of 24% (2023: 24%)	155,391	60,748	69,826	23,333
Non-deductible expenses	75,674	45,492	44,710	26,273
Income not subject to tax	(5,964)	(2,566)	(114,108)	(49,286)
Different tax rates in other countries	(3,924)	(3,483)	-	-
Tax effect of under provision of deferred tax	2,102	558	-	-
Under/(Over) provision in prior financial years	1,533	(483)	*	-
Tax effect on share of profits of joint venture	(6,787)	(6,188)	-	-
Tax effect of unrecognised deferred tax assets	448	(160)	-	-
	218,473	93,918	428	320

* Less than RM1,000

Notes to the Financial Statements

8. EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share of the Group is calculated by dividing the profit attributable to owners of the parent by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2024	2023
Profit attributable to owners of the parent (RM'000)	428,701	159,035
Weighted average number of ordinary shares in issue ('000)	1,314,630	1,310,201
Basic earnings per share (sen)	32.61	12.14

(b) Diluted earnings per share

Diluted earnings per share of the Group is calculated by dividing the profit attributable to owners of the parent by the adjusted weighted average number of ordinary shares in issue during the financial year.

	Group	
	2024	2023
Profit attributable to owners of the parent (RM'000)	428,701	159,035
Weighted average number of ordinary shares in issue ('000)	1,314,630	1,310,201
Effect of conversion of ICPS to ordinary shares ('000)	466,667	466,667
Adjustment for ESOS ('000)	63,806	7
Adjusted weighted average number of ordinary shares for the purpose of arriving at diluted earnings per share ('000)	1,845,103	1,776,875
Diluted earnings per share (sen)	23.23	8.95

Notes to the Financial Statements

9. PROPERTY, PLANT AND EQUIPMENT

Group 2024	Land & buildings* RM'000	Plant, machinery & equipment RM'000	Motor vehicles RM'000	Furniture, fixtures & equipment RM'000	Infra- structure & site facilities RM'000	Capital work-in- progress RM'000	Total RM'000
Cost							
At 1 July 2023	1,157,629	7,271,303	47,453	102,321	880	99,760	8,679,346
Additions	-	31,753	776	1,777	-	128,286	162,592
Disposals	(1,429)	(36,807)	(6,355)	(614)	-	(792)	(45,997)
Written off	(268)	(12,184)	-	(179)	-	-	(12,631)
Transfer/Adjustment	295	50,911	-	614	-	(58,658)	(6,838)
Reclassification	-	-	-	917	-	(917)	-
Currency translation differences	101	688	-	31	-	-	820
At 30 June 2024	1,156,328	7,305,664	41,874	104,867	880	167,679	8,777,292
Accumulated depreciation							
At 1 July 2023	627,809	5,294,993	36,834	82,615	753	-	6,043,004
Charge for the financial year	23,045	196,041	1,682	8,679	38	-	229,485
Disposals	(43)	(33,500)	(5,918)	(610)	-	-	(40,071)
Written off	(202)	(10,880)	-	(173)	-	-	(11,255)
Transfer/Adjustment	-	-	-	-	-	-	-
Reclassification	-	-	-	-	-	-	-
Currency translation differences	101	664	-	30	-	-	795
At 30 June 2024	650,710	5,447,318	32,598	90,541	791	-	6,221,958
Accumulated impairment loss							
At 1 July 2023	-	-	-	-	-	-	-
Charge for the financial year	-	128,179	-	-	-	8,955	137,134
At 30 June 2024	-	128,179	-	-	-	8,955	137,134
Net book value							
At 30 June 2024	505,618	1,730,167	9,276	14,326	89	158,724	2,418,200

Notes to the Financial Statements

9. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

Group 2023	Land & buildings* RM'000	Plant, machinery & equipment RM'000	Motor vehicles RM'000	Furniture, fixtures & equipment RM'000	Infra- structure & site facilities RM'000	Capital work-in- progress RM'000	Total RM'000
Cost							
At 1 July 2022	1,154,472	7,196,363	52,024	105,390	880	78,867	8,587,996
Additions	7,503	34,987	407	1,618	-	63,360	107,875
Disposals	(706)	(10,805)	(4,929)	(337)	-	(549)	(17,326)
Written off	-	(7,229)	(49)	(285)	-	-	(7,563)
Transfer/Adjustment	1,181	37,665	-	1,338	-	(41,918)	(1,734)
Reclassification	(6,076)	11,915	-	(5,839)	-	-	-
Currency translation differences	1,255	8,407	-	436	-	-	10,098
At 30 June 2023	1,157,629	7,271,303	47,453	102,321	880	99,760	8,679,346
Accumulated depreciation							
At 1 July 2022	608,620	5,078,462	39,619	77,802	716	-	5,805,219
Charge for the financial year	24,017	214,174	2,089	9,471	37	-	249,788
Disposals	(12)	(10,352)	(4,825)	(295)	-	-	(15,484)
Written off	-	(5,686)	(49)	(263)	-	-	(5,998)
Transfer/Adjustment	3	(297)	-	(8)	-	-	(302)
Reclassification	(6,060)	10,583	-	(4,523)	-	-	-
Currency translation differences	1,241	8,109	-	431	-	-	9,781
At 30 June 2023	627,809	5,294,993	36,834	82,615	753	-	6,043,004
Accumulated impairment loss							
At 1 July 2022	40	-	-	-	-	-	40
Reversal of impairment loss	(40)	-	-	-	-	-	(40)
At 30 June 2023	-	-	-	-	-	-	-
Net book value							
At 30 June 2023	529,820	1,976,310	10,619	19,706	127	99,760	2,636,342

During the financial year, the Group recognised an impairment loss of RM137.1 million on the machinery and equipment at the cement plant in Rawang. The impairment was made following the management's decision to put on hold the re-activation plan for the plant, which was initially planned for the previous years. This decision followed a preliminary study assessing the impact of plant's reactivation on the Group's decarbonisation targets and roadmaps.

Notes to the Financial Statements

9. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

* Land & buildings of the Group are as follows:-

Group 2024	Freehold land RM'000	Building on long term leasehold land RM'000	Building on short term leasehold land RM'000	Building on freehold land RM'000	Factory & other building RM'000	Total RM'000
Cost						
At 1 July 2023	32,026	711,315	343,983	4,614	65,691	1,157,629
Additions	-	-	-	-	-	-
Disposals	(44)	(1,385)	-	-	-	(1,429)
Written off	-	-	-	-	(268)	(268)
Transfer/Adjustment	-	-	(6)	-	301	295
Reclassification	-	-	-	-	-	-
Currency translation differences	-	-	-	-	101	101
At 30 June 2024	31,982	709,930	343,977	4,614	65,825	1,156,328
Accumulated depreciation						
At 1 July 2023	-	338,291	247,737	3,979	37,802	627,809
Charge for the financial year	-	14,216	6,683	173	1,973	23,045
Disposals	-	(43)	-	-	-	(43)
Written off	-	-	-	-	(202)	(202)
Transfer/Adjustment	-	-	-	-	-	-
Reclassification	-	-	-	-	-	-
Currency translation differences	-	-	-	-	101	101
At 30 June 2024	-	352,464	254,420	4,152	39,674	650,710
Net book value						
At 30 June 2024	31,982	357,466	89,557	462	26,151	505,618

Notes to the Financial Statements

9. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

* Land & buildings of the Group are as follows:- (cont'd.)

Group 2023	Freehold land RM'000	Building on long term leasehold land RM'000	Building on short term leasehold land RM'000	Building on freehold land RM'000	Factory & other building RM'000	Total RM'000
Cost						
At 1 July 2022	32,026	749,329	348,504	4,614	19,999	1,154,472
Additions	-	3,304	-	-	4,199	7,503
Disposals	-	(706)	-	-	-	(706)
Written off	-	-	-	-	-	-
Transfer/Adjustment	-	182	-	-	999	1,181
Reclassification	-	(41,340)	(4,521)	-	39,785	(6,076)
Currency translation differences	-	546	-	-	709	1,255
At 30 June 2023	32,026	711,315	343,983	4,614	65,691	1,157,629
Accumulated depreciation						
At 1 July 2022	-	352,547	244,564	3,798	7,711	608,620
Charge for the financial year	-	14,236	7,677	181	1,923	24,017
Disposals	-	(12)	-	-	-	(12)
Written off	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	3	3
Reclassification	-	(29,018)	(4,504)	-	27,462	(6,060)
Currency translation differences	-	538	-	-	703	1,241
At 30 June 2023	-	338,291	247,737	3,979	37,802	627,809
Accumulated impairment loss						
At 1 July 2022	40	-	-	-	-	40
Reversal of impairment loss	(40)	-	-	-	-	(40)
At 30 June 2023	-	-	-	-	-	-
Net book value						
At 30 June 2023	32,026	373,024	96,246	635	27,889	529,820

Notes to the Financial Statements

10. RIGHT-OF-USE ASSETS

Group	Leasehold land RM'000	Buildings RM'000	Motor vehicles RM'000	Land RM'000	Total RM'000
2024					
Net book value					
At 1 July 2023	179,922	379	-	45,895	226,196
Addition	39,973	704	-	6,529	47,206
Charge for the financial year	(6,830)	(535)	-	(12,164)	(19,529)
Reassessment and modification of leases	-	-	-	393	393
Disposals	(305)	-	-	-	(305)
Termination of leases	-	-	-	-	-
Transfer from property, plant and equipment	11	-	-	-	11
Currency translation differences	(2)	-	-	79	77
At 30 June 2024	212,769	548	-	40,732	254,049
At 30 June 2024					
Cost	348,011	1,862	-	112,181	462,054
Accumulated depreciation	(135,242)	(1,314)	-	(71,449)	(208,005)
Net book value	212,769	548	-	40,732	254,049
2023					
Net book value					
At 1 July 2022	185,827	597	15	52,730	239,169
Addition	-	369	-	4,911	5,280
Charge for the financial year	(5,905)	(588)	-	(12,805)	(19,298)
Reassessment and modification of leases	-	-	-	67	67
Termination of leases	-	(15)	(15)	-	(30)
Currency translation differences	-	16	-	992	1,008
At 30 June 2023	179,922	379	-	45,895	226,196
At 30 June 2023					
Cost	338,683	1,981	-	105,121	445,785
Accumulated depreciation	(158,761)	(1,602)	-	(59,226)	(219,589)
Net book value	179,922	379	-	45,895	226,196

Notes to the Financial Statements

10. RIGHT-OF-USE ASSETS (CONT'D.)

The Group has lease contracts for various items of land, buildings, motor vehicles, plant and machinery and leasehold land used in their operations. The lease arrangement generally does not allow for subleasing of the leased assets, unless there is a contractual right for the Group and the Company to sublet the leased asset to another party.

The Group and the Company also have certain leases with lease terms of 12 months or less and leases that have been determined to be low value. The Group and the Company apply the 'short-term lease' and 'lease of low-value assets' recognition exemption for these leases.

Some leases of batching plants contain variable lease payments that are based on the volume of the ready-mixed concrete produced by the Group at the batching plant.

11. INVESTMENT PROPERTIES

Group	Freehold land & buildings RM'000	Leasehold land & buildings RM'000	Total RM'000
2024			
At Cost			
At beginning/end of the financial year	3,638	441	4,079
Accumulated depreciation			
At beginning of the financial year	120	258	378
Charge for the financial year	-	3	3
At end of the financial year	120	261	381
Impairment loss			
At beginning/end of the financial year	418	167	585
Net book value	3,100	13	3,113

Notes to the Financial Statements

11. INVESTMENT PROPERTIES (CONT'D.)

Group	Freehold land & buildings RM'000	Leasehold land & buildings RM'000	Total RM'000
2023			
At Cost			
At beginning/end of the financial year	3,638	441	4,079
Accumulated depreciation			
At beginning of the financial year	120	254	374
Charge for the financial year	-	4	4
At end of the financial year	120	258	378
Impairment loss			
At beginning/end of the financial year	418	167	585
Net book value	3,100	16	3,116

Details of the Group's investment properties and information about the fair value hierarchy are as follows:-

Group	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2024				
Recurring fair value measurements:				
Investment properties	-	11,812	-	11,812
2023				
Recurring fair value measurements:				
Investment properties	-	12,297	-	12,297

Fair value information

The Group's investment properties are valued based on sale comparison approach and unobservable inputs and classified in Level 2 of the fair value hierarchy. The different levels of the fair value hierarchy are defined in Note 31(b) to the Financial Statements.

During the current financial year, there were no transfers between Level 1, Level 2 and Level 3 fair value measurements.

Valuation techniques used to derive Level 2 fair values

Level 2 fair values of the Group's properties have been generally derived using the sales comparison approach. Sales prices of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is selling price per square meter.

Notes to the Financial Statements

12. SUBSIDIARIES

(a) Investment in subsidiaries

	Company	
	2024 RM'000	2023 RM'000
Unquoted shares, at cost	7,802,454	7,802,454
Less: Accumulated impairment losses	(28,779)	-
	7,773,675	7,802,454

Details of the subsidiaries are as follows:-

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest	
			2024 %	2023 %
Held by the Company:				
Associated Pan Malaysia Cement Sdn. Bhd.	Malaysia	Manufacture and sale of cement and clinker	100.00	100.00
Buildcon-Cimaco Concrete Sdn. Bhd.	Malaysia	Manufacture and sale of ready-mixed concrete and related services	100.00	100.00
Buildcon Concrete Sdn. Bhd.	Malaysia	Manufacture and sale of ready-mixed concrete and related services	100.00	100.00
C.I. Readymix Sdn. Bhd.	Malaysia	Manufacture and sale of ready-mixed concrete and transportation services	100.00	100.00
CMCM Perniagaan Sdn. Bhd.	Malaysia	Distribution of cement and building materials	100.00	100.00
H Cement (Malaysia) Sdn. Bhd.	Malaysia	Manufacture and sale of cement	100.00	100.00
Jumewah Shipping Sdn. Bhd.	Malaysia	Shipping of bulk cement and vessels chartering	100.00	100.00
Kedah Cement Holdings Sdn. Bhd.	Malaysia	Investment holding	100.00	100.00
LA Stones Sdn. Bhd.	Malaysia	Investment holding, trading and quarrying of aggregates and related products	100.00	100.00
M-Cement Sdn. Bhd.	Malaysia	Investment holding	100.00	100.00
Mini-Mix Sdn. Bhd.	Malaysia	Manufacture and sale of ready-mixed concrete and hiring of vehicles	100.00	100.00
Pahang Cement Sdn. Bhd.	Malaysia	Manufacture and sale of ordinary portland cement, clinker and related products and transportation services	100.00	100.00

Notes to the Financial Statements

12. SUBSIDIARIES (CONT'D.)

(a) Investment in subsidiaries (cont'd.)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest	
			2024 %	2023 %
Held by the Company: (cont'd.)				
Perak-Hanjoong Simen Sdn. Bhd.	Malaysia	Manufacture and sale of ordinary portland cement, clinker and related products	100.00	100.00
Slag Cement Sdn. Bhd.	Malaysia	Manufacture and sale of ordinary portland cement and blended cement and transportation services	100.00	100.00
Slag Cement (Southern) Sdn. Bhd.	Malaysia	Manufacture and sale of ordinary portland cement and blended cement	100.00	100.00
SMC Mix Sdn. Bhd.	Malaysia	Manufacture and sale of ready-mixed concrete	100.00	100.00
Supermix (Malaysia) Sdn. Bhd.	Malaysia	Manufacture and sale of ready-mixed concrete	93.26	93.26
YTL Cement Marketing Sdn. Bhd.	Malaysia	Sale and marketing of cementitious products	100.00	100.00
YTL Cement Shared Services Sdn. Bhd.	Malaysia	Accounting shared services and management consulting services	100.00	100.00
Held through H Cement (Malaysia) Sdn. Bhd.:				
Simen Utama Marketing Sdn. Bhd.	Malaysia	Marketing, trading and manufacturing of cement and related products	100.00	100.00
Geo Alam Environmental Sdn. Bhd.	Malaysia	Waste management in supplying, delivering of alternative fuels and raw materials for use in cement manufacturing activities	100.00	100.00
Geo Alam Sdn. Bhd.	Malaysia	Trading of any type of cementitious materials usable in the production of cement or concrete for use in the construction industry	100.00	100.00
Held through Kedah Cement Holdings Sdn. Bhd.:				
Kedah Cement Jetty Sdn. Bhd.	Malaysia	Licensed jetty operator	100.00	100.00
Kedah Cement Sdn. Bhd.	Malaysia	Manufacture and sale of cement, clinker and related products	100.00	100.00
Quickmix Solutions Sdn. Bhd.	Malaysia	Manufacture and sale of cement and drymix products	100.00	100.00

Notes to the Financial Statements

12. SUBSIDIARIES (CONT'D.)

(a) Investment in subsidiaries (cont'd.)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest	
			2024 %	2023 %
Held through M-Cement Sdn. Bhd.:				
LCS Pte. Ltd.*	Singapore	Bulk import and sale of cement and trading of other building materials	100.00	100.00
LCS Shipping Pte. Ltd.*	Singapore	Shipping of bulk cement and chartering of vessels	100.00	100.00
LCS Cement Marketing Pte. Ltd.*	Singapore	Investment holding	100.00	100.00
LMCB Holding Pte. Ltd.*	Singapore	Investment holding	100.00	100.00
PMCWS Enterprises Pte. Ltd.*	Singapore	Investment holding	100.00	100.00
Supermix Concrete Pte. Ltd.*	Singapore	Investment holding	100.00	100.00
Held through Supermix (Malaysia) Sdn. Bhd.:				
Supermix Industries Sdn. Bhd.	Malaysia	Manufacture and sale of ready-mixed concrete	93.26	93.26
Held through LA Stones Sdn. Bhd.:				
LA Stones (Kota Tinggi) Sdn. Bhd.	Malaysia	Quarrying and trading of granite and quarry products	100.00	100.00
LA Stones (Pantai Remis) Sdn. Bhd.	Malaysia	Trading and quarrying of aggregates and related products and leasing of quarrying rights of aggregates and related materials	100.00	100.00
Held through Pahang Cement Sdn. Bhd.:				
Straits Cement Sdn. Bhd.	Malaysia	Production and sale of cement	100.00	100.00
Held through Perak-Hanjoong Simen Sdn. Bhd.:				
PHS Trading Sdn. Bhd.	Malaysia	Management of plant	100.00	100.00

* Subsidiaries not audited by HLB Ler Lum Chew PLT

Notes to the Financial Statements

12. SUBSIDIARIES (CONT'D.)

(a) Investment in subsidiaries (cont'd.)

The proportion of the voting rights in the subsidiary undertakings held directly or indirectly by the parent company do not differ from the proportion of ordinary shares held.

The country of incorporation of subsidiaries is also their principal place of business.

The accumulated non-controlling interest as at 30 June 2024 is not material.

(b) Amounts due from/to subsidiaries

The amounts due from/to subsidiaries pertain mainly to advances and payments on behalf. The outstanding amounts are unsecured, interest free and payable on demand except for advances given to a subsidiary amounting RM500 million (2023: RM354 million) which bears interest at a rate ranging from 5.05% to 5.42% per annum (2023: 5.05% to 5.42% per annum).

13. JOINT VENTURE

(a) Investment in joint venture

	Group	
	2024 RM'000	2023 RM'000
Unquoted shares, at cost	17,975	17,975
Share of post-acquisition reserves	68,810	59,710
	86,785	77,685

Details of the joint venture are as follows:-

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest	
			2024 %	2023 %
Alliance Concrete Singapore Pte. Ltd.	Singapore	Production and sale of ready-mixed concrete	50.00	50.00

Notes to the Financial Statements

13. JOINT VENTURE (CONT'D.)

(b) The summarised financial information of the joint venture is as follows:-

	2024 RM'000	2023 RM'000
<i>Effective equity interest</i>	50.00%	50.00%
Summarised financial information		
As at 30 June		
Non-current assets	13,415	12,074
Current assets	358,093	313,259
Non-current liabilities	(4,406)	(1,602)
Current liabilities	(202,012)	(176,786)
Net assets	165,090	146,945
Year ended 30 June		
Revenue	914,242	780,569
Profit for the financial year	79,850	72,805
Other comprehensive income/(loss)	-	-
Total comprehensive income	79,850	72,805
Reconciliation of net assets to carrying amount		
Group's share of net assets	82,545	73,473
Goodwill	3,288	3,288
Effect of foreign currency exchange differences	952	924
Carrying amount in the Statements of Financial Position	86,785	77,685
Group's share of results		
Group's share of profit for the financial year	39,925	36,402
Group's share of other comprehensive income/(loss)	-	-
Group's share of total comprehensive income	39,925	36,402
Other information		
Dividend received	31,322	32,990

(c) Amount due from joint venture

The amount due from joint venture pertains mainly to trade receivables. The outstanding amount is unsecured, interest free and payable on demand.

Notes to the Financial Statements

14. INVESTMENTS

	Note	Group	
		2024 RM'000	2023 RM'000
Non-current assets			
Financial assets at fair value through other comprehensive income	14(a)	2,797	3,919

(a) Financial assets at fair value through other comprehensive income

The investments are in relation to the following:-

	Group	
	2024 RM'000	2023 RM'000
Quoted equity investments - within Malaysia	653	574
Unquoted equity investments - within Malaysia	1,994	3,166
Others	150	179
	2,797	3,919
Net fair value loss on investments	(1,122)	(93)

15. INTANGIBLE ASSETS

	Note	Group	
		2024 RM'000	2023 RM'000
Goodwill	15(a)	5,552,326	5,552,326
Quarry rights	15(b)	6,541	8,808
		5,558,867	5,561,134

Notes to the Financial Statements

15. INTANGIBLE ASSETS (CONT'D.)

The movement in each category of intangible assets are as follows:-

(a) Goodwill

	Note	Group	
		2024 RM'000	2023 RM'000
At cost			
At beginning of the financial year		5,552,326	5,552,329
Impairment loss	6	-	(3)
At end of the financial year		5,552,326	5,552,326

Impairment tests for goodwill

The Group undertakes an annual test for impairment of its cash-generating units (CGUs). Goodwill is allocated for impairment test to the following business segments which is also the CGUs identified:-

	Group	
	2024 RM'000	2023 RM'000
Cement	5,085,648	5,085,648
Aggregates and concrete	466,678	466,678
	5,552,326	5,552,326

The amount of goodwill initially recognised is dependent on the allocation of the purchase price to the fair value of the identifiable assets acquired and the liabilities assumed. The determination of the fair value of the assets and liabilities is based, to a considerable extent, on management judgement.

(i) Key assumptions used in the value-in-use calculations

	2024		2023	
	Cement %	Aggregates and concrete %	Cement %	Aggregates and concrete %
Pre-tax discount rate	7.9	7.9	7.2	7.2
Terminal growth rate	2.0	2.0	1.9	1.9
Revenue growth rate	2.5	9.3	10.1	9.6

Notes to the Financial Statements

15. INTANGIBLE ASSETS (CONT'D.)

(a) Goodwill (cont'd.)

(i) Key assumptions used in the value-in-use calculations (cont'd.)

The recoverable amounts of the CGUs are determined based on value-in-use calculations. The value-in-use calculations apply a discounted cash flow model using cash flow projections based on financial budgets and forecasts approved by management.

The discount rates used are pre-tax and reflect specific risks relating to the CGUs. The cement selling price and sales volume in preparing the cash flow projections were determined based on past business performance and management's expectations on the current market condition.

The terminal growth rate used is consistent with the average long-term annual growth rate for the relevant industries.

(ii) Sensitivity to change in key assumptions

Changing the assumptions selected by management, in particular the discount rate and growth rate assumptions used in the cash flow projections, could significantly affect the Group's results. The Group's review includes the key assumptions related to sensitivity in the cash flow projections for goodwill in the Group.

The circumstances where a change in key assumptions will result in the recoverable amounts of goodwill on the cement CGU to equal the corresponding carrying amounts assuming no change in the other variables are as follows:-

	Cement CGU	
	2024 %	2023 %
Pre-tax discount rate	20.6	19.0
Terminal growth rate	(33.5)	(25.7)
Revenue growth rate	(2.7)	5.0

For the aggregates and concrete CGU, the management believes that there is no reasonable possible change in any of the key assumptions which would cause the carrying amount of the goodwill allocated to it to materially exceeds its recoverable amount.

In the previous financial year, an impairment loss on goodwill amounting to RM3,000 was recognised in the Income Statements as the carrying amount of the CGU was in excess of its recoverable amount.

Notes to the Financial Statements

15. INTANGIBLE ASSETS (CONT'D.)

(b) Quarry rights

	Note	Group	
		2024 RM'000	2023 RM'000
At cost			
At beginning/end of the financial year		27,783	27,783
Accumulated amortisation			
At beginning of the financial year		18,975	17,109
Charge for the financial year	6	2,267	1,866
At end of the financial year		21,242	18,975
Net book value		6,541	8,808

16. INVENTORIES

	Group	
	2024 RM'000	2023 RM'000
At cost		
Raw materials	179,464	168,964
Finished goods	159,143	154,416
Work-in-progress	3,590	4,080
Spare parts	201,528	239,230
Consumable stores	34,774	33,939
	578,499	600,629
Less: Provision for inventory obsolescence	(61,152)	(51,318)
	517,347	549,311

Notes to the Financial Statements

16. INVENTORIES (CONT'D.)

The movement in provision for inventory obsolescence for engineering parts and consumables is shown below:-

	Group	
	2024 RM'000	2023 RM'000
At beginning of the financial year	51,318	57,907
Provision for inventory obsolescence	13,474	-
Reversal of provision for inventory obsolescence	(381)	(1,145)
Written off	(3,259)	(5,444)
At end of the financial year	61,152	51,318

The Group's cost of inventories recognised as expenses and included in cost of sales amounted to RM2,436 million (2023: RM2,366 million).

Notes to the Financial Statements

17. TRADE AND OTHER RECEIVABLES

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Non-current					
Net investment in lease	17(a)	2,465	4,802	-	-
Current					
Trade receivables		671,341	623,586	-	-
Less: Allowance for impairment		(45,143)	(45,166)	-	-
Trade receivables (net)		626,198	578,420	-	-
Other receivables		16,058	16,810	54	46
Less: Allowance for impairment		(384)	(381)	-	-
Other receivables (net)		15,674	16,429	54	46
Deposits		17,542	16,432	94	94
Net investment in lease	17(a)	2,460	3,362	-	-
Total other receivables		35,676	36,223	148	140
		661,874	614,643	148	140
Total trade and other receivables		664,339	619,445	148	140

The normal trade credit terms granted to trade receivables of the Group ranged from 30 days to 120 days (2023: 30 days to 120 days). They are recognised at their original invoiced amounts which represent their fair values on initial recognition. Other receivables are non-interest bearing and repayable on demand.

The ageing analysis of the Group's trade receivables is as follows:-

Group	Gross-carrying amount RM'000	Loss allowance RM'000	Net RM'000
2024			
Current (not past due)	621,862	(2,068)	619,794
1 to 30 days past due	5,180	(1,487)	3,693
31 to 60 days past due	3,722	(1,754)	1,968
61 to 90 days past due	1,852	(1,109)	743
91 to 120 days past due	852	(852)	-
More than 120 days past due	37,873	(37,873)	-
	671,341	(45,143)	626,198

Notes to the Financial Statements

17. TRADE AND OTHER RECEIVABLES (CONT'D.)

The ageing analysis of the Group's trade receivables is as follows:- (cont'd.)

Group	Gross-carrying amount RM'000	Loss allowance RM'000	Net RM'000
2023			
Current (not past due)	546,251	(876)	545,375
1 to 30 days past due	17,590	(822)	16,768
31 to 60 days past due	8,539	(1,318)	7,221
61 to 90 days past due	4,904	(1,641)	3,263
91 to 120 days past due	3,121	(1,589)	1,532
More than 120 days past due	43,181	(38,920)	4,261
	623,586	(45,166)	578,420

Receivables that are impaired

The movements of the loss allowance accounts are as follows:-

	Group	
	2024 RM'000	2023 RM'000
Trade receivables		
At beginning of the financial year	45,166	53,938
Impairment for the year	12,569	8,483
Reversal of impairment losses	(9,224)	(3,376)
Written off	(3,370)	(13,900)
Currency translation differences	2	21
At end of the financial year	45,143	45,166
Other receivables		
At beginning of the financial year	381	-
Impairment for the year	-	366
Currency translation differences	3	15
At end of the financial year	384	381

Notes to the Financial Statements

17. TRADE AND OTHER RECEIVABLES (CONT'D.)

(a) Net investment in lease

	Group	
	2024 RM'000	2023 RM'000
Analysed as follows:-		
Non-current	2,465	4,802
Current	2,460	3,362
	4,925	8,164
At beginning of the financial year	8,164	7,632
Addition	-	-
Interest income	263	431
Lease payments received	(3,265)	(2,727)
Reassessment/Modification	(237)	2,828
At end of the financial year	4,925	8,164

The Group leases mixer trucks and equipment to third parties. Each of the leases contains non-cancellable period of 7 to 10 years.

These leases transfer substantially all the risk and rewards incidental to ownership of the mixer trucks and equipment. These leases do not include buy-back agreements or residual value guarantees.

The lease payments to be received are as follows:-

	Group	
	2024 RM'000	2023 RM'000
Less than 1 year	2,609	3,629
1 to 2 years	1,434	2,700
2 to 3 years	808	1,484
3 to 4 years	236	724
4 to 5 years	77	112
More than 5 years	15	-
Total undiscounted lease payments	5,179	8,649
Unearned interest income	(254)	(485)
Net investment in lease	4,925	8,164

Notes to the Financial Statements

18. OTHER CURRENT ASSETS

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Prepayments	47,104	40,882	307	269

The prepayment pertains mainly to advance payments for the purchase of raw materials, fuel, tribute and quit rent.

19. AMOUNT DUE FROM/TO HOLDING COMPANIES

The amount due from/to the respective holding companies pertains mainly to advances and payments on behalf. The outstanding amounts are unsecured, interest free and payable on demand.

20. AMOUNT DUE FROM/TO RELATED COMPANIES

The amount due from/to related companies pertains mainly to trade receivables/payables and payments on behalf. The outstanding amounts are unsecured, interest free and payable on demand.

21. CASH AND CASH EQUIVALENTS

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Deposits with licensed banks	609,823	612,465	61,208	59,240
Cash and bank balances	178,691	263,347	10,645	4,402
Cash and cash equivalents as per statements of cash flows	788,514	875,812	71,853	63,642

The range of interest rates of deposits that were effective at the reporting date were as follows:-

	Group		Company	
	2024 %	2023 %	2024 %	2023 %
Deposits with licensed banks	2.55-3.55	2.75-3.60	2.55-3.50	2.75-3.20

Deposits of the Group and of the Company have maturities ranging from 3 days to 95 days (2023: 3 days to 94 days) and 31 days to 92 days (2023: 30 days to 92 days) respectively. Bank balances are deposits held at call with banks.

Deposits with licensed banks of the Group and the Company amounting to RM111.6 million (2023: RM108.5 million) and RM61.2 million (2023: RM59.2 million) are pledged as a security for certain borrowings as disclosed in Note 25.

Notes to the Financial Statements

22. SHARE CAPITAL

Ordinary shares

	Group/Company			
	Number of shares		Amount	
	2024 '000	2023 '000	2024 RM'000	2023 RM'000
Issued and fully paid:-				
At beginning of the financial year	1,310,201	1,310,201	3,595,817	3,595,817
Share option exercise	22,702	-	61,064	-
At end of the financial year	1,332,903	1,310,201	3,656,881	3,595,817

Irredeemable Convertible Preference Shares ("ICPS")

	Group/Company			
	Number of shares		Amount	
	2024 '000	2023 '000	2024 RM'000	2023 RM'000
Issued and fully paid:-				
At beginning/end of the financial year	466,667	466,667	1,750,000	1,750,000
Total	1,799,570	1,776,868	5,406,881	5,345,817

During the current financial year, 22,661,200 ordinary shares at an exercise price of RM2.29 and 40,000 ordinary shares at an exercise price of RM2.25 were issued pursuant to the exercise of employees' share options granted under the ESOS 2022.

The new ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share and rank equally among themselves with regard to the Company's residual assets.

(a) ICPS

The salient features of the ICPS are as follows:-

- (i) Listing status and ranking of the ICPS

The ICPS will not be listed on any stock exchange and shall rank pari passu in all respects among themselves.

Subject to applicable laws, the new ordinary shares to be issued upon conversion of the ICPS shall be listed on Bursa Securities tradeable upon their listing and quotation on Bursa Securities. Such new shares shall rank pari passu in all respects with the then existing ordinary shares, except that they shall not be entitled to any dividends, rights, allotments and/or any other distributions that may be declared, made or paid, the entitlement date of which is prior to the date of allotment of such new shares.

Notes to the Financial Statements

22. SHARE CAPITAL (CONT'D.)

(a) ICPS (cont'd.)

(ii) Conversion

a) Conversion ratio

The initial conversion ratio is 1 ICPS for 1 new ordinary share. The Company shall make the necessary adjustment to the conversion ratio in the event of any alteration to its share capital, whether by way of consolidation or subdivision (or bonus issue) of shares, capitalisation of profits or reserves, capital distribution, reduction of capital in accordance with Section 116 or Section 117 of the Companies Act, 2016, or any other circumstances that the Directors deem necessary.

b) Conversion right

The ICPS shall be convertible, at the option of the holder(s) of the ICPS at any time after the date of issuance of the ICPS, into such number of ordinary shares as is determined based on the conversion ratio.

c) Conversion mode

The conversion of the ICPS will not require any cash payment from the ICPS Holders. The ICPS Holders shall, upon conversion, surrender the requisite number of ICPS for cancellation by the Company. Any fraction of new ordinary shares resulting from such conversion shall be disregarded and the Company shall not be required to pay the value of such fraction to the relevant ICPS Holders nor issue any certificate for such fraction.

(iii) Dividend

As and when dividends and/or distributions (including any special dividends) are declared by the Directors in respect of the ordinary shares, each ICPS shall also carry the right to receive such dividends and/or distributions declared in respect of 1 ordinary share, subject however to any adjustment to the conversion ratio. The Company shall not pay or distribute any dividends and/or other distributions on the ordinary shares unless the ICPS Holders then outstanding shall first receive, or simultaneously receive dividends and/or other distributions in respect of the ICPS, equivalent to the dividends and/or distributions declared on 1 ordinary share divided by the conversion ratio.

(iv) Priority on winding-up or liquidation

The ICPS shall rank in priority to the ordinary shares in any distribution of assets in the event of liquidation, dissolution or winding-up of the Company.

In particular, in the event of liquidation, dissolution or winding-up of the Company, the surplus assets and profits that may be legally distributable to the shareholders of the Company shall be distributed to the shareholders in the following order:

- a) the ICPS Holders shall be paid in priority to the holders of ordinary shares, 100% of the issue price per ICPS (as appropriately adjusted for any subdivisions, consolidations, share dividends or similar recapitalisations), for each such ICPS;
- b) the ICPS Holders shall be entitled to be paid, in priority to the holders of ordinary shares, any declared and unpaid dividend in respect of the ICPS; and

Notes to the Financial Statements

22. SHARE CAPITAL (CONT'D.)

(a) ICPS (cont'd.)

- (iv) Priority on winding-up or liquidation (cont'd.)
- c) in the event that there are surplus assets and profits after the payment or distribution to the ICPS Holders as set out in sub-paragraphs (a) to (b) above,
- (i) the amount of surplus assets and profits shall be first applied towards paying the holders of ordinary shares, the amount received by the ICPS Holders for each ICPS under subparagraphs (a) and (b); and
- (ii) the balance of the surplus assets and profits after the payment or distribution to the ICPS Holders as set out in subparagraphs (a) to (b) and the payment to the holders of ordinary shares under sub-paragraph (c)(i) above shall be distributed pro rata among the holders of ordinary shares and the ICPS Holders on the basis of 1 ordinary share for 1 ICPS, subject however to any adjustment to the Conversion Ratio.
- (v) Redemption
- The ICPS shall not be redeemable.
- (vi) Voting rights
- ICPS Holder shall have the same rights as a holder of ordinary shares as regards to receiving notices, reports and audited financial statements, and attending general meetings of the Company, but shall only have the right to vote in each of the following circumstances:
- a) when the dividend or part of the dividend on the ICPS is in arrear for more than 6 months;
- b) on a proposal to reduce the share capital of the Company;
- c) on a proposal for the disposal of the whole or substantial part of the Company's assets, businesses or undertakings;
- d) on a proposal that affects rights attached to the ICPS;
- e) on a proposal to wind-up the Company; or
- f) during the winding-up of the Company.
- (vii) Transferability
- ICPS Holder may transfer all or any part of the ICPS held by it or otherwise sell, dispose of or deal with all or any part of its interest in such ICPS, at any time, provided that such transfer, sale, disposal or dealing shall be in accordance with the Constitution.
- (viii) Governing laws
- The ICPS will be governed under the laws of Malaysia.

Notes to the Financial Statements

22. SHARE CAPITAL (CONT'D.)

(b) Employees' Share Option Scheme 2022 ("ESOS 2022")

On 30 March 2022, the Company implemented a share issuance scheme known as the Employees' Share Option Scheme which was approved by the shareholders of the Company at an Extraordinary General Meeting held on 18 March 2022. The ESOS 2022 is valid for a period of ten (10) years and is for employees and Directors of the Company and/or its subsidiaries who meet the criteria of eligibility for participation as set out in the By-Laws of the ESOS 2022 ("By-Laws").

The salient terms of the ESOS 2022 are as follows:-

- (i) The maximum number of shares to be allotted and issued pursuant to the exercise of the options which may be granted under the ESOS 2022 shall not exceed fifteen per cent (15%) of the total number of issued shares of the Company (excluding treasury shares, if any) or such other percentage of the total number of issued shares of the Company (excluding treasury shares, if any) that may be permitted by Bursa Securities or any other relevant authorities from time to time throughout the duration of the ESOS 2022.
- (ii) Any person who is a Director and/or an employee of a corporation in the Group, who meets the following criteria as at the date of offer of an option ("Offer Date") shall be eligible for consideration and selection by the Options Committee (as defined in the By-Laws) to participate in the ESOS 2022:
 - a) the person has attained the age of eighteen (18) years, is not an undischarged bankrupt and is not subject to any bankruptcy proceedings;
 - b) the person, save for a non-executive Director, must be on the payroll of a company within the Group; and
 - he is employed on a full time basis, has not served a notice to resign or received a notice of termination; or
 - he is serving in a specific designation under an employment contract for a fixed duration, excluding those who are employed on a short-term contract or any other employees under contract as may be determined by the Options Committee;
 - c) the person's employment, save for a non-executive Director, is for a period of at least one (1) year of continuous service prior to and up to the Offer Date, including service during the probation period, and is confirmed in service; and
 - d) the person fulfils any other criteria and/or falls within such category as may be set by the Options Committee from time to time.
- (iii) Subject to the Bursa Securities Listing Requirements and any adjustments in accordance with By-Law 13, the subscription price for shares under the ESOS 2022 shall be determined by the Board of Directors of the Company upon recommendation of the Options Committee and shall be fixed based on the 5-day volume weighted average market price of shares, as quoted on Bursa Securities, immediately preceding the Offer Date (as defined in the By-Laws) of the options with a discount of not more than ten per cent (10%), if deemed appropriate, or such lower or higher limit in accordance with any prevailing guidelines issued by Bursa Securities or any other relevant authorities as amended from time to time during the scheme period.

Notes to the Financial Statements

22. SHARE CAPITAL (CONT'D.)

(b) Employees' Share Option Scheme 2022 ("ESOS 2022") (cont'd.)

- (iv) Subject to By-Law 13, the Options Committee may, at any time and from time to time, before or after an option is granted, limit the exercise of the option to a maximum number of new ordinary shares of the Company and/or such percentage of the total ordinary shares of the Company comprised in the options during such period(s) within the option period. Notwithstanding the above, and subject to By-Laws 10 and 11, the options can only be exercised by the grantee no earlier than three (3) years after the Offer Date.
- (v) Subject to By-Law 12.2, a grantee shall be prohibited from disposing of the shares allotted and issued to him through the exercise of the option(s) for a period of one (1) year from the date on which the option is exercised or such other period as may be determined by the Options Committee at its sole and absolute discretion.

During the current financial year, the terms and conditions of the ESOS 2022 was reviewed with following changes:

- (i) The Vesting Date shall be 2 January 2024 ("2022 Grant Vesting Date"); and
(ii) The Retention Period ("2022 Grant Retention Period") shall be as follows:

Percentage of Shares subject to moratorium (calculated on the total number of shares comprised in the options)	Grant Retention Period	Percentage of Shares released from moratorium	Date of release of moratorium
80%	Until 31 December 2024	20%	Not subject to moratorium
60%	Until 31 December 2025	20%	1 January 2025
40%	Until 31 December 2026	20%	1 January 2026
20%	Until 31 December 2027	20%	1 January 2027
0%	No moratorium	20%	1 January 2028

The movements during the financial year in the number of share options of the Company are as follows:-

Grant date	Expiry date	Exercise price RM/share	Number of share options over ordinary shares				At 30 June 2024 '000
			At 1 July 2023 '000	Granted '000	Exercised '000	Forfeited '000	
Scheme							
31.01.2023	29.03.2032	2.29	162,475	-	(22,662)	(3,679)	136,134
24.03.2023	29.03.2032	2.25	400	-	(40)	-	360
			162,875	-	(22,702)	(3,679)	136,494

Notes to the Financial Statements

22. SHARE CAPITAL (CONT'D.)

(b) Employees' Share Option Scheme 2022 ("ESOS 2022") (cont'd.)

The movements during the previous year in the number of share options of the Company are as follows:-

Grant date	Expiry date	Exercise price RM/share	Number of share options over ordinary shares				At 30 June 2023 '000
			At 1 July 2022 '000	Granted '000	Exercised '000	Forfeited '000	
Scheme							
31.01.2023	29.03.2032	2.29	-	175,920	-	(13,445)	162,475
24.03.2023	29.03.2032	2.25	-	400	-	-	400
			-	176,320	-	(13,445)	162,875

The fair value of options granted for which MFRS 2 "Share-based payment" applies, were determined using the Trinomial Valuation model.

Valuation assumptions:-

Expected volatility	35.86%
Expected dividend yield	0.0%
Expected option life	3 years
Risk-free interest rate per annum (based on Malaysia securities bonds)	3.50%

The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome.

Value of employee services received for issue of share options:-

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Share option expenses				
By the Company	54,935	9,059	54,935	9,059
Allocation to subsidiaries	-	-	(26,567)	(4,469)
Allocation to related companies	(1,157)	(201)	(1,157)	(201)
Allocation by holding company	174	110	-	-
Total share option expenses	53,952	8,968	27,211	4,389

Notes to the Financial Statements

23. OTHER RESERVES

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Foreign currency translation reserve	23(a)	41,589	40,454	-	-
Fair value reserve	23(b)	2,158	3,280	-	-
Share options reserve	23(c)	54,598	9,059	54,598	9,059
		98,345	52,793	54,598	9,059

(a) Foreign currency translation reserve

	Group	
	2024 RM'000	2023 RM'000
At beginning of the financial year	40,454	33,032
Foreign currency translation differences for foreign operations	1,135	7,422
At end of the financial year	41,589	40,454

(b) Fair value reserve

	Group	
	2024 RM'000	2023 RM'000
At beginning of the financial year	3,280	3,373
Changes in fair value	(1,122)	(93)
At end of the financial year	2,158	3,280

(c) Share options reserve

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
At beginning of the financial year	9,059	-	9,059	-
Share option expenses	54,935	9,059	54,935	9,059
Less: Share option exercised	(9,080)	-	(9,080)	-
Less: Share option forfeited	(316)	-	(316)	-
At end of the financial year	54,598	9,059	54,598	9,059

Notes to the Financial Statements

24. LEASE LIABILITIES

	Group	
	2024 RM'000	2023 RM'000
Analysed as follows:-		
Non-current	22,175	28,529
Current	14,044	15,376
	36,219	43,905

The movements in lease liabilities are as below:

	Group	
	2024 RM'000	2023 RM'000
At beginning of the financial year	43,905	55,386
Addition	7,233	5,280
Interest expense	1,882	2,160
Payments	(17,260)	(19,818)
Reassessment/Modification	393	79
Termination	-	(31)
Currency translation differences	66	849
At end of the financial year	36,219	43,905

The maturity analysis of lease liabilities are as below:

	Group	
	2024 RM'000	2023 RM'000
Not later than 1 year	13,621	17,035
Later than 1 year and not later than 5 years	21,170	25,611
Later than 5 years	6,054	6,983
Future minimum lease payments	40,845	49,629
Less: Future finance charges	(4,626)	(5,724)
Present value of lease liabilities	36,219	43,905

Notes to the Financial Statements

24. LEASE LIABILITIES (CONT'D.)

The lease liability is initially measured at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the entities' incremental borrowing rate. Subsequent to the initial recognition, the Group measures the lease liability by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect lease payments made, and remeasuring the carrying amount to reflect any reassessment or lease modifications.

The Group leases its business premises, equipment and motor vehicles in the jurisdictions from which it operates. The leases comprise fixed payments over the lease terms and may include extension option.

(a) Amount recognised in the Statements of Comprehensive Income

	Note	Group	
		2024 RM'000	2023 RM'000
Depreciation of right-of-use assets	6	19,529	19,298
Interest expense on lease liabilities	5	1,882	2,160
Lease expenses - short term lease	6	2,478	3,219
Lease expenses - low value assets	6	267	318

(b) Amount recognised in the Statements of Cash Flows

	Group	
	2024 RM'000	2023 RM'000
Lease expenses - short term lease	2,478	3,219
Lease expenses - low value assets	267	318
Repayment of lease liabilities	17,260	19,818
Total cash outflow for leases	20,005	23,355

Extension and termination options are included in a number of property and equipment leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

Notes to the Financial Statements

25. BORROWINGS

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Current					
Bonds	25(a)	-	319,993	-	-
Revolving credit	25(b)	247,000	279,500	-	-
Term loans	25(c)	319,114	308,114	200,000	200,000
		566,114	907,607	200,000	200,000
Non-current					
Bonds	25(a)	854,543	404,439	854,543	404,439
Revolving credit	25(b)	232,500	277,500	-	-
Term loans	25(c)	1,492,253	2,152,411	970,067	1,511,111
		2,579,296	2,834,350	1,824,610	1,915,550
Total					
Bonds	25(a)	854,543	724,432	854,543	404,439
Revolving credit	25(b)	479,500	557,000	-	-
Term loans	25(c)	1,811,367	2,460,525	1,170,067	1,711,111
		3,145,410	3,741,957	2,024,610	2,115,550
Repayable					
		Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Repayable not later than 1 year		566,114	907,607	200,000	200,000
Repayable later than 1 year and not later than 5 years		2,479,301	2,746,507	1,724,615	1,915,550
Repayable later than 5 years		99,995	87,843	99,995	-
		3,145,410	3,741,957	2,024,610	2,115,550

Notes to the Financial Statements

25. BORROWINGS (CONT'D.)

The weighted average interest rates of the borrowings that were effective at the reporting date were as follows:-

	Group		Company	
	2024 %	2023 %	2024 %	2023 %
Bonds	5.09	4.84	5.09	5.18
Revolving credit	4.50	3.79	-	-
Term loans	5.70	5.59	5.77	5.63

The Group's and the Company's borrowings are repayable by monthly, quarterly, semi-annually, yearly instalments and lump sum repayment.

(a) Bonds

(i) Sukuk Wakalah Programme

In 2016, Kedah Cement Sdn. Bhd. ("KCSB"), a subsidiary of the Company, had established a Sukuk Wakalah Programme ("Sukuk Wakalah") for the issuance of up to RM500 million in nominal value of Sukuk Wakalah based on the Shariah principle of Wakalah and Murabahah. The Sukuk Wakalah Programme had a tenure of 7 years from the date of first issuance of the Sukuk Wakalah which was on 13 January 2017 and expired on 12 January 2024.

In previous financial year, the sixth issuance of Sukuk Wakalah of RM180 million in nominal value bearing a profit rate of 4.60% per annum was fully settled on 13 January 2023.

During the current financial year, all the remaining Sukuk Wakalah were fully settled with the details as follows:

- seventh issuance of RM120 million in nominal value bearing a profit rate of 4.55% per annum was fully settled on 7 July 2023.
- eighth issuance of RM100 million in nominal value bearing a profit rate of 4.40% per annum was fully settled on 11 December 2023.
- ninth issuance of RM100 million in nominal value bearing a profit rate of 4.25% per annum was fully settled on 10 July 2023.

(ii) Sukuk Murabahah Programme

During the previous financial year, the Company had established a Sukuk Murabahah Programme ("Sukuk Murabahah") comprising an Islamic medium term notes ("IMTN") programme and an Islamic commercial papers ("ICP") programme with a combined aggregate limit of up to RM5.0 billion in nominal value, based on the Shariah principle of Murabahah (via Tawarruq arrangement) pursuant to a trust deed and programme agreement both dated 18 October 2022.

Notes to the Financial Statements

25. BORROWINGS (CONT'D.)

(a) Bonds (cont'd.)

(ii) Sukuk Murabahah Programme (cont'd.)

The tenure of the IMTN programme is thirty (30) years from the date of first issue under the IMTN programme, which was on 31 October 2022. The tenure of the ICP programme is seven (7) years from the date of first issue under the ICP programme, which was on 31 October 2022. The proceeds raised from the Sukuk Murabahah Programmes shall be utilised to refinance any existing conventional borrowings and/or existing/future Islamic financing facilities, to finance capital expenditure and/or for general corporate purposes and/or working capital requirements of the Group.

On 31 October 2022, the Company made its first issuance of ICP of RM5 million in nominal value to fund the working capital of the Company. The ICP bore a yield to maturity of 3.15% per annum and was fully settled on 30 November 2022.

As at end of the reporting period, RM855 million of IMTN (2023: RM405 million) had been issued as follows:-

- (i) IMTN of RM100 million in nominal value issued on 31 October 2022 and due on 31 October 2025, bearing a profit rate of 5.42% per annum, payable semi-annually.
- (ii) IMTN of RM85 million in nominal value issued on 13 January 2023 and due on 13 January 2026, bearing a profit rate of 5.25% per annum, payable semi-annually.
- (iii) IMTN of RM220 million in nominal value issued on 26 June 2023 and due on 26 June 2028, bearing a profit rate of 5.05% per annum, payable semi-annually.
- (iv) IMTN of RM350 million in nominal value issued on 12 October 2023 and due on 12 October 2028, bearing a profit rate of 4.99% per annum, payable semi-annually.
- (v) IMTN of RM100 million in nominal value issued on 11 December 2023 and due on 11 December 2029, bearing a profit rate of 5.07% per annum, payable semi-annually.

The above issuances of IMTNs were mainly utilised to refinance existing financial debts of a subsidiary except for the IMTN under item (iv) which was utilised to settle part of the term loan of the Company.

(b) Revolving credit

All the revolving credit facilities of the Group are unsecured and repayable on demand, save for RM277.5 million (2023: RM315.0 million) revolving credit facility of Perak-Hanjoong Simen Sdn. Bhd., a subsidiary of the Company, which is secured against the charge over designated bank accounts. Included also in the RM277.5 million (2023: RM315.0 million) revolving credit facility of Perak-Hanjoong Simen Sdn. Bhd., is a principal amount of RM202.5 million (2023: RM240 million) which is repayable by 4 (2023: 5) annual instalments.

Notes to the Financial Statements

25. BORROWINGS (CONT'D.)

(c) Term loans

Included in the term loans are:

- (i) The Islamic facility of RM2 billion was drawn down by the Company on 21 September 2021, of which RM1,170.1 million (2023: RM1,711.1 million) remained outstanding as at 30 June 2024, net of amortised fees. This facility was drawn down as part of the funding for the acquisition of the entire equity interest of 10 companies and their respective subsidiaries which are involved in the cement and ready-mixed concrete businesses in Malaysia, from its immediate holding company, YTL Cement Berhad. The term loan was granted based on the Shariah principle of Murabahah (via a Tawarruq arrangement).

The Islamic facility has a tenure of up to 60 months commencing from the first drawdown, with the option to extend for a further 24 months by mutual agreement between the Company and financiers subject to certain conditions. The principal portion of the facility will be repaid via 10 instalments semi-annually ranging from RM80 million to RM100 million for the first 9 instalments, commencing 21 March 2022 (or with repayment via 14 instalments with first 13 ranging from RM80 million to RM120 million, where extended tenure applies). The remaining outstanding principal amount will be fully repaid in the final instalment. The facility bears interest rate ranging from 5.73% to 5.77% per annum (2023: 4.83% to 5.63% per annum). The facility is secured against the shares of the subsidiaries acquired and other material subsidiaries of the Company and the charge over designated bank accounts.

- (ii) A term loan of RM200 million with a tenure of 84 months was drawn down by Perak-Hanjoong Simen Sdn. Bhd. and Pahang Cement Sdn. Bhd. respectively on 27 August 2021, of which RM145.7 million (2023: RM170.3 million) remained outstanding as at 30 June 2024, net of amortised fees. This term loan is repayable by 14 semi-annual instalments, commencing 28 February 2022 and final instalment on 28 August 2028. The term loan bears interest rate ranging from 5.46% to 5.73% per annum (2023: 4.79% to 5.52% per annum). The term loan is secured against the shares in the Company held by YTL Cement Berhad and the charge over designated bank accounts.
- (iii) A term loan of RM400 million with a tenure of 84 months was drawn down by Straits Cement Sdn. Bhd. on 27 August 2021, of which RM291.5 million (2023: RM340.6 million) remained outstanding as at 30 June 2024, net of amortised fees. This term loan is repayable by 14 semi-annual instalments, commencing 28 February 2022 and final instalment of RM40 million on 28 August 2028. The term loan bears interest rate ranging from 5.46% to 5.73% per annum (2023: 4.79% to 5.52% per annum). The term loan is secured against the shares in the Company held by YTL Cement Berhad and the charge over designated bank accounts.
- (iv) A term loan of RM80 million with a tenure of 84 months was drawn down by Buildcon Concrete Sdn. Bhd. on 27 August 2021, of which RM58.3 million (2023: RM68.2 million) remained outstanding as at 30 June 2024, net of amortised fees. This term loan is repayable by 14 semi-annual instalments, commencing on 28 February 2022 and final instalment on 28 August 2028. The term loan bears interest rate ranging from 5.46% to 5.73% per annum (2023: 4.79% to 5.52% per annum). The term loan is secured against the shares in the Company held by YTL Cement Berhad and the charge over designated bank accounts.

Notes to the Financial Statements

26. DEFERRED TAX (ASSETS)/LIABILITIES

Group	Note	Assets		Liabilities	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
At beginning of the financial year		(276,615)	(260,020)	363,481	345,278
Charged/(credited) to profit or loss	7				
- Property, plant and equipment		(6,167)	(3,993)	(39,401)	(22,757)
- Retirement benefits		(29)	234	(90)	(98)
- Provisions		(2,019)	309	(30)	(1,046)
- Unutilised capital allowances		9,397	(5,179)	30,761	23,788
- Unabsorbed tax losses		15,596	(9,788)	(21)	(1,543)
- Right-of-use assets		8,137	(1,279)	(478)	1,129
- Lease liabilities		1,757	2,185	159	(1,074)
- Others		(405)	3,959	983	16,704
		26,267	(13,552)	(8,117)	15,103
Reclassification (from)/to deferred tax (liabilities)/assets		(4,013)	(3,043)	4,013	3,043
Currency translation differences		-	-	6	57
At end of the financial year		(254,361)	(276,615)	359,383	363,481

Deferred tax assets and liabilities are attributable to the following:-

Group	Assets		Liabilities	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Property, plant and equipment				
- capital allowances in excess of depreciation	32,348	45,448	355,593	388,060
Retirement benefits	(2,618)	(2,607)	(2,581)	(2,474)
Provisions	(4,881)	(2,092)	(890)	(1,630)
Unutilised capital allowances	(63,163)	(72,559)	-	(30,761)
Unabsorbed tax losses	(215,879)	(239,003)	(8,127)	(578)
Right-of-use assets	10,552	5,404	18,003	15,478
Lease liabilities	(5,936)	(6,781)	(2,046)	(3,105)
Others	(4,784)	(4,425)	(569)	(1,509)
	(254,361)	(276,615)	359,383	363,481

Notes to the Financial Statements

26. DEFERRED TAX (ASSETS)/LIABILITIES (CONT'D.)

Deferred tax assets have not been recognised in respect of the following items:-

	Group	
	2024 RM'000	2023 RM'000
Unabsorbed tax losses	78,158	65,349
Unutilised capital allowances/reinvestment allowances	25,440	25,587
Deductible/(Taxable) temporary differences	811	(374)
Taxable temporary differences - Property, plant and equipment	(1,316)	(71)
	103,093	90,491

The unabsorbed tax losses and unutilised capital allowances are subject to agreement with the Inland Revenue Board. On the other hand, effective from year of assessment 2019 as announced in the Annual Budget 2022, the unused tax losses of the Group as at 31 December 2018 and thereafter will only be available for carry forward for a period of 10 consecutive years. Upon expiry of the 10 years, the unabsorbed losses will be disregarded.

27. TRADE AND OTHER PAYABLES

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Trade payables	470,857	607,922	-	-
Other payables	91,105	87,304	1,367	17
Deposit	6,363	7,686	-	-
Accruals	123,085	87,585	10,454	7,365
	691,410	790,497	11,821	7,382

The normal credit terms of trade payables granted to the Group vary from 30 days to 150 days (2023: 30 days to 150 days). Other credit terms are assessed and approved on a case-by-case basis.

Notes to the Financial Statements

28. CONTRACT LIABILITIES

	Group	
	2024 RM'000	2023 RM'000
Amount received in advance for delivery of goods	3,990	3,312

Revenue is recognised when the control of the goods is transferred to the customer, being at the point the goods are delivered to the customer. When the customer initially purchases the goods, the transaction price received at that point by the Group is recognised as contract liability until the goods have been delivered to the customer.

29. POST-EMPLOYMENT BENEFIT OBLIGATIONS

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Defined contribution plan				
- Current	3,374	2,924	-	-
Defined benefit plan				
- Non-current	21,662	21,169	-	-

(a) Defined contribution plan

Group companies incorporated in Malaysia contribute to the Employees Provident Fund, the national defined contribution plan. Once the contributions have been paid, the Group and the Company have no further payment obligations.

(b) Defined benefit plan

The defined benefit plan typically exposes the Group to actuarial risks such as longevity risk and salary risk. However, as the defined benefit plan for the permanent staff was already determined, the actuarial risk is confined to a small number of 22 unionised staff, who are entitled to approximately RM1.5 million out of the RM21.7 million of the total amount under defined benefit plan.

(i) Longevity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants during their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

(ii) Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Notes to the Financial Statements

29. POST-EMPLOYMENT BENEFIT OBLIGATIONS (CONT'D.)

(b) Defined benefit plan (cont'd.)

The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

The principal actuarial assumptions used for the said unionised staff at the end of the reporting period are as follows:-

	2024 %	2023 %
Discount rate	3.9	3.9
Future salary increase	5.0	5.0

Sensitivity analysis

Significant actuarial assumption for the determination of the defined benefit obligation is the discount rate. The sensitivity analysis below has been determined based on reasonably possible change of the respective assumption occurring at the end of the reporting period, while holding all other assumptions constant.

If the discount rate increases/(decreases) by 0.5%, the defined benefit obligation would decrease by RM0.80 million/increase by RM0.84 million (2023: decrease by RM0.80 million/increase by RM0.84 million).

Movements in the net liability recognised in the Statements of Financial Position are as follows:-

	Group	
	2024 RM'000	2023 RM'000
At beginning of the financial year	21,169	21,734
Charge for the financial year	947	947
Benefit paid	(454)	(1,512)
At end of the financial year	21,662	21,169

Notes to the Financial Statements

29. POST-EMPLOYMENT BENEFIT OBLIGATIONS (CONT'D.)

(b) Defined benefit plan (cont'd.)

Sensitivity analysis (cont'd.)

The amounts recognised in the Statements of Financial Position are analysed as follows:-

	Group	
	2024 RM'000	2023 RM'000
Present value of unfunded obligation	21,662	21,169

Reconciliation of the present value of unfunded obligation is as follows:-

	Group	
	2024 RM'000	2023 RM'000
At beginning of the financial year	21,169	21,734
Current service cost	73	73
Interest cost	874	874
Benefit paid	(454)	(1,512)
At end of the financial year	21,662	21,169

The amounts recognised in the Income Statements are as follows:-

	Group	
	2024 RM'000	2023 RM'000
Current service cost	73	73
Interest cost	874	874
	947	947

Notes to the Financial Statements

30. FINANCIAL RISK MANAGEMENT

The Group's and the Company's operations are subject to a variety of financial risks, including liquidity risk, credit risk, interest rate risk and foreign currency risk.

The Group's and the Company's financial risk management policy seeks to ensure that adequate resources are available to manage the above risks and to create value for its shareholders. It is not the Group's and the Company's policy to engage in speculative transactions.

The Board of Directors reviews and agrees policies and procedures for managing each of these risks and they are summarised below:-

(a) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group and the Company maintain a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

Group	On demand or within 1 year RM'000	1 to 5 years RM'000	Over 5 years RM'000	Total RM'000
2024				
Financial liabilities				
Trade and other payables	691,410	-	-	691,410
Amount due to holding companies	3,790	-	-	3,790
Amount due to related companies	74,981	-	-	74,981
Lease liabilities	13,621	21,170	6,054	40,845
Borrowings	727,116	2,755,675	102,278	3,585,069
	1,510,918	2,776,845	108,332	4,396,095
2023				
Financial liabilities				
Trade and other payables	790,497	-	-	790,497
Amount due to holding companies	4,144	-	-	4,144
Amount due to related companies	34,254	-	-	34,254
Lease liabilities	17,035	25,611	6,983	49,629
Borrowings	1,097,740	3,139,798	88,810	4,326,348
	1,943,670	3,165,409	95,793	5,204,872

Notes to the Financial Statements

30. FINANCIAL RISK MANAGEMENT (CONT'D.)

(a) Liquidity risk (cont'd.)

Company	On demand or within 1 year RM'000	1 to 5 years RM'000	Over 5 years RM'000	Total RM'000
2024				
Financial liabilities				
Trade and other payables	11,821	-	-	11,821
Amount due to subsidiaries	3	-	-	3
Amount due to related companies	1	-	-	1
Borrowings	306,130	1,921,716	102,278	2,330,124
	317,955	1,921,716	102,278	2,341,949
2023				
Financial liabilities				
Trade and other payables	7,382	-	-	7,382
Amount due to holding companies	12	-	-	12
Borrowings	316,307	2,178,521	-	2,494,828
	323,701	2,178,521	-	2,502,222

(b) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations.

The Group's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and cash equivalents), the Group and the Company minimise credit risk by dealing with high credit rating counterparties.

Trade receivables

The Group applies the MFRS 9 simplified approach to measure ECL, which uses a lifetime expected loss allowance for all trade receivables. To measure the ECL, trade receivables have been grouped based on shared credit risk characteristics and days past due.

The expected loss rates are determined based on historical ageing profile and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The historical loss rates will be adjusted based on the expected changes in these factors. The Group's loss allowance recognised is disclosed in Note 17 to the Financial Statements.

At the reporting date, the maximum exposure to credit risk arising from trade receivables are represented by the carrying amount in the Statements of Financial Position.

The Group has no significant concentration of credit risk with a single customer or a group of customers.

Notes to the Financial Statements

30. FINANCIAL RISK MANAGEMENT (CONT'D.)

(b) Credit risk (cont'd.)

Cash and bank balances

The Group and the Company place its cash and bank balances with a number of creditworthy financial institutions. The Group's and the Company's policy limit the concentration of financial exposure to any single financial institution. While cash and bank balances are also subject to the impairment requirements of MFRS 9, the identified impairment loss was immaterial.

Other receivables

Credit risks on other receivables are mainly arising from refundable deposits and amount due from related parties. The refundable deposits are deposits paid for plants, port operations and administration offices rented which will be received at the end of each lease terms. The Group and the Company manage the credit risk together with the leasing arrangement. Amount due from related parties comprise amount receivables for the trade and non-trade transactions with holding companies, subsidiaries, other related companies and joint venture. The Group and the Company monitor their results and outstanding balances regularly. There is no indication that the amounts due from related parties are not recoverable.

At the reporting date, the maximum exposure to credit risk is represented by the carrying amounts in the Statements of Financial Position.

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arise primarily from their floating rate bonds and borrowings, which is partially offset by the deposits and short term investments held at variable rates. The Group and the Company manage their cash flow interest rate risk by using a mix of fixed and variable rate debts.

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on their carrying amounts as at the reporting date, were:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Fixed rate instruments				
Financial liabilities	(854,543)	(724,432)	(854,543)	(404,439)
Variable rate instruments				
Financial assets	609,823	612,465	61,208	59,240
Financial liabilities	(2,290,867)	(3,017,525)	(1,170,067)	(1,711,111)

Notes to the Financial Statements

30. FINANCIAL RISK MANAGEMENT (CONT'D.)

(c) Interest rate risk (cont'd.)

At the reporting date, if the interest rates had been 50 basis points lower/higher, with all other variables held constant, the Group's and the Company's profit before tax would be higher/lower by approximately RM11.5 million (2023: RM15.1 million) and RM5.9 million (2023: RM8.6 million), respectively, as a result of lower/higher interest expense on borrowings.

The Group and the Company do not account for any fixed rate instruments at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect their profit before tax.

The excess funds of the Group and the Company are invested in bank deposits and other short-term instruments. The Group and the Company manage their liquidity risks by placing such excess funds on short-term maturities to match its cash flow needs. If interest deposit rates increases/decreases by 10 basis points, interest income of the Group and the Company for the financial year would increase/decrease by RM0.61 million (2023: RM0.61 million) and RM0.06 million (2023: RM0.06 million), respectively.

(d) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group and the Company are exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the respective functional currencies of the Group entities. The currencies giving rise to this risk are primarily U.S. Dollar (USD) and Singapore Dollar (SGD).

The Group also holds cash and cash equivalents denominated in foreign currencies for working capital purposes.

Where necessary, the Group enters into forward foreign currency exchange contracts to limit its exposure on foreign currency receivables and payables, and on cash flows generated from anticipated transactions denominated in foreign currencies.

The Group's exposure to foreign currency (a currency which is other than the currency of the Group entities) risk, based on carrying amounts as at the reporting date was:

	Denominated in	
	USD RM'000	SGD RM'000
Group		
2024		
Trade receivables	-	-
Amount due from related companies	-	21,771
Cash and cash equivalents	3,694	186,589
Trade payables	(192,374)	(2,712)
	(188,680)	205,648

Notes to the Financial Statements

30. FINANCIAL RISK MANAGEMENT (CONT'D.)

(d) Foreign currency risk (cont'd.)

Group	Denominated in	
	USD RM'000	SGD RM'000
2023		
Trade receivables	-	4,838
Amount due from related companies	-	13,953
Cash and cash equivalents	3,804	133,101
Trade payables	(319,910)	(2,807)
	(316,106)	149,085

The following table demonstrates the sensitivity of the Group's profit net of tax to a reasonably possible change in the USD and SGD exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

	Group Profit net of tax	
	2024 RM'000	2023 RM'000
USD/RM - strengthened 5%	(7,170)	(12,012)
- weakened 5%	7,170	12,012
SGD/RM - strengthened 5%	7,815	5,665
- weakened 5%	(7,815)	(5,665)

There is no significant exposure to foreign currency exchange risk at the Company level.

Notes to the Financial Statements

31. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Financial assets				
Fair value through other comprehensive income:				
Investments	2,797	3,919	-	-
Amortised cost:				
Trade and other receivables	664,339	619,445	148	140
Amount due from holding companies	41	49	-	-
Amount due from subsidiaries	-	-	513,306	361,179
Amount due from related companies	45,812	41,917	949	202
Amount due from joint venture	23,629	23,669	-	-
Cash and cash equivalents	788,514	875,812	71,853	63,642
	1,525,132	1,564,811	586,256	425,163
Financial liabilities				
Amortised cost:				
Trade and other payables	691,410	790,497	11,821	7,382
Amount due to holding companies	3,790	4,144	-	12
Amount due to subsidiaries	-	-	3	-
Amount due to related companies	74,981	34,254	1	-
Lease liabilities	36,219	43,905	-	-
Borrowings	3,145,410	3,741,957	2,024,610	2,115,550
	3,951,810	4,614,757	2,036,435	2,122,944

Notes to the Financial Statements

31. FINANCIAL INSTRUMENTS (CONT'D.)

(b) Fair value measurement

The carrying amounts of cash and cash equivalents, short term receivables and payables and short term borrowings approximate fair values due to the relatively short term nature of these financial instruments.

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:-

- (i) Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.
- (ii) Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).
- (iii) Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

At the reporting date, the Group held the following financial instruments carried at fair value on the Statements of Financial Position:-

Group	Note	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2024					
Financial assets					
Fair value through other comprehensive income	14(a)	653	-	2,144	2,797
2023					
Financial assets					
Fair value through other comprehensive income	14(a)	574	-	3,345	3,919

During the current financial year, there were no transfers between Level 1 and Level 2 fair value measurements.

Notes to the Financial Statements

32. SIGNIFICANT RELATED PARTY TRANSACTIONS

For the purpose of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Group.

(a) Related parties transactions

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions.

Entity	Relationship	Type of transactions	Group	
			2024 RM'000	2023 RM'000
Alliance Concrete Singapore Pte. Ltd.	Joint venture company	Sales of building materials	145,846	131,281
Batu Tiga Quarry Sdn. Bhd.	Subsidiary of immediate holding company	Purchase of building materials	114,941	-
		Fees receivable for support function	3,036	540
Beijing Dama Sinosource Trading Co., Ltd.	Subsidiary of immediate holding company	Purchase of maintenance parts	14,273	16,932
Bentara Gemilang Industries Sdn. Bhd.	Subsidiary of immediate holding company	Sales and purchase of building materials	26,324	1,732
CDL Sdn. Bhd.	Subsidiary of immediate holding company	Fees payable for support function	4,435	318
Dynamic Marketing Sdn. Bhd.	Subsidiary of pre-penultimate holding company	Sales of building materials	4,809	5,583
Gemilang Pintar Sdn. Bhd.	Subsidiary of immediate holding company	Purchase of building materials	2,113	-
Green Enable Technologies Sdn. Bhd.	Subsidiary of immediate holding company	Procurement of waste handling, operation and maintenance services	9,060	6,355
Jurong Cement Limited	Subsidiary of immediate holding company	Sales of building materials	1,115	1,003
		Silo Storage Charges	6,208	6,917

Notes to the Financial Statements

32. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D.)

(a) Related parties transactions (cont'd.)

Entity	Relationship	Type of transactions	Group	
			2024 RM'000	2023 RM'000
Nanyang Aggregate Pte. Ltd.	Subsidiary of immediate holding company	Sales of building materials	11,820	13,608
Nanyang Cement Pte. Ltd.	Subsidiary of immediate holding company	Sales of building materials	2,027	13,118
Sino Mobile And Heavy Equipment Sdn. Bhd.	Subsidiary of immediate holding company	Purchase of property, plant and equipment	22,620	12,818
Syarikat Pembinaan Yeoh Tiong Lay Sdn. Bhd.	Subsidiary of pre-penultimate holding company	Sales of building materials	41,950	45,553
YTL Cement Berhad	Immediate holding company	Rental of land and office	7,175	7,699
YTL Cement Terminal Services Pte. Ltd.	Subsidiary of immediate holding company	Sales of building materials	25,811	56,163
		Purchase of building materials	60,154	9,813
YTL Technical Services Sdn. Bhd.	Subsidiary of immediate holding company	Procurement of operation and maintenance services	10,009	758
YTL Technologies Sdn. Bhd.	Subsidiary of pre-penultimate holding company	Purchase of supplies and spare parts, freight, handling and maintenance services	19,690	16,029
		Fees receivable for support function	1,008	240
Zhejiang YTL Cement Marketing Co. Ltd.	Subsidiary of immediate holding company	Purchase of supplies and maintenance parts	3,858	-

Entity	Relationship	Type of transactions	Company	
			2024 RM'000	2023 RM'000
Kedah Cement Sdn. Bhd.	Subsidiary	Short-term loan	146,000	354,000
		Interest income	21,295	5,642

The Directors are of the opinion that the above transactions have been entered into in the normal course of business and have been established on terms and conditions negotiated and agreed by the related parties.

Notes to the Financial Statements

32. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D.)

(b) Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

Key management personnel of the Group and of the Company comprise the Directors of the Group and of the Company. Details on the compensation for these key management personnel are disclosed in Note 6.

33. COMMITMENTS

(a) Capital commitments

	Group	
	2024 RM'000	2023 RM'000
Contracted but not provided for		
- Purchase of property, plant and equipment	24,628	22,631

34. SEGMENTAL INFORMATION

Segment information is presented in respect of the Group's business segments, which reflect the Group's internal reporting structure that are regularly reviewed by the Group's managing director for the purposes of allocating resources to the segment and assessing its performance.

For management purposes, the Group is organised into the following operating divisions:

- cement
- aggregates and concrete

Included under the Cement Segment are the Group's drymix and waste management business.

Notes to the Financial Statements

34. SEGMENTAL INFORMATION (CONT'D.)

Information regarding the Group's reportable segments is presented below.

2024	Cement RM'000	Aggregates & Concrete RM'000	Total RM'000
Revenue			
Total revenue	3,777,413	1,091,157	4,868,570
Inter-segment revenue	(422,140)	-	(422,140)
External revenue	3,355,273	1,091,157	4,446,430
Results			
Interest income	16,624	2,695	19,319
Finance costs	(189,397)	(4,814)	(194,211)
Share of results of joint venture	-	39,925	39,925
Segment profit before tax	571,978	75,483	647,461
Segment assets			
Investment in joint venture	-	86,785	86,785
Other segment assets	9,721,107	882,180	10,603,287
Segment liabilities			
Borrowings	3,075,110	70,300	3,145,410
Other segment liabilities	1,033,459	199,297	1,232,756
Other segment information			
Capital expenditure	155,646	6,946	162,592
Depreciation and amortisation	225,042	26,242	251,284

Notes to the Financial Statements

34. SEGMENTAL INFORMATION (CONT'D.)

2023	Cement RM'000	Aggregates & Concrete RM'000	Total RM'000
Revenue			
Total revenue	3,208,424	882,448	4,090,872
Inter-segment revenue	(333,826)	-	(333,826)
External revenue	2,874,598	882,448	3,757,046
Results			
Interest income	10,196	2,198	12,394
Finance costs	(189,991)	(4,756)	(194,747)
Share of results of joint venture	-	36,402	36,402
Segment profit before tax	184,102	69,016	253,118
Segment assets			
Investment in joint venture	-	77,685	77,685
Other segment assets	10,051,661	841,892	10,893,553
Segment liabilities			
Borrowings	3,661,828	80,129	3,741,957
Other segment liabilities	1,114,294	160,472	1,274,766
Other segment information			
Capital expenditure	99,712	8,163	107,875
Depreciation and amortisation	239,730	31,226	270,956

Notes to the Financial Statements

34. SEGMENTAL INFORMATION (CONT'D.)

(a) Geographical Information

The Group operates in two principal geographical areas - Malaysia (country of domicile) and Singapore.

	Revenue		Non-current assets	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Malaysia	4,285,424	3,565,466	8,144,504	8,336,011
Singapore	161,006	191,580	89,725	90,777
	4,446,430	3,757,046	8,234,229	8,426,788

Non-current assets information presented above consist of the followings items as presented in the Statements of Financial Position.

	Non-current assets	
	2024 RM'000	2023 RM'000
Property, plant and equipment	2,418,200	2,636,342
Right-of-use assets	254,049	226,196
Investment properties	3,113	3,116
Intangible assets	5,558,867	5,561,134
	8,234,229	8,426,788

(b) Major customers

The following is the major customer with revenue equal or more than 10 per cent of the Group's revenue:-

	2024 RM'000	2023 RM'000	Segment
Infrastructure Company	*	483,560	Cement

* The revenue amount from this customer did not exceed the threshold of equal or more than 10% of the Group's revenue in financial year ended 30 June 2024.

There is no other customer whose revenue exceed the threshold of equal or more than 10% of the Group's revenue in financial year ended 30 June 2024.

Notes to the Financial Statements

35. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise its shareholders value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. There were no changes in the Group's approach to capital management during the year.

The Group monitors capital using a debt-to-capital ratio, which is net debts divided by total capital plus net debts. The Group includes within net debts, total borrowings less cash and cash equivalents. Capital includes equity attributable to the owners of the parent.

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Borrowings	3,145,410	3,741,957	2,024,610	2,115,550
Less: Cash and cash equivalents	(788,514)	(875,812)	(71,853)	(63,642)
Net debts	2,356,896	2,866,145	1,952,757	2,051,908
Equity attributable to owners of the parent	6,307,661	5,950,557	6,323,842	6,104,940
Capital and net debts	8,664,557	8,816,702	8,276,599	8,156,848
Debt-to-capital ratio (%)	27	33	24	25

Under the requirement of Bursa Securities' Practice Note No.17/2005, the Group is required to maintain a consolidated shareholders' equity equals to or not less than 25% of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less than RM40 million. The Group has complied with this requirement.

Notes to the Financial Statements

36. DIVIDENDS

	Group/Company			
	2024		2023	
	Gross dividend per share (sen)	Amount of dividend, net of tax RM'000	Gross dividend per share (sen)	Amount of dividend, net of tax RM'000
Dividends on ordinary shares paid in respect of:-				
Financial year ended 30 June 2024				
- First interim	4.0	53,250	-	-
Financial year ended 30 June 2023				
- interim	6.0	78,612	-	-
Dividend recognised as distribution to ordinary equity holders of the Company	10.0	131,862	-	-
Dividends on ICPS paid in respect of:-				
Financial year ended 30 June 2024				
- First interim	4.0	18,667	-	-
Financial year ended 30 June 2023				
- interim	6.0	28,000	-	-
Dividend recognised as distribution to ICPS holders of the Company	10.0	46,667	-	-
Total		178,529		-

On 21 August 2024, the Board of Directors declared a second interim dividend of 6 sen per ordinary share and 6 sen per irredeemable convertible preference share for the financial year ended 30 June 2024. The book closure and payment dates in respect of the aforesaid dividend are 30 October 2024 and 15 November 2024, respectively.

The Board of Directors does not recommend a final dividend for the financial year ended 30 June 2024 (2023: Nil).

37. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

The financial statements have been authorised for issue in accordance with a resolution of the Board of Directors on 26 September 2024.

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- Form of Proxy



Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Seventy-Fourth Annual General Meeting of Malayan Cement Berhad (the “**Company**”) will be held on Thursday, 5 December 2024 at 3.30 p.m. or at any adjournment thereof and will be conducted as a **fully virtual** meeting through live streaming, online remote participation and voting via the online meeting platform hosted on the TIIH Online System (“**TIIH Online**”) at <https://tiih.com.my> (“**Meeting Platform**”) to transact the following business:

AS ORDINARY BUSINESS

1. To lay before the meeting the Audited Financial Statements for the financial year ended 30 June 2024 together with the Reports of the Directors and Auditors thereon. ***Please refer Explanatory Note A***
2. To re-elect the following Directors who retire pursuant to Article 85 of the Company's Constitution:
 - (i) Dato' Seri Yeoh Seok Hong ***Resolution 1***
 - (ii) Dato' Sri Michael Yeoh Sock Siong ***Resolution 2***
 - (iii) Dato' Yeoh Soo Keng ***Resolution 3***
3. To approve the payment of fees to the Non-Executive Directors amounting to RM720,000 for the financial year ended 30 June 2024. ***Resolution 4***
4. To approve the payment of meeting attendance allowance of RM1,000 per meeting for each Non-Executive Director for the period from January 2025 to December 2025. ***Resolution 5***
5. To re-appoint HLB Ler Lum Chew PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. ***Resolution 6***

AS SPECIAL BUSINESS

To consider and, if thought fit, pass the following resolutions:

ORDINARY RESOLUTIONS:

6. **PROPOSED AUTHORITY TO ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016**

“THAT pursuant to Sections 75 and 76 of the Companies Act, 2016, the Directors be and are hereby empowered to allot and issue shares in the Company at any time until the conclusion of the next Annual General Meeting 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 to be issued does not exceed 10% of the total number of issued shares of the Company for the time being or such other percentage as prescribed by Bursa Malaysia Securities Berhad (“**Bursa Securities**”) 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 Securities.”

Resolution 7

Notice of Annual General Meeting

7. PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

“THAT subject to the Company’s compliance with all applicable rules, regulations, orders and guidelines made pursuant to the Companies Act, 2016, the provisions of the Company’s Constitution and Bursa Malaysia Securities Berhad (“**Bursa Securities**”) Main Market Listing Requirements (“**Listing Requirements**”) and the approvals of all relevant authorities, the Company be and is hereby authorised, to the fullest extent permitted by law, to buy back and/or hold from time to time and at any time such amount of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interests of the Company (“**the Proposed Share Buy-Back**”) provided that:

- (i) The maximum number of shares which may be purchased and/or held by the Company at any point of time pursuant to the Proposed Share Buy-Back shall not exceed 10% of the total number of issued shares of the Company for the time being quoted on Bursa Securities provided always that in the event that the Company ceases to hold all or any part of such shares as a result of, amongst others, cancellation of shares, sale of shares on the market of Bursa Securities or distribution of treasury shares to shareholders as dividend in respect of shares bought back under the previous shareholder mandate for share buy-back which was obtained at the Annual General Meeting held on 5 December 2023, the Company shall be entitled to further purchase and/or hold such additional number of shares as shall (in aggregate with the shares then still held by the Company) not exceed 10% of the total number of issued shares of the Company for the time being quoted on Bursa Securities;
- (ii) The maximum amount of funds to be allocated by the Company pursuant to the Proposed Share Buy-Back shall not exceed the retained profits of the Company at the time of purchase by the Company of its own shares; and
- (iii) The shares purchased by the Company pursuant to the Proposed Share Buy-Back may be dealt with by the Directors in all or any of the following manner:-
 - (a) the shares so purchased may be cancelled; and/or
 - (b) the shares so purchased may be retained in treasury for distribution as dividends to the shareholders and/or resold on the market of Bursa Securities and/or subsequently cancelled; and/or
 - (c) part of the shares so purchased may be retained as treasury shares with the remainder being cancelled; and/or
 - (d) transfer the shares, or any of the shares for the purposes of or under an employees’ shares scheme; and/or
 - (e) transfer the shares, or any of the shares as purchase consideration; and/or
 - (f) deal with the shares in any other manner as may be permitted by the applicable laws and/or regulations in force from time to time;

Notice of Annual General Meeting

AND THAT such authority shall commence upon the passing of this resolution, until the conclusion of the next Annual General Meeting of the Company or the expiry of the period within which the next Annual General Meeting is required by law to be held unless revoked or varied by Ordinary Resolution of the shareholders of the Company in general meeting, whichever occurs first, but so as not to prejudice the completion of a purchase made before such expiry date;

AND THAT the Directors of the Company be and are hereby authorised to take all steps as are necessary or expedient to implement or to give effect to the Proposed Share Buy-Back with full powers to amend and/or assent to any conditions, modifications, variations or amendments (if any) as may be imposed by the relevant governmental/regulatory authorities from time to time and with full power to do all such acts and things thereafter in accordance with the Companies Act, 2016, the provisions of the Company's Constitution and the Listing Requirements and all other relevant governmental/regulatory authorities."

Resolution 8

8. **PROPOSED RENEWAL OF SHAREHOLDER MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("RRPT")**

"THAT the Company and/or its subsidiaries be and is/are hereby authorised to enter into RRPT from time to time with the related parties as specified in section 2.3 of the Circular to Shareholders dated 30 October 2024 ("**Related Parties**") subject to the following:

- (i) the transactions are necessary for the day-to-day operations of the Company and/or its subsidiaries and are transacted on terms consistent or comparable with market or normal trade practices and/or based on normal commercial terms and on terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders; and
- (ii) disclosure is made in the annual report of the aggregate value of transactions conducted during the financial year pursuant to the shareholder mandate in accordance with the Bursa Malaysia Securities Berhad Main Market Listing Requirements;

THAT the mandate given by the shareholders of the Company shall continue to be in force until the conclusion of the next Annual General Meeting of the Company or the expiry of the period within which the next Annual General Meeting 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); unless revoked or varied by resolution of the shareholders of the Company in general meeting, whichever is the earlier;

AND THAT the Directors of the Company be authorised to complete and do such acts and things as they may consider expedient or necessary to give full effect to the shareholder mandate."

Resolution 9

Notice of Annual General Meeting

9. PROPOSED ISSUE OF OPTIONS

"THAT the Board and/or the options committee be and is hereby authorised at any time and from time to time throughout the duration of the Company's Employees Share Option Scheme ("**ESOS**") approved by the shareholders of the Company at the Extraordinary General Meeting held on 18 March 2022 to cause the offering and granting to the following persons, options to subscribe for up to 10% of the new ordinary shares of the Company available under the ESOS, subject always to such terms and conditions and/or any adjustments which may be made in accordance with the by-laws governing and constituting the ESOS and the Bursa Malaysia Securities Berhad ("**Bursa Securities**") Main Market Listing Requirements or any prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time:

- (i) Professor Datuk Ts. Ir. Dr. Siti Hamisah Binti Tapsir, an Independent Non-Executive Director of the Company, **Resolution 10**
- (ii) Yap Seng Chong, an Independent Non-Executive Director of the Company, **Resolution 11**
- (iii) Fong Yee Mei, an Independent Non-Executive Director of the Company, **Resolution 12**

PROVIDED ALWAYS THAT:

- (i) the directors and senior management of the Company and/or its eligible subsidiaries do not participate in the deliberation or discussion of their own respective allocation and the allocation to any persons connected to them;
- (ii) not more than 70% of the new ordinary shares available under the ESOS shall be allocated, in aggregate, to directors and senior management of the Company and/or its eligible subsidiaries; and
- (iii) not more than 10% of the new ordinary shares available under the ESOS shall be allocated to any individual who, either singly or collectively through persons connected with such person, holds 20% or more in the issued share capital (excluding treasury shares, if any) of the Company;

AND THAT the Board be and is hereby authorised to allot and issue from time to time such number of new ordinary shares to the abovementioned persons upon exercise of options under the ESOS."

By Order of the Board,

HO SAY KENG

Company Secretary

KUALA LUMPUR

30 October 2024

Notice of Annual General Meeting

Notes:

REMOTE PARTICIPATION AND VOTING

1. The Annual General Meeting ("AGM") will be conducted on a fully virtual basis **without a physical meeting venue** through live streaming, online remote participation and voting via the Remote Participation and Voting ("RPV") facilities provided by the Company's share registrar and poll administrator for the AGM, Tricor Investor & Issuing House Services Sdn Bhd ("Tricor") on its TIH Online at <https://tiah.com.my>. Please follow the procedures set out in the Administrative Guide for the AGM which is available on the Company's website at <https://www.ytlcement.my/meetings> to register, participate, speak (in the form of real time submission of typed texts) and vote remotely via the RPV facilities.

MEETING PLATFORM

2. The Meeting Platform, which is the deemed main venue of the AGM, is registered with MYNIC Berhad under Domain Registration Number: D1A282781. This fulfils Section 327(2) of the Companies Act, 2016 which requires the main venue of the meeting to be in Malaysia and the chairperson to be present at that main venue as clarified in the FAQs on Virtual General Meetings issued by the Companies Commission of Malaysia dated 8 June 2021.

PROXY

3. A member (including an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act, 1991 ("SICDA")) entitled to attend and vote at a general meeting of the Company may appoint not more than two (2) proxies to participate instead of the member at the AGM via the RPV facilities.
4. Where a member is an Exempt Authorised Nominee as defined under the SICDA, 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.
5. A proxy may but need not be a member of the Company. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
6. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer or attorney duly authorised in writing.
7. The appointment of proxy may be made in hardcopy form or by electronic means as specified below and must be received by Tricor not less than 48 hours before the time appointed for holding the AGM i.e. no later than **3 December 2024 at 3.30 p.m.:**

(i) In hardcopy form

The original Form of Proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified or office copy of that power or authority shall be deposited at the office of Tricor at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia,

or alternatively,

at its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

(ii) Electronically via TIH Online

The Form of Proxy can be electronically lodged with Tricor via TIH Online at <https://tiah.com.my>. Please follow the procedures set out in the Administrative Guide for the AGM.

8. For the purpose of determining a member who shall be entitled to attend the AGM via the RPV facilities, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd, in accordance with Article 59 of the Company's Constitution and Section 34(1) of the SICDA to issue a General Meeting Record of Depositors as at 28 November 2024. Only a depositor whose name appears on the General Meeting Record of Depositors as at 28 November 2024 shall be entitled to attend the said meeting or appoint proxy(ies) to attend and/or vote in his stead.

APPOINTMENT OF REPRESENTATIVES BY CORPORATE MEMBERS

9. For a corporate member who has appointed an authorised representative to participate and vote remotely via the RPV facilities, please deposit the original certificate of appointment of corporate representative with Tricor at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia,

or alternatively,

at its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia

before the time appointed for holding the AGM or adjourned meeting.

Explanatory Notes to Ordinary Business -

Note A

This Agenda item is meant for discussion only as under the provisions of Section 340(1)(a) of the Companies Act, 2016, the audited financial statements do not require formal approval of shareholders and hence, the matter will not be put forward for voting.

Payment of Directors' Benefits

In accordance with the requirements of Section 230(1) of the Companies Act, 2016, approval of the members is sought for the payment of meeting attendance allowance (a benefit) to the Non-Executive Directors of the Company. If Resolution 5 is passed, the meeting attendance allowance will be payable for such period at the quantum specified.

Notice of Annual General Meeting

Explanatory Notes to Special Business -

Resolution pursuant to Sections 75 and 76 of the Companies Act, 2016

Resolution 7 is a renewal of the general authority given to the Directors of the Company to allot and issue shares as approved by the shareholders at the Seventy-Third AGM held on 5 December 2023 ("Previous Mandate").

As at the date of this Notice, the Company has not issued any new shares pursuant to the Previous Mandate which will lapse at the conclusion of this AGM.

Resolution 7, if passed, will give the Directors authority to allot and issue ordinary shares at any time up to a maximum of 10% of the total number of issued shares of the Company for the time being or such other percentage as prescribed by Bursa Malaysia Securities Berhad, without convening a general meeting which will be both time and cost consuming. The mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to placement of shares, for purpose of funding future investment project(s), working capital and/or acquisitions.

Resolution pertaining to the Renewal of Authority to Buy-Back Shares of the Company

For Resolution 8, further information on the Share Buy-Back is set out in Part A of the Statement to Shareholders dated 30 October 2024 which is available on the Company's website at <https://www.ytlcement.my/meetings>.

Resolution pertaining to the Recurrent Related Party Transactions of a Revenue or Trading Nature ("RRPT")

For Resolution 9, further information on the RRPT is set out in Part B of the Circular to Shareholders dated 30 October 2024 which is available on the Company's website at <https://www.ytlcement.my/meetings>.

Resolutions on the Proposed Issue of Options ("Proposed Issue of Options")

The ESOS which was approved by the shareholders at the Extraordinary General Meeting held on 18 March 2022, was implemented on 30 March 2022. Under the terms of the by-laws governing and constituting the ESOS, Professor Datuk Ts. Ir. Dr. Siti Hamisah Binti Tapsir, Yap Seng Chong and Fong Yee Mei, who were appointed as an independent non-executive director of the Company on 30 May 2023 are eligible to participate in the ESOS. As Professor Datuk Ts. Ir. Dr. Siti Hamisah Binti Tapsir, Yap Seng Chong and Fong Yee Mei are deemed interested in the Proposed Issue of Options in respect of their own entitlement, they have abstained and will continue to abstain from deliberations and voting in respect of their own entitlement under the ESOS at the relevant Board of Directors' meetings. They will abstain from voting in respect of their direct and indirect shareholdings in the Company, if any, on the relevant resolution and have undertaken to ensure that persons connected with them will abstain from voting on the relevant resolution.

Statement Accompanying Notice of Annual General Meeting

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

1. DETAILS OF INDIVIDUALS WHO ARE STANDING FOR ELECTION AS DIRECTORS (EXCLUDING DIRECTORS STANDING FOR RE-ELECTION)

No individual is seeking election as a Director at the Seventy-Fourth Annual General Meeting of the Company.

2. GENERAL MANDATE FOR ISSUE OF SECURITIES IN ACCORDANCE WITH PARAGRAPH 6.03(3) OF BURSA MALAYSIA SECURITIES BERHAD MAIN MARKET LISTING REQUIREMENTS

Details of the general mandate/authority for Directors to allot and issue shares in the Company pursuant to Sections 75 and 76 of the Companies Act, 2016 are set out in the Explanatory Notes to Special Business of the Notice of Seventy-Fourth Annual General Meeting.

Form of Proxy

Malayan Cement
Berhad



CDS Account No.

(only for nominee companies)

Number of shares held

[Company No. 195001000048 (1877-T)]
(Incorporated in Malaysia)

I/We (full name in block letters) _____

Tel. No. _____

NRIC (new & old)/Passport/Company No. _____

of (full address) _____

being a member of **Malayan Cement Berhad** hereby appoint

Full name of proxy in block letters	NRIC (new & old)/Passport No. of proxy	Proportion of shareholdings to be represented	
		No. of shares	%

* and/or (delete as appropriate)

Full name of proxy in block letters	NRIC (new & old)/Passport No. of proxy	Proportion of shareholdings to be represented	
		No. of shares	%

or failing him/her, the Chairman of the Meeting as my/our proxy(ies) to vote for me/us on my/our behalf at the Seventy-Fourth Annual General Meeting (“**AGM**”) of the Company which will be conducted as a **fully virtual** meeting through live streaming, online remote participation and voting via the online meeting platform hosted on the TIIH Online System (“**TIIH Online**”) at <https://tiih.com.my> (“**Meeting Platform**”) on **Thursday, 5 December 2024 at 3.30 p.m.** or at any adjournment thereof.

My/Our proxy is to vote as indicated below:

No.	Resolution	For	Against
1.	Re-election of Dato’ Seri Yeoh Seok Hong		
2.	Re-election of Dato’ Sri Michael Yeoh Sock Siong		
3.	Re-election of Dato’ Yeoh Soo Keng		
4.	Approval of the payment of fees to the Non-Executive Directors		
5.	Approval of the payment of meeting attendance allowance to the Non-Executive Directors		
6.	Re-appointment of HLB Ler Lum Chew PLT as Auditors of the Company		
7.	Proposed authorisation for Directors to allot and issue shares		
8.	Proposed renewal of share buy-back authority		
9.	Proposed renewal of shareholder mandate for recurrent related party transactions of a revenue or trading nature		
10.	Proposed issue of options to Professor Datuk Ts. Ir. Dr. Siti Hamisah Binti Tapsir		
11.	Proposed issue of options to Yap Seng Chong		
12.	Proposed issue of options to Fong Yee Mei		

Please indicate with an “X” in the space provided whether you wish your votes to be cast “for” or “against” the resolution. In the absence of specific direction, your proxy will vote or abstain as he/she thinks fit.

Dated this _____ day of _____ 2024.

Signature(s)/Common Seal of Member

IMPORTANT NOTICE

The Meeting Platform, which is the deemed main venue of the AGM, is registered with MYNIC Berhad under Domain Registration Number: D1A282781. This fulfils Section 327(2) of the Companies Act, 2016 which requires the main venue of the meeting to be in Malaysia and the chairperson to be present at that main venue as clarified in the FAQs on Virtual General Meetings issued by the Companies Commission of Malaysia dated 8 June 2021. Members are to participate, speak (in the form of real time submission of typed texts) and vote remotely via the Remote Participation and Voting (“RPV”) facilities provided by Tricor Investor & Issuing House Services Sdn Bhd (“Tricor”) on its TIIH Online at the Meeting Platform.

Notes:-

1. A member (including an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act, 1991 ("SICDA")) entitled to attend and vote at a general meeting of the Company may appoint not more than two (2) proxies to participate instead of the member at the AGM via the RPV facilities.
2. Where a member is an Exempt Authorised Nominee as defined under the SICDA, 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.
3. A proxy may but need not be a member of the Company. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
4. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer or attorney duly authorised in writing.
5. The appointment of proxy may be made in hardcopy form or by electronic means as specified below and must be received by Tricor not less than 48 hours before the time appointed for holding the AGM i.e. no later than **3 December 2024 at 3.30 p.m.:**

(i) In hardcopy form

The original Form of Proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified or office copy of that power or authority shall be deposited at the office of Tricor at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, or alternatively, at its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

(ii) Electronically via TIIH Online

The Form of Proxy can be electronically lodged with Tricor via TIIH Online at <https://tiih.com.my>. Please follow the procedures set out in the Administrative Guide for the AGM.

6. Only members whose names appear on the General Meeting Record of Depositors as at 28 November 2024 shall be entitled to attend the AGM via the RPV facilities or appoint proxy(ies) to attend and/or vote in his stead.
7. For a corporate member who has appointed an authorised representative to participate and vote remotely via the RPV facilities, please deposit the original certificate of appointment of corporate representative with Tricor at either of the addresses stated in Note 5(i) above, before the time appointed for holding the AGM or adjourned meeting.

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AFFIX
STAMP

Tricor Investor & Issuing House Services Sdn Bhd
Share Registrar for the 74th Annual General Meeting of
Malayan Cement Berhad
Unit 32-01, Level 32, Tower A, Vertical Business Suite
Avenue 3, Bangsar South, No. 8, Jalan Kerinchi
59200 Kuala Lumpur

Then fold here

Fold this flap for sealing